

WAVE

ENTERTAINMENT



WAVE Entertainment Public Company Limited

Annual Report 2015

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

Table of Content

Report of the Chairman	1
Audit Committee Report	2 – 3
Nomination and Remuneration Committee Report	4
Risk Management Committee Report	5
Board of Directors	6
1. Policy and Nature of Business	7 – 16
2. Nature of Business	17 – 35
3. Risk Factors	36 – 40
4. General information and other important information	41 – 46
5. Capital Structure	47
6. Dividend Payment Policy	48
7. Management Structure	49 – 56
8. Corporate Governance	57 – 103
9. Corporate Social Responsibility	104 – 108
10. Internal Control and Risks Management	109 – 111
11. Transactions with persons who may have conflict of interests and related transactions	112 – 114
12. Financial Statements	115 – 174
13. Management Discussion, Analysis of Financial Positions and Operating Results	175 – 178

Report of The Chairman

Matthew Kichodhan

Chairman & CEO



Our Vision to become a leading "Lifestyle and Entertainment" Company has begun to take shape, and become a reality to provide our consumers with unique quality products, services, programs and entertainment to further enrich their lives. We have narrowed our interests in the Lifestyle sector to Food, 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 with the 50% acquisition of Index Creative Village Public Co. ("Index") in July 2015 giving the Entertainment business scale and a step change in capability to leverage. 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, 2014 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, will support Wave's position in Thailand as the leader in English education. WSE contributed Baht 716 million to Wave Group's Consolidated Sales in 2015 through 9 retail centres and 5 corporate centres. 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.

The second acquisition in the Food sector at the end of 2014 through Jeffer Restaurants Co. Ltd, enabled Wave to establish a scale food business through Jeffer's 79 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. Jeffer sales of Baht 723 million contributed to Wave's overall Consolidated Sales in 2015.

In July 2015, the third acquisition was made in the "Entertainment" sector with the purchase of 50% of Index Creative Village Public Co. Ltd ("Index"), a leading regional conglomerate group of Creative and Event organizers established over 25 years ago with a current footprint in the IndoChina countries, and now ranked 7th Agency in the World from Special Events Magazine, USA. Index was the success behind the famous Thai Pavillon at the Shanghai World Expo, the annual Dandaree Cultural show in Bagan, Myanmar, the musical Roi Duriyang in Bangkok and successful launch events of many global products in Thailand and in the region. Index will give Wave the scale, creative, and production capabilities to the "Entertainment" business, adding Bht 546 m to 2015 Consolidated Sales from July.

Our investment in Thai Solar Energy Public Company (TSE) continues to be a valuable asset since its IPO. Our holding of TSE post the listing stands at 20%. The market capital of TSE as of December 31st was Baht 6.8 Billion.

The Company continues to ensure emphasis on Good Corporate Governance improving its rating from "Good" to "Very Good" in the Corporate Governance Report of Thai Listed Companies in 2015 from the Thai Institute of Directors (IOD), supported by the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as from a "Very Good" to an "Excellent" rating from the Thai Investors Association in their assessment of our Annual General Meeting in 2015. 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 in our 3 business units of Food, Education & Entertainment. On behalf of the Board of Directors, I would like thank 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. Mr. Prasert Patradhilok as Chairman of the Audit Committee, M.L.Nalinee Hasadintra and Mr.Somsak Phayapdechachai, as Audit Committee Member. On April 30, 2015, the shareholders' meeting of company appointed Mr.Prasert Patradhilok in place of Mrs.Tipawan Wuttisarn who had been resigned from Director and Audit Committee Member.

During the year 2015, the Audit Committee had the meeting totally 4 times 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 2015 were as follows :

1. Reviewed adequate and appropriate of financial reports :

- Reviewed the interim and 2015 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 2015 were prepared in accordance with generally accepted accounting standards and were presented accurately and fairly with adequate and appropriate information disclosure.

2. Reviewed adequate and appropriate of 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 adequate and appropriate of internal control, risk management and internal audit systems.

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

- 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.
- 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.

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 2016, 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 2015 (Form 56-2) and in the annual information disclosure form as at December 31, 2015 (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 2015 results indicated that performance was "good".
- Reviewed audit committee charter.
- The Audit Committee has a duty and responsibility for regulatory policy and measures against the corruption. To ensure that the Company has complied with the law and ethical requirements.
- Record of attendance of the Audit Committee members is summarized as follows :

List of Audit Committee	Number of attendance / Total Meeting (times)
1. Mr.Prasert Patradhilok	3/3
2. M.L.Nalineee Hasadintra	4/4
3. Mr.Somsak Phayapdacharchai	3/4
4. Mrs.Tipawan Wuttisarn	1/1

On behalf of the Audit Committee



(Mr.Prasert Patradhilok)

(Mr. Prasert Patradhilok)

Chairman of the Audit Committee

17 February 2016

Nomination and Remuneration Committee Report

As of 31 December 2015, the Nomination and Remuneration Committee consists of 3 directors namely Ms. Manida Zimmerman as Chairman of the Nomination and Remuneration Committee and Mr. Tee Seeumpornroj and M.L. Nalinee Hastintra as member of the Nomination and Remuneration Committee.

In 2015, the Nomination and Remuneration Committee has performed its duties according to scope of duties and responsibilities assigned by the Board of Directors and organized 3 meetings. The matters which have been considered and approved by the Board of Directors of the Company as follows:

1. To select appropriate candidates to be appointed as the Company's directors to replace those directors who are retired by rotation and resigned by considering size, structure, and suitability to the organization, including making adjustment to be in line with the changing business environment, including considering qualified and knowledgeable person with vision, capabilities, and experience that would contribute to the Company's business operations.
2. To determine remuneration of the directors and sub-committees by considering policies, appropriateness and alignment to responsibilities and performance of the Company. The remuneration should be compared to benchmark of companies within the same industry as reported in survey on remuneration of listed companies.
3. To consider awards for the year 2015 and adjust employee salary for the year 2016 based on operating performance of each business.
4. The Nomination and Remuneration Committee has conducted self-assessment for the year 2015 under 3 categories namely structure and qualifications of directors, meetings, and roles and responsibilities. The assessment criteria of the Nomination and Remuneration Committee can be classified into 5 levels which are 4 = Excellent, 3 = Good, 2 = Sufficient, 1 = Low, 0 = Unsatisfactory. The self-assessment result indicates an overall average scores of 3.37 points (full scores of 4 points).

The Nomination and Remuneration Committee makes assessment on performance in order to report to the Board of Directors for acknowledgement on a regular basis. In 2015, the Nomination and Remuneration Committee has performed duties at its full capabilities with cautions, efficiency, transparency and independence, for the utmost benefits of the Company, its shareholders and other stakeholders, in line with the policy on good corporate governance.

On behalf of the Nomination and Remuneration Committee



Chairman of the Nomination and Remuneration Committee

16 March 2016

Risk Management Committee Report

The Board of Directors understands the importance of risk management of organization, which is considered part of good corporate governance and a fundamental that helps achieving objectives of Wave Group. Identification and management of risks will help Wave Group in making better decisions in respect of overall management, project management, financial and work process management and anticipating any circumstances that may occur so that the management may use that circumstance to consider strategy or determination process of objectives and create more efficient planning. The Company appointed the Risk Management Committee and, as of 31 December 2015, the committee consists of Dr. Cathleen Maleenont as the Chairman of the Risk Management Committee and Mr. Tee Seeumpornroj and Mr. Philipp O. Piaz as members of the Risk Management Committee.

The Risk Management Committee has the duties to determine risk management policy and risk management framework of the organization, monitor risk management procedures, follow up with compliance with strategy by units of the organization, provide advice relating to risk management to the Board of Directors, acknowledge results and progress of risk management by the organization, business unit, and departments, and any other duties assigned by the Board of Directors. In 2015, the significant matters that were considered by the meetings of the Risk Management Committee can be summarized as follows:

1. Review risk management policy whereby the Risk Management Committee has reviewed adequacy of compositions of risk management policy annually to ensure that it is suitable for organizational management.
2. Acknowledge significant organizational risks for the year 2015 and approve measures on management of risks.
3. Report to the Board of Directors on risks and measures on management of risks on a regular basis.
4. Self-assessment for the year 2015.

Based on the foregoing acts, the Risk Management Committee views that Wave Group has set policy on management of organizational risks that covers conducts of the group's core business and has determined measures to manage risk adequately and efficiently and in line with policy on good corporate governance and internal control system of the group and the relevant laws and regulations.

On behalf of the Risk Management Committee



(Dr. Cathleen Maleenont)

Chairman of the Risk Management Committee

16 March 2016

Board of Directors



Mr. Matthew Kichodhan

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



Mr. Prasert Patradhilok

- Independent Director and
- Chairman of Audit Committee



Mr. Somsak Phayapdacharchai

- Independent Director
- Member of Audit Committee and
- Member of Corporate Governance Committee



M.L. Nalinee Hastintra

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



Mr. Chaipranin Visudhipol

- Independent Director and
- Chairman of Corporate Governance Committee



Mr. Philipp Oliver Piaz

- Independent Director,
- Member of Risk Management Committee and
- Member of Corporate Governance Committee



Dr. Cathleen Maleenont

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



Ms. Piyawadee Maleenont

- Director,
- 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



Ms. Manida Zimmerman

- Director and
- Chairman of the Nomination and Remuneration Committee



Ms. Tracy Ann Maleenont

- Director

1. Policy and Nature of Business

Wave Entertainment Public Company Limited (“**WAVE**” or the “**Company**”) had been changed from its former name “CVD Entertainment Public Company Limited” to its current name since 30 April 2009, was incorporated on 2 September 1993 with the current registered 421.20 million ordinary shares with a par value of baht 1 each of Baht 421.20 Million and paid-up capital of Baht 324 Million. 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 has changed from Entertainment to Lifestyle & Entertainment. WAVE Group conducts the following businesses as follows:

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”)



6. Service business for creation and management of integrated marketing communications



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. "The Company's business plan, is in accordance with the objectives and vision of the company listed above with target financial of income not less than 10%"

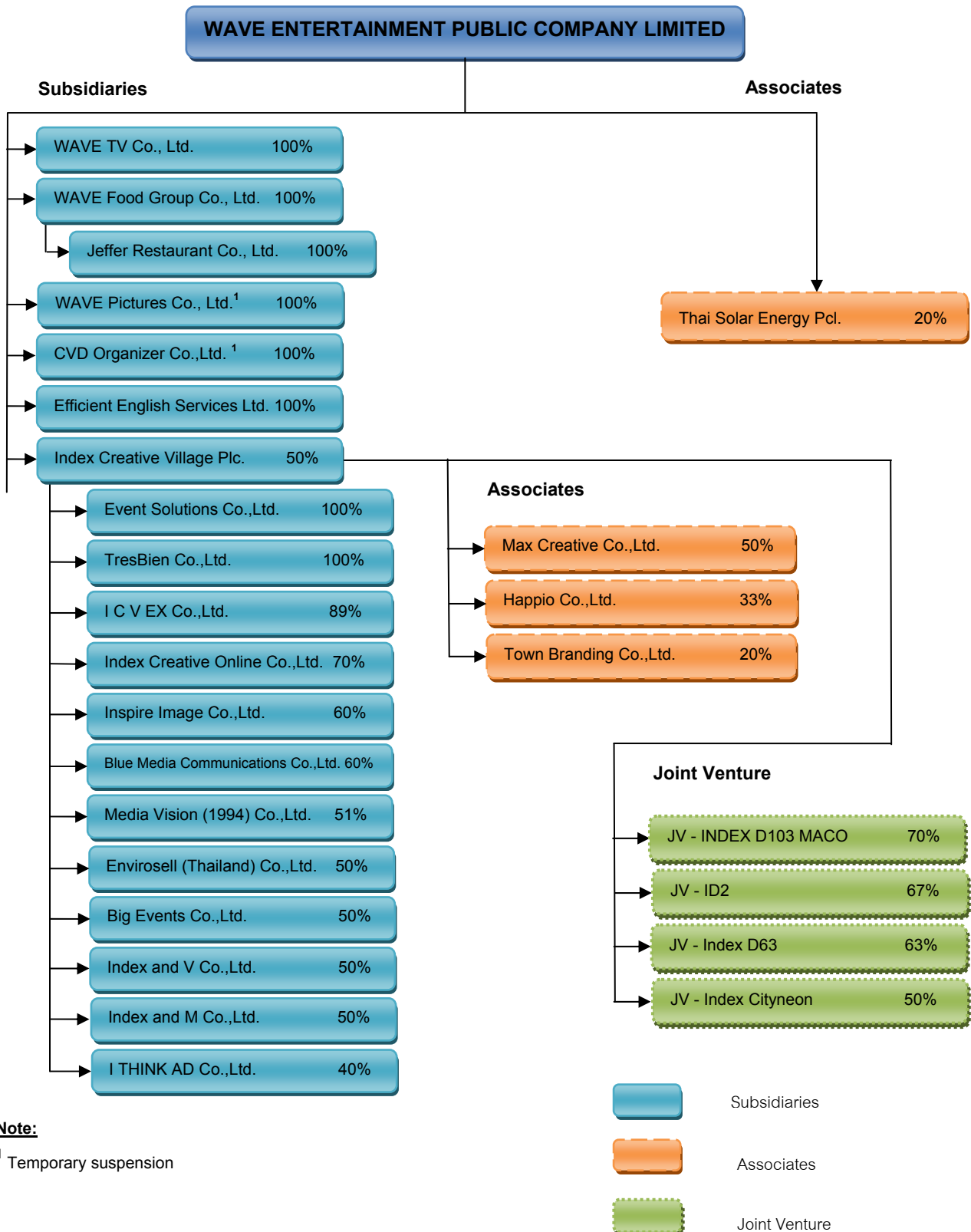
1.2 Key milestones and development of the Company

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 & Seafood” 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.
2015	<ul style="list-style-type: none"> On 30 June 2015, the Company expanded its entertainment business by acquiring 86 million shares, representing 50% of the issued and paid-up shares of Index Creative Village Pcl., which provide service business for creation and management of integrated marketing communications under the name “Index”, as approved by the Board of Directors No. 3/2015 held on 24 June 2015

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



Nature of business of each company within WAVE Group

(1) Wave Entertainment Public Company Limited (WAVE), and its Subsidiaries

Company	Business Type	Shareholding of the Company and others (if any) (as of 31 December 2015)
Wave Entertainment Pcl.	1. Copyright owner and distributor Thai dramas of Channel 3 2. Organizer of concerts and other events 3. Holding company	
<u>Wave's subsidiaries</u>		
1. WAVE TV Co., Ltd.	<ul style="list-style-type: none"> Television programs producer and distributor Seller of TV commercial air time 	100%
2. WAVE Food Group Co., Ltd. (Name change from WAVE TV and Movie Studios Co., Ltd.)	The company has restructured the business by changing its name and objective to investment company.	100%
3. Efficient English Services Ltd.	Private English language school	100%
4. Index Creative Village Plc.	Service business for creation and management of integrated marketing communications	50% (50% held by other individuals)
5. WAVE Pictures Co., Ltd.	Temporary suspension	100%
6 CVD Organizer Co., Ltd.	Temporary suspension	100%
<u>WAVE Food Group Co., Ltd.'s subsidiary</u>		
1. Jeffer Restaurant Co., Ltd.	<ul style="list-style-type: none"> Purchase and procurement of raw materials and equipment for conducting food and beverages business Restaurant business including sale of food and beverages 	100%
<u>Index Creative Village Plc.'s subsidiaries</u>		
1. Event Solutions Co.,Ltd.	Provision of equipment for entertainment events	100%
2. TresBien Co.,Ltd.	Decoration and provision of equipment for conferences and ceremonial events	100%
3. I C V EX Co.,Ltd.	Business events advisor and organizer	89% (11% held by other individuals)
4. Index Creative Online Co.,Ltd.	Consultancy, design and development services for web sites and flash media	70% (30% held by other individuals)

Company	Business Type	Shareholding of the Company and others (if any) (as of 31 December 2015)
5. Inspire Image Co.,Ltd.	Preparation, installation and removal of advertising boards	60% (40% held by other individuals)
6. Blue Media Communications Co.,Ltd.	Provision of publishing media design, production and distribution services	60% (40% held by other individuals)
7. Media Vision (1994) Co.,Ltd.	Light and sound system installation services for entertainment events	51% (49 % held by other individuals)
8. Envirosell (Thailand) Co.,Ltd.	Providing advisory services, research data analysis and survey of statistic	50% (50% held by other individuals)
9. Big Events Co.,Ltd.	Production of film and television programs and business events advisor and organizer	50% (50% held by Woody World Co.,Ltd.)
10.Index and V Co.,Ltd.	Business events advisor and organizer	50% (50% held by other individuals)
11.Index and M Co.,Ltd.	Business events advisor and organizer	50% (50% held by other individuals)
12.I THINK AD Co.,Ltd.	Advertising and public relations services	40% (60% held by other individuals)

(2) Associated Company

Company	Business Type	Shareholding of the Company and others (if any) (as of 31 December 2015)
<u>Wave's Associated</u>		
1. Thai Solar Energy Pcl.	To produce electricity from solar energy for sale to public and private sectors.	20% (42.80% held by P.M. Energy Co.,Ltd. and 37.20% held by others)
<u>Index Creative Village Plc.'s Associated</u>		
1. Max Creative Co.,Ltd.	Provider of integrated marketing communication and imagine advisor and management services	50% (50% held by Master Ad Pcl.)
2. Happio Co.,Ltd.	Provides online solutions, software design and development service. (Website and mobile application)	33% (0.5% held by Karon Business Consulting Co.,Ltd. and 66.50% held by other individuals)
3. Town Branding Co.,Ltd.	Media production	20% (80% held by Sam Hanuman Co.,Ltd.)

(3) Joint ventures

Company	Business Type	Shareholding of the Company and contract parties (as of 31 December 2015)
<u>Joint ventures controlled by Index Creative Village Plc.</u>		
1. JV - INDEX D103 MACO	Conceptual Design, Exhibition Show and Pavilion Management of Yeosu International Exposition 2012	70% (10% held by Design 103 International Co.,Ltd. and Design 103 Co.,Ltd. and 20% held by Master Ad Pcl.)
2. JV - ID2	Conceptual Design, Exhibition Show and Pavilion Management of The World Exposition Shanghai China 2010	67% (5% held by Design 103 International Co.,Ltd. and Design 103 Co.,Ltd. and 28% held by Ruamnakorn Construction (Thailand) Co.,Ltd.)
3. JV - Index D63	Conceptual Design, Exhibition Show and Museum Management of CP –Meiji Visitor Center	63% (37% held by D-63 Co.,Ltd.)
4. JV - Index Cityneon	Conceptual Design, Exhibition Show and Museum Management of Siriraj Museum	50% (50% held by Cityneon Display & Constructions (Thailand) Co.,Ltd.)

Note:

The joint ventures are in the process of liquidation.

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	2013		2014		2015	
			Revenues	%	Revenues	%	Revenues	%
Total revenues								
1. Restaurant	JEFFER	100	-	-	57	9	723	33
2. English language school	EES	100	-	-	464	70	716	33
3. Marketing Activity ¹	Index Group	50	-	-	-	-	546	25
4. Television programs producer and distributor	WAVE TV	100	179	62	65	10	98	4
5. Concert organizing services, music business and artist management	WAVE		57	20	42	6	84	4
6. Movies producer and distributor	WAVE Pictures	100	40	14	-	-	-	-
7. Other income	All Companies		13	4	38	6	16	1
Total revenues			289	100	666	100	2,183	100
Growth rates				60%		130%		228%

Remarks:

¹ The Company has acquired 86 million shares, representing 50% of the issued and paid-up shares of Index Creative Village PLC (Index) on 30 June 2015 and because the Company has control of Index. Then the Company has to fully recognize revenues, costs and expenses from marketing activities while sharing of the profits in proportion to their investment at only 50% since 1 July 2015

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	Middle of March 2012 to October 2015
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. Moreover, the advent of digital TV likely to result in improved market share for television in the advertising industry.

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**

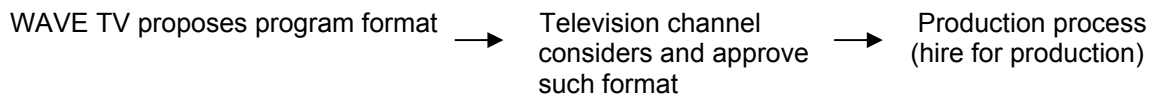
WAVE TV produces its own television programs and therefore it is the copyright owner of such programs. In addition, WAVE TV also manages the sales of air time by itself and the ratio of advertising to show time minutes is in accordance with a time-sharing agreement with the television channel.

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

The Company produced and broadcasted 1 drama series in 2015 namely “Kaew Ta Warn Jai”.



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 young man who is considered “lady” with a young woman who is considered “gentlemen”. They are fortuitous to stay together. The main reason of their meeting was “Mod-ta-noy”, a little girl who makes their heart vacillate.	

Since 2015 the company has been producing two TV series which name “Buang A Thi Tarn” and “Bun Lang Dok Mai” which expected to be broadcasted in 2016.



Program name:	“Buang A Thi Tarn”
Air date	Pending the broadcast
Air time	8.15 p.m. – 10.30 p.m.
Television Channel	Channel 3
Original air date	In 2016
Target audience	Suitable for all
Program description: “Buang A Thi Tarn” is a story about a stone that is heritage from the lost city. The origin of love and vindictiveness that was engraved long time ago. (mystery and return of previous life).	

Program name:	“Bun Lang Dok Mai”
Air date	Pending the broadcast
Air time	8.15 p.m. – 10.30 p.m.
Television Channel	Channel 3
Original air date	In 2016
Target audience	Suitable for all
Program description: “Bun Lang Dok Mai” is a story about the strange testament that make a naughty girl and arrogant boy stayed together with no choice. Their beginning will have quarrel but love happens between each other. The bad storm become the warm wind that makes the flower blooming and beautiful.	

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
"Buang A Thi Tarn"	Suitable for all
"Bun Lang Dok Mai"	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

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.

In 2015, the Company held 3 concerts with 4 shows including “The Palace and Friend (Restage)” for 1 show, “Nuvo Love Story” for 2 shows and “Yesterday Once More” for 1 show



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 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 43 years of experience, 450 centers in 28 countries worldwide and over 4 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 45,000 graduates, and in 2015, EES has 11,000 current students. Currently, EES has 8 centers in Bangkok and its perimeters plus 1 center in the economic provincial region of Chiangmai at the Central Festival Mall. Consequently, EES currently has 9 centers spread across the country.

In early 2016, EES plans to open 1 new center in Bangkok's outer area at the Central Westgate, Nonthaburi. Consequently, EES will have a total of 10 centers 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 fastest success for learners.

Industry outlook and competition

Since English has become an international language used worldwide for communication and connection and the Asean Economic Community (AEC) in 2015, the English language school market will be expanding even more widely.

WSE has opened its operations in Thailand for over 10 years with constant expansion, and being well-known and recognized for its unique learning method. In addition, Cambridge University in England has certified that WSE's course levels are in line with the language competence levels of CEFR (Common European Framework of Reference). Therefore, 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. At the same time, EES continuously focuses on its alumnus by promoting various campaigns that responds to the target group's needs and boost 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.

2.4 Restaurant business under the name of “Jeffer Steak & Seafood”

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 2015, Jeffer had the total revenue growth of 7% from 2014 and has 79 restaurants nationwide – 38 restaurants in Bangkok and 41 restaurants in other provinces. The restaurants are located in leading department stores in Bangkok and economical provinces. For ease of accessibility by customers, the locations 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 and is ready to continuously serve 4,000,000 customers per year.

- **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 valued 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 2015, Jeffer has 79 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 by expanding at least 6 branches in 2016.

- **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.

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.

2.5 Service business for creation and management of integrated marketing communications

Operated by Index Creative Village Public Company Limited (“Index”)



Nature of products or services

Index Creative Village is the conglomerate group of Creative Business Leaders in Thailand. The agency receives accolade in 7th Agency in World class ranking from Special Events Magazine U.S.A. Connecting over 15 Creative Hubs throughout the world and spreading the wing to ASEAN.

The company is not strong in the event only but also operating under the creative diversity. For over 25 years, the company works for local and oversea, especially the Thailand Pavilion at The World Exposition 2010 event in Shanghai, China. The Thailand Pavilion has been ranked as the nation's top 1-10 from popular building which ranked by more than 230 countries worldwide and reputed Thailand building design to be recognized and can support travelling in Thailand.

Moreover, the Company has created a reputation for the country in the International Exposition 2012 in Yeosu, South Korea and became popular pavilions from around the world and received many world class award.

Furthermore, the Company has another branch in Myanmar which can see opportunity to do business since 2012, for cover customer demand who prefer to extend their business to ASEAN. The company is very good for managing between domestic and oversea task by using Co-Creation system. For example using company strange, experience and combine their professional skills from different companies and partners

Currently the Company is a 'Hub of Creativity' in ASEAN which can sever customer demand in every dimension by 'Never Stop Creating' slogan by separate operations in 4 core business group.

(1) Creative Solutions: Marketing Services with Creativities consist of

- Event Creator
Servicing for strategy plan and event organization under Index Event Agency.
- TV Production
Produce TV program with creative and unique idea under Village Television.
- Digital Online
Consultants of online marketing plan and including application in mobile phone under Happio Co., Ltd.
- In-store Media
Produce and create for in store media and special innovation media under Blue Media Communications Co., Ltd.
- Communications, Advertising and PR
Strategic planning for public relation and marketing communication for both internal and external under Communications Unit.
- Museum & Exhibition
Organization of exhibition and fair under Museum & Exhibition : ME.

(2) Marketing Services

- Research Consulting
Research advisory in various aspects such as analyzing consumer behavior under Envirosell (Thailand) Co., Ltd.
- Marketing Consulting
Study the possibility of doing business and marketing, including analysis and strategic planning for the organization and work on special projects under Innovative Creator.
- Equipment Supply
Providing light and sound devices for marketing exhibition both local and foreign under Media Vision (1994) Co., Ltd. and Event Solutions Co., Ltd.
- Printing and Decoration
Providing all types of print jobs, including any decoration for shopping mall, restaurant and the office under Inspire Image Co., Ltd.
- Party and event
Under Tres Bien Co., Ltd.
- Production of video presentations with computer graphics, 3D animation and editing studio.
Under Index Studio

(3) Business in ASEAN (ASEAN Wings)

Creative marketing in the ASEAN with five strategic consist of the Event Marketing, Festive Event, consumer behavior insight research, integrated media platform and professional exhibition organizer to support the market. Under Myanmar Index Creative Village Co., Ltd. and ICVex Co., Ltd.

(4) Lifestyle Experience

Under Special project

- Domestic & International Concert
- Showbiz
- Live Festival Organization
- Traveling Exhibition (local and international)

Market and Competition

• Outlook

Overview of the market in 2015 was in stable situation. The business event is the same. Event is a business with have lots of fluctuations in various factors such as political, economic or natural disasters.

The market value of the business events is at 1.23 billion baht, which was steady from the year 2014 by a factor of political change in Thailand. The company believes that in the next year, in terms of policy and various projects of the government will contribute to the overall private sector and organizations forward budget for marketing activities to stimulate more sales which will focus on the promotion. The overview of events business in 2016 are going to be better direction refer from factors that come into the second half of 2015, driven by government policies and metro project Including major projects the government accelerated the auction to be completed by the end of 2015, so this is an important factor to stimulate the circulation of money in the economy as well. As a result, the purchasing power of consumers will be increase.

- **Target Customers**

The company focuses on public and private corporate which in local or oversea including world class brand. The portion of customer is 20% for government and private corporate for 80%

- **Distribution Channels**

The Company has created and worked with the foundation of Creative Business which is a key business driver by continuously innovating to make a difference. Specially, the Company uses the research to help serve the customer's need more precisely. The Company distributes through various channels both offline and online according to customer's need and the expertise of the Company to help communicate what customer needs more precisely and efficiently to help maintain its customer base in the country and lead to the opportunities in new market.

- **Competition**

The competitive condition in Events and Creative Business is intense because the technology is developing rapidly which help new player to get in to the business. However, most players are small to medium size which provide only specific product or service which does provide integrated solutions as Creative Business.

Procurement of products or services

The key success factor is using research and differentiation strategy. The company will focus on imagination and creation from real target customer and make it happen by three tools which are content from customer combine with creative and innovation then compound it to be new product which are different from others by using various channels, both offline and online depends on customer requires and for efficiency and can make more opportunity in new market.

3. Risk Factors

In year 2015, the Company's core business were (i) television program producer and distributor, (ii) concerts and events organizing services, (iii) English language school business under the trade name of "Wall Street English", (iv) restaurant business under the trade name of "Jeffer Steak & Seafood", and (v) service business for creation and management of integrated marketing communications

Risk factors of the year 2015 can be summarized as follows:

Risks relating to television program producer and distributor business

1. Risk from relying on one customer

As the Company produces and distributes television drama series only to Bangkok Entertainment Public Co., Ltd., it must carefully source high quality contents that match the audience's needs in order to ensure that the productions presented will receive the approval to be broadcasted.

2. Risk from the lack of personnel

The growth in digital TV has resulted in an increase in the number of television channels, each of which attempt to produce more drama series causing the lack of personnel in TV production. To avoid business disruptions from such risk, the Company has changed methods from hiring on a freelance basis to hiring on a Long Term Contract basis.

3. Alteration of production time from schedule

The typical time for a drama series production is around 6 to 8 months (depending on the complexity of each series). However, certain factors may disrupt the production process for example, unfinished movie scripts, actors become unavailable due to injuries or other factors. In the case of outdoor filming, the weather conditions may also affect the filming process, causing the disruption and lengthen the production time, resulting in higher production costs. The Company has consistently taken into consideration such risk and leveraged on its extensive experience by advanced planning including carrying out the evaluation of each project before the filming begins, and scheduling the shooting time to match the appropriate weather seasons in order to prevent foreseeable delays.

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 pattern is similar 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.

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. Risk relating to quality of food and standard of service

Wave Group places great importance on quality of food and standard of service as it directly relates to consumer's health. Therefore, raw materials must be fresh and of good quality since its raw materials consist of meat, seafood, vegetables, and bread which have short shelf-life. Therefore, Wave Group has set policy on purchasing and management of inventory by ordering and stocking enough raw materials on a day-to-day basis. Certain raw materials are directly sent from suppliers to branches. Areas are designated for storage of raw materials in both cool storage and freezer to retain freshness and full original conditions of the raw materials.

In respect of standard of services, Wave Group will provide training and development for branch employees and monitor performance of branch operations on a regular basis.

4. Risk from the lack of raw materials or the raw material price fluctuations

The Company gives great emphasis on the quality of foods and service. As consumers' health is directly related to the provision of restaurant business, the raw materials must be fresh and of good quality. Raw materials comprise of meat, poultry, seafood, vegetable and bread which have a short shelf life. Therefore, the Company has emplaced effective purchasing and inventory management policies by ordering and purchasing the materials sufficient for its required use on a daily basis. In addition, some raw materials are delivered directly from the distributors to restaurant branches. The Company has prepared both cool storage and freezer storage to maintain the freshness and preserve original conditions of the raw materials.

With respect to the standard of customer services, the Company has arranged regular training for the branch employees to enhance and improve their potential, as well as frequent performance assessment for the restaurant branches in order to ensure high quality of services.

Risks relating to Service business for creation and management of integrated marketing communications

1. Competition in event business

The main contributor of service business for creation is from event business both in Thailand and international markets. Event business is highly competitive with a number of small and large operators, as well as new entrants that increasingly take away market share. As a result, there are more operators to choose from and they are able to match the consumers' needs in various areas for different scales of event. Each company with its own expertise and selling points which presents challenges to the operators. Conducting event business requires the ability to adapt business model and constantly improve quality of services and creativity. The Company has continuously developed its human resources, products and services to uphold high quality of performance, for instance, the Company has regular training to develop and enhance the capability of its employees, resulting in highly skilled professionals in the area of products and services. The Company also has a dedicated team focusing on research and development of new technologies that produces and offers new alternatives to the market and the clients. This enables the Company to strengthen our brand in all fronts and maintain high quality of services that is acceptable internationally.

2. Risk from securing customers

The marketing budget are allocated to various forms of media such as TV, digital TV, radio, print, events, as well as online media which has increasing popularity with both the clients and consumers. This requires the marketing team to allocate spending carefully for each form of media as the maximum budget allocated to a particular type reduces while the overall budget is maintained. This presents a challenge for the operators and require that they identify key selling points or adjust the services conditions and present in a manner that match the consumer's needs, particularly for online media, where operators who are able to connect their services to online media gain marketing advantage. In this respect, the Company has leveraged on its research services and consultant team to evaluate business opportunity, as well as its integrated service providing and equipment rental business which is able to fully match the needs of the customers.

3. Risk relating to uncertainties of local economy and political situations

The uncertainties of local economy and political situations is important factor that affects various types of business, particularly event organization business. As such, many organizations have to adjust themselves and find channels to develop other business opportunities in order to substitute for such impacts. Such opportunities may be in the forms of expansion to other businesses. Likewise, Wave Group has set to expand businesses to overseas, particularly to countries in the ASEAN region. At present, Thailand has fully entered AEC and Wave Group had prepared for such entry 2 years in advance by starting event management business in the Republic of the Union Myanmar whereby the successful model used in Thailand was implemented in the Republic of the Union Myanmar. Our group provided various works for state and private sectors including the world-class brands. Our group, as center of creative works in the ASEAN region, connected investors and marketers worldwide to become interested in investing their businesses in the Republic of the Union Myanmar. In addition, Wave Group has expanded the business to Vietnam and other countries within our strategic plan such as Malaysia and Indonesia. Such expansion indicates that Wave Group can strongly expand its event management business to the ASEAN region. This is considered another revenue channel from business overseas which contributes to stability in the businesses of our group.

4. Risk relating to creating interests to online consumers

At present, the growth in online technology is an important factor that drives and alters consumer lifestyles. Consumer behavior has shifted from learning news from basic media channels such as television, radio, and newspaper to online which is faster, higher efficiency, and persuasive in an influential way. Such factor becomes a challenge to operators of event management business which must utilize various marketing tools to connect with target customers, both online and offline customers, to convey news and information and persuade them to participate in the event. Such utilization creates strength to event organization and management and responds best to needs of the consumers. Wave Group has done well in connecting and adjusting the business to respond to such needs as the Company not only provides services relating to creative works but also develops creative works that match the actual needs of customers and consumers by conducting research, providing supportive reasons, and responding to such needs. The results created by the Company are measurable and the Company provides online services and has expertise in communication. Therefore, the works produced by the Company fulfil various customers' needs and are best fit to the changing circumstances.

Overall risks of the group

1. 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.

2. 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.

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
Type of business	1. Copyright owner and distributor of Thai drama series of Channel 3 2. Concerts and events' organizer 3. Holding company
Register No.	0107536000978 (former: Bor Mor Jor 171)
Tel	(02) 665 – 6705
Fax	(02) 665 – 6750
Web site	www.wave-groups.com
Registered capital	Baht 421.20 million
Number and type of share	421.20 million ordinary shares with a par value of Baht 1 each
Paid-up capital	Baht 324 million
Number and type of share	324 million ordinary shares with a par value of Baht 1 each

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

Company	Business Type	Paid-up Shares		
		Type	Number	Par value (Baht)
<u>1.Wave's subsidiaries</u>				
1. WAVE TV Co., Ltd.	<ul style="list-style-type: none">Television programs producer and distributorSeller of TV commercial air time	Common Shares	5,000,000	10
2. WAVE Food Group Co., Ltd. (Name change from WAVE TV and Movie Studios Co., Ltd.)	The company has restructured the business by changing its name and objective to investment company	Common Shares	500,000	10
3. Efficient English Services Ltd.	Private English language school	Common Shares	630,000	10
		Preferred Shares	1,026,600	10
4. Index Creative Village Plc.	Service business for creation and management of integrated marketing communications	Common Shares	172,000,000	1
5. WAVE Pictures Co., Ltd.	Temporary suspension	Common Shares	1,000,000	100
6. CVD Organizer Co., Ltd.	Temporary suspension	Common Shares	100,000	10
<u>2.WAVE Food Group Co., Ltd.'s subsidiary</u>				
1. Jeffer Restaurant Co., Ltd.	<ul style="list-style-type: none">Purchase and procurement of raw materials and equipment for conducting food and beverages businessRestaurant business including sale of food and beverages	Common Shares	10,049,000	10
		Preferred Shares	49,000	10
<u>3.Index Creative Village Plc.'s subsidiaries</u>				
1. Event Solutions Co., Ltd.	Provision of equipment for entertainment events	Common Shares	330,000	100
2. TresBien Co., Ltd.	Decoration and provision of equipment for conferences and ceremonial events	Common Shares	75,000	100
3. I C V E X Co., Ltd.	Business events advisor and organizer	Common Shares	99,000	100
4. Index Creative Online Co., Ltd.	Consultancy, design and development services for web sites and flash media	Common Shares	50,000	100
5. Inspire Image Co., Ltd.	Preparation, installation and removal of advertising boards	Common Shares	60,000	100
6. Blue Media Communications Co., Ltd.	Provision of publishing media design, production and distribution services	Common Shares	50,000	100
7. Media Vision (1994) Co., Ltd.	Light and sound system installation services for entertainment events	Common Shares	408,910	100

Company	Business Type	Paid-up Shares		
		Type	Number	Par value (Baht)
8. Envirosell (Thailand) Co., Ltd.	Providing advisory services, research data analysis and survey of statistic	Common Shares	80,000	100
9. Big Events Co., Ltd.	Production of film and television programs and business events advisor and organizer	Common Shares	50,000	100
10. Index and V Co., Ltd.	Business events advisor and organizer	Common Shares	120,000	100
11. Index and M Co., Ltd.	Business events advisor and organizer	Common Shares	300,000	100
12. I THINK AD Co., Ltd.	Advertising and public relations services	Common Shares	50,000	25
<u>4.Wave's Associated</u>				
1. Thai Solar Energy Pcl.	To produce electricity from solar energy for sale to public and private sectors.	Common Shares	1,815,000,000	1
<u>5.Index Creative Village Plc.'s Associated</u>				
1. Max Creative Co., Ltd.	Provider of integrated marketing communication and imagine advisor and management services	Common Shares	50,000	100
2. Happio Co., Ltd.	Provides online solutions, software design and development service. (Website and mobile application)	Common Shares	900,000	10
3. Town Branding Co., Ltd.	Media production	Common Shares	50,000	100

Note:

Details of shareholding of WAVE in subsidiaries and associates are set out in the subject "Overview of businesses of the Company and its subsidiaries".

Wave Entertainment Public Company Limited, its subsidiaries, associated companies and joint ventures have a registered head office at Maleenont Tower, 15th Floor, No. 3199, Rama IV Road, Klongton Sub-district, Klongteoy, District Bangkok 10110, Tel. (02) 665 – 6705, Fax (02) 665 – 6750, except for the following companies:

Company	Head Office
1. Efficient English Services Ltd.	KamolSukosol Building, 317 Silom Road, Silom Sub-District, Bangrak District, Bangkok 10500 Tel (02) 660-3000
2. Jeffer Restaurant Co., Ltd.	11/58 Soi Sukhapiban 5 Soi 50 (Put Cheua Kaew), O Ngoen Sub-District, Sai Mai District, Bangkok 10220 Tel (02) 150 – 7104 – 5 Fax (02) 150 – 7106
3. Index Creative Village Plc.	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 725 – 9333 Fax (02) 713 – 0913
4. Event Solutions Co.,Ltd.	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 713 – 2211 Fax (02) 713 – 2433
5. TresBien Co.,Ltd.	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 381 – 4949 Fax (02) 390 – 2484
6. I C V EX Co.,Ltd.	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 713 – 3033 Fax (02) 713 – 3034
7. Index Creative Online Co.,Ltd.	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 713 – 2274 – 5 Fax (02) 390 – 2484
8. Inspire Image Co.,Ltd.	87 Soi Pattanakarn 20, Pattanakarn Road, Suan Luang Sub-District, Suan Luang District, Bangkok 10250 Tel (02) 717 – 8900 Fax (02) 717 – 7866
9. Blue Media Communications Co.,Ltd.	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 725 – 9333 Fax (02) 713 – 0913
10. Media Vision (1994) Co.,Ltd.	999, 999/9 Moo 2, Bangkhen, Mueng nonthaburi, Nonthaburi 11000 Tel (02) 951 – 0101 Fax (02) 965 – 9679 – 80
11. Envirosell (Thailand) Co.,Ltd.	957/28-30 Sukhumvit 71 Road, Klongtonnuea Sub-District, Wattana District, Bangkok 10110 Tel (02) 713 – 0312-5 Fax (02) 713 – 3331
12. Big Events Co.,Ltd.	957/28-30 Sukhumvit 71 Road, Klongtonnuea Sub-District, Wattana District, Bangkok 10110 Tel (02) 713 – 3814 Fax (02) 390 – 2484
13. Index and V Co.,Ltd.	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 725 – 9333 Fax (02) 390 – 2484
14. Index and M Co.,Ltd.	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 725 – 9333 Fax (02) 390 – 2484

Company	Head Office
15. I THINK AD Co.,Ltd.	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 713 – 1667 Fax (02) 390 – 2484
16. Thai Solar Energy Pcl.	Maleenont Tower 16th floor No.3199, Rama IV Road, Klongton Sub-district, Klongteoy, District Bangkok 10110 Tel (02) 661 – 2701 Fax (02) 661 – 2705
17. Max Creative Co.,Ltd.	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 713 – 1240 Fax (02) 390 – 2484
18. Happio Co.,Ltd.	139 Sethiwan Tower, Pan Road, Silom Sub-District, Bangrak District, Bangkok 10500 Tel (02) 731 – 5200 Fax (02) 004 – 8980
19. Town Branding Co.,Ltd.	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 713 – 1240 Fax (02) 713 – 1241
20. JV - INDEX D103 MACO	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 725 – 9333 Fax (02) 713 – 0913
21. JV - ID2	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 725 – 9333 Fax (02) 713 – 0913
22. JV - Index D63	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 725 – 9333 Fax (02) 713 – 0913
23. JV - Index Cityneon	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 725 – 9333 Fax (02) 713 – 0913

Reference persons

Share registrar	Thailand Securities Depository Co.,Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. (02) 009 - 9000 Fax (02) 009 - 9991
Auditor	1 PricewaterhouseCoopers ABAS Ltd. 15 th 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. E Y Office Limited ¹ 33 rd floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongteoy District, Bangkok 10110 Tel. (02) 264 – 9090 Fax. (02) 264 – 0789 – 90 Mr. Kritsada Lerdwana, Certified Public Accountant (Thailand) No. 4958
Legal counsel	Hunton & Williams (Thailand) Limited 34 th 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
Financial advisor	1. Siam Commercial Bank Public Company Limited 9 Ratchadapisek Road, Chatuchak District Bangkok 10900 Tel. (02) 777-7777

Remark

¹ The Company acquired 86 million shares or 50% of Index Creative Village Public Company Limited (“Index”) issued and paid-up capital on 30 June 2015. E Y Office Limited is as an auditor of Index’s 2015 financial statements.

5. Capital Structure

5.1 Company's Registered and Paid-up Capital

Registered and paid-up capital of the Company as of December 31, 2015:

Registered capital : Baht 421.20 million divided into 421.20 million ordinary shares with a par value of Baht 1

Paid-up capital : Baht 324 million divided into 324 million ordinary shares with a par value of Baht 1

Stock Exchange : The Stock Exchange of Thailand (SET)

5.2 Shareholders

The names of the top 10 shareholders (as of the book closing date on December 30, 2015) are as follows:

paid-up

Name	Number of Shares	% of the total number of shares
1. Maleenont family Group	129,685,580	40.03
1.1 Ms. Cathleen Maleenont	71,435,580	22.05
1.2 BEC World Public Company Limited	58,250,000	17.98
2. Mr. Veerasak Boonvornmethee	22,947,000	7.08
3. Mr. Pinai Jinapan	14,930,000	4.61
4. Ms. Nattawan Piyamahachot	12,598,000	3.89
5. Ms. Onyaporn Kanjanajaree	12,000,000	3.70
6. Mrs. Suwimol Leesuan	9,842,000	3.04
7. Mr. Theanvej Jeenapan	7,510,000	2.32
8. Mr. Sinchoke Piriyotaisakul	6,217,000	1.92
9. Mr. Pornprasert Kanjanajaree	5,891,000	1.82
10. Ms. Narueporn Kanjanajaree	5,850,000	1.81
Others	96,529,520	29.79
Total	324,000,000	100

Source: the name list of shareholders of WAVE Entertainment Public Company Limited. as of December 30, 2015.

5.3 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 a dividend policy which is to pay dividend to shareholders at a rate of no 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 annually, 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, 2015, 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	6	6
2. Mr. Prasert Patradhilok ¹	Independent Director Chairman of Audit Committee	5	5
3. Mr. Somsak Phayapdacharchai	Independent Director Member of Audit Committee Member of Corporate Governance Committee ²	6	6
4. M. L. Nalinee Hastintra	Independent Director Member of Audit Committee Member of the Nomination and Remuneration Committee	6	6
5. Mr. Chaipranin Visudhipol ³	Independent Director Chairman of Corporate Governance Committee ²	5	5
6. Mr. Philipp O. Piaz ⁴	Independent Director Member of the Risk Management Committee Member of Corporate Governance Committee ²	6	5
7. Dr. Cathleen Maleenont	Director Chairman of the Risk Management Committee	6	6
8. Ms. Piyawadee Maleenont	Director Member of the Risk Management Committee ⁵ Member of the Investment Committee	6	6
9. Mr. Tee Seeumpornroj	Director Member of the Nomination and Remuneration Committee Member of the Risk Management Committee Member of the Investment Committee	6	6
10. Ms. Manida Zimmerman	Director Chairman of the Nomination and Remuneration Committee	6	6

Name	Position	Board of Directors meeting	
		Times/ year	Attendance number
11. Ms.Tracy Ann Maleenont	Director	6	6
<u>Director who resigned in 2015</u>			
1. Mrs. Tipawan Wuttisarn ⁶	Independent Director Chairman of Audit Committee	1	1
2. Mr. Chansak Fuangfu ⁷	Independent Director	-N/A-	-

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 appointed to act as the Independent Director and Chairman of Audit Committee, effective from April 30, 2015.
- ² BoD appointed Corporate Governance Committee, effective from December 2, 2015.
- ³ appointed to act as the Independent Director, effective from February 26, 2015.
- ⁴ The director was engaged in other business and unable to attend all meetings.
- ⁵ resigned from the member of the Risk Management Committee, effective from February 26, 2015.
- ⁶ resigned, effective from April 30, 2015.
- ⁷ resigned, effective from February 25, 2015.

The shareholding the Company's securities by directors and senior management (including their spouses and minor children) as at December 30, 2014 compared with 2015 is as follows:

Name	Position	Number of shares		
		30 Dec 2014 ¹	30 Dec 2015 ²	Changes
1. Mr. Matthew Kichodhan	Chairman Chairman of the Investment Committee	-	-	-
(Spouse and minor children)		-	-	-
2. Mr. Prasert Patradhlok	Independent Director Chairman of Audit Committee	-	-	-
(Spouse and minor children)		-	-	-
3. Mr. Somsak Phayapdacharchai	Independent Director Member of Audit Committee Member of Corporate Governance Committee	-	-	-
(Spouse and minor children)		-	-	-
4. M. L. Nalinee Hastintra	Independent Director Member of Audit Committee Member of the Nomination and Remuneration Committee	-	-	-
(Spouse and minor children)		-	-	-
5. Mr. Chaipranin Visudhipol	Independent Director Chairman of Corporate Governance Committee	-	-	-
(Spouse and minor children)		-	-	-
6. Mr. Philipp O. Piaz	Independent Director Member of the Risk Management Committee Member of Corporate Governance Committee	-	-	-
(Spouse and minor children)		-	-	-
7. Dr. Cathleen Maleenont	Director Chairman of the Risk Management Committee	71.44 million shares ³ (22.05%)	71.44 million shares (22.05%)	-
(Spouse and minor children)		-	-	-
8. Ms. Piyawadee Maleenont	Director Member of the Risk Management Committee Member of the Investment Committee	-	-	-
(Spouse and minor children)		-	-	-

Name	Position	Number of shares		
		30 Dec 2014 ¹	30 Dec 2015 ²	Changes
9. Mr. Tee Seeumpornroj	Director Member of the Nomination and Remuneration Committee Member of the Risk Management Committee Member of the Investment Committee	-	-	-
(Spouse and minor children)		-	-	-
10. Ms. Manida Zinmerman	Director Chairman of the Nomination and Remuneration Committee	50,000 shares ³ (0.02%)	70,000 shares (0.02%)	Increase 20,000 shares
(Spouse and minor children)		-	-	-
11. Ms. Tracy Ann Maleenont	Director	-	-	-
(Spouse and minor children)		-	-	-
<u>Director who resigned in 2015</u>				
1. Mrs. Tipawan Wuttisarn	Independent Director Chairman of Audit Committee	-	-	-
(Spouse and minor children)		-	-	-
2. Mr. Chansak Fuangfu	Independent Director	-	-	-
(Spouse and minor children)		-	-	-

Remark

- ¹ The registered and paid-up capital of WAVE as of 30 December 2014 was in the amount of 324 Million Baht, divided into 32.4 million shares with a par value of Baht 10 each.
- ² The registered capital of WAVE as of 30 December 2015 was in the amount of 421.20 Million Baht, divided into 421.20 million shares with a par value of Baht 1 each and the paid-up capital was in the amount of 324 Million Baht, divided into 324 million shares with a par value of Baht 1 each.
- ³ The Company has registered the change to its par value from Baht 10 per share to Baht 1 per share on May 21, 2015. As a result, Dr. Cathleen Maleenont's shareholding changed from 7.14 million shares to 71.44 million shares and Ms. Manida Zinmerman's shareholding changed from 5,000 shares to 50,000 million shares.

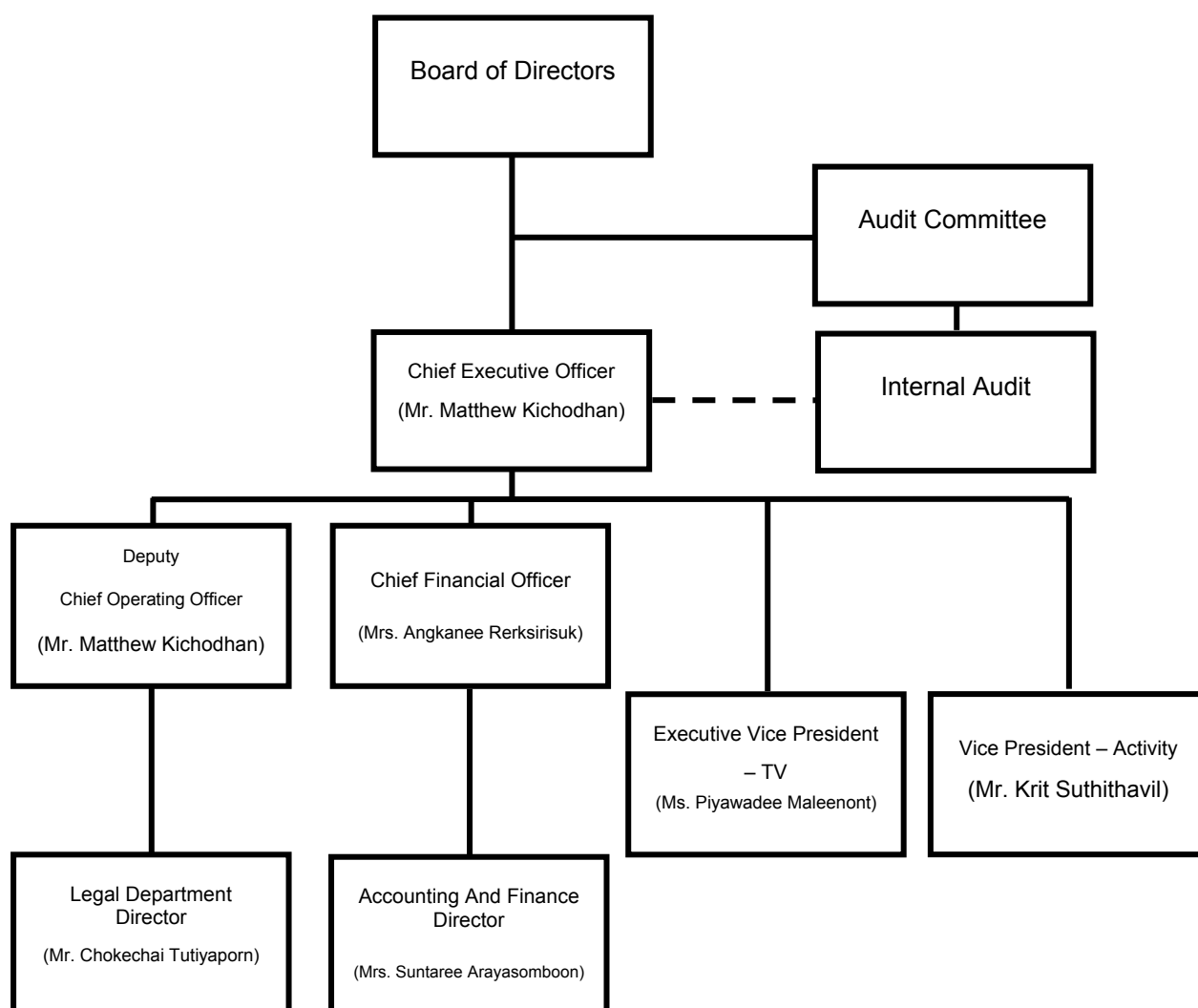
In 2015, all management (including their spouses and minor children) did not hold shares in the Company.

➤ **Management**

As of December 31, 2015, the Company had 6 executives 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. Mrs. Suntaree Arayasomboon	Accounting and Finance Director
6. Mr. Chokechai Tutiyaoporn	Legal Department 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, the Investment Committee and the Corporate Governance 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 2015, 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 : baht

Name	Position	Fix remuneration	Meeting Fee	Total monetary remuneration
1. Mr. Matthew Kichodhan	Chairman	420,000	32,000	452,000
	Chairman of the Investment Committee	180,000	-	180,000
2. Mr. Prasert Patradhilok ²	Independent Director ¹	160,000	25,000	185,000
	Chairman of Audit Committee	200,000	15,000	215,000
3. Mr. Somsak Phayapdacharchai	Independent Director ¹	240,000	30,600	270,600
	Member of Audit Committee	180,000	15,000	195,000
	Member of Corporate Governance Committee ³	-	-	-
4. M. L. Nalineee Hastintra	Independent Director ¹	240,000	30,600	270,600
	Member of Audit Committee	180,000	18,500	198,500
	Member of the Nomination and Remuneration Committee	120,000	12,000	132,000
5. Mr. Chaipranin Visudhipol ⁴	Independent Director ¹	202,000	25,000	227,000
	Chairman of Corporate Governance Committee ³	-	-	-
6. Mr. Philipp O. Piaz	Independent Director ¹	240,000	25,600	265,600
	Member of the Risk Management Committee	120,000	-	120,000
	Member of Corporate Governance Committee ³	-	-	-
7. Dr. Cathleen Maleenont	Director	240,000	30,600	270,600
	Chairman of the Risk Management Committee	180,000	4,200	184,200

Name	Position	Fix remuneration	Meeting Fee	Total monetary remuneration
8. Ms. Piyawadee Maleenont	Director	240,000	30,600	270,600
	Member of the Risk Management Committee ⁵	-	-	-
	Member of the Investment Committee	120,000	-	120,000
9. Mr. Tee Seeumpornroj	Director	240,000	30,600	270,600
	Member of the Nomination and Remuneration Committee	120,000	7,000	127,000
	Member of the Risk Management Committee	120,000	3,500	123,500
	Member of the Investment Committee	120,000	-	120,000
10. Ms. Manida Zimmerman	Director	240,000	30,600	270,600
	Chairman of the Nomination and Remuneration Committee	180,000	13,400	193,400
11. Ms. Tracy Ann Maleenont	Director	240,000	30,600	270,600
<u>Director who resigned in 2015</u>				
1. Mrs. Tipawan Wuttisarn ⁶	Independent Director ¹	80,000	5,600	85,600
	Chairman of Audit Committee	100,000	4,200	104,200
2. Mr. Chansak Fuangfu ⁷	Independent Director ¹	36,667	-	36,667
Total		4,738,667	420,200	5,158,867

Remark

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

² appointed to act as the Independent Director and Chairman of Audit Committee, effective from April 30, 2015.

³ BoD appointed Corporate Governance Committee, effective from December 2, 2015.

⁴ appointed to act as the Independent Director, effective from February 26, 2015.

⁵ resigned from the member of the Risk Management Committee, effective from February 26, 2015.

⁶ resigned, effective from April 30, 2015.

⁷ resigned, effective from February 25, 2015.

(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 short and long term 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 2015, the monetary remuneration was paid by the Company Group, consisting of salaries, bonuses and others, to the Management total 10 persons in the total amount of Baht 58.19 million.

(2) Other remuneration

(a) Other remuneration for Directors

The Company did not pay any non-monetary remuneration/other benefits to the board of directors other than the monetary remuneration, fix remuneration and meeting fee.

(b) Other remuneration for the Management

In 2015, the Company's subsidiary paid other remuneration namely provident fund to the 3 senior management in the total amount of Baht 0.18 million.

➤ 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 short and long term operating performance, business expansion and growth. As of December 31, 2015 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 total employee of 1,860¹, divided into 25 Company employees, and 1,835 subsidiary's employees. The total amount of remuneration for employees in 2015 was Baht 584.34 million^{1,2}.

Remark

¹ On 30 June 2015, the Company acquired 86 million shares or 50% of Index Creative Village Public Company Limited ("Index") issued and paid-up shares capital .

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 2015, the employees had enrolled in trainings at the average period of 9 hours per year, calculated based on total of 1,860 employees of Wave Group.

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 monitor the Company's operations, such as determining visions, strategies, business goals, plan and annual budgets, including monitoring the management, who accepts and implements policies in efficiency manner for the utmost benefits of all relevant parties. The Company's corporate governance policy is as follows:

- Corporate Governance Policy is part of the business operation policy which the Company's Board of Directors had monitored, amended and improved to match with the current circumstances, the changing conditions of the Company, economic and social situations, and to comply with additional policies 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.

Furthermore, the Company's Board of Directors had improved the corporate governance policy to match with the regulations 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 had informed the directors, executives, and employees to acknowledge such amendments.

The Board of Directors has audited the compliance to the policy in year 2015, which concludes that the Company's Board of Directors has fully complied with the relevant policy and procedures. However, some corporate governance policy implemented by the Company are different from the regulations on monitoring corporate governance policy of listed company of IOD as described below:

Guidelines/Good Corporate Governance Policy of IOD	Explanations of the Company
Chairman of the Board of Directors shall be an independent director.	The Company's chairman is not an independent director. However, the present chairman is suitable, experienced and capable of efficiently monitor the performance of duties of the Board of Directors, and fairly ensure the benefits of every parties.
Chairman of the Board of Directors and CEO shall be a 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

Guidelines/Good Corporate Governance Policy of IOD	Explanations of the Company
	Directors from that of the management, including any approval and operation shall be proceeded in accordance with authorizations approved by the Board of Directors.
Majority of the Board of Directors shall be independent directors.	As of 31 December 2015, 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 reconsidering setting the term of independent director to be not more than 9 years.
At least 1 member of the Audit Committee must have an accounting degree.	The Company is in the process of recruiting the Audit Committee so that the committee consists of at least 1 director who graduated in accounting.
All members of the Nomination and Remuneration Committee shall be independent directors.	As of 31 December 2015, The Nomination and Remuneration Committee of the Company consist of independent and non-executive directors. The Company's Board of Directors believes that the structure of such sub-committee is suitable to the current business and control structure of the Company.
The Board of Directors shall determine succession plan for high-level executives.	The Company views that it is important to have succession plan for the positions of CEO, and/or high ranking positions as part of its human resources management strategy in case such executive is unable to perform his/her duty, or such office become vacant. This will ensure effectiveness and continuity of the Company's operations.
At least two-thirds of all directors shall be present for voting an agenda of the meeting.	According to the Articles of Association, not less than half of all directors shall be present at the Board of Directors' meeting to constitute a quorum and the resolutions of the meeting shall be passed by majority vote. The Board of Directors believes that such resolution ratio is suitable to the Company's current conditions.

- Code of Conduct: The Company's Board of Directors had monitored, amended and improved code of conduct to match with the current circumstances, the changing conditions of the Company, economic and social situations, and to comply with the additional policy of Stock Exchange of Thailand or other monitoring organizations regularly. The Company had published and distributed to all directors, executives and employees as guidelines for honest and justly operation, including to the Company, every stakeholder, public and society, in which employees and executives shall sign for acknowledgement and consent to comply with the manual. In addition, the Company has monitoring program for the compliance, and established disciplinary actions, in which there is no issue of non-compliance with code of conduct found in year 2015.
- Connected transactions and transactions potentially leading to conflict of interest: according to the Company's policy, it has set the procedures regarding any connected transaction with the person potentially have conflict of interest that such transaction must be subject to the consideration of management, and introduce to the Board of Directors and/or the shareholders' meeting for approval in accordance with the Company's authorization matrix, articles of association, and the conditions of the SET's notifications 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 shall not be entitled to vote on such transaction and the information shall be fully disclosed for the overall benefits of the Company which is in compliance with the Company's good corporate governance policy.

Any transaction with major shareholders, director, executives or any related persons must be subject to the approval procedures as set by the Company's authorization matrix, articles of association, and the approval to such transaction is made by non-interest person.

The Board of Directors has always approved connected transactions and transactions potentially leading to conflict of interest with due care and complied 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, pricing 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, such as office lease in Maleenont Tower, purchase of copyright of Thai drama from Channel 3 Thailand, production of Thai TV drama for Channel 3 Thailand, and car park service fees in Maleenont Tower.

- Internal Control System and Internal Audit: The Board of Directors had established 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 clear and measurable objectives with business goals and budgets for each unit to achieve. The organizational structure has been formed with appropriate designations of segregation of responsibilities, proper policy on good corporate governance, code of conduct for all directors, executives and employees to follow strictly as guidelines and stipulations of prohibitions on directors, executives and employees from behaving in ways that could bring about conflicts of interest to the Company. Policies and procedures have also been laid down in respect 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 performed according to the designated policy, and report to the Audit Committee. Furthermore, the Internal Audit Department shall prepare evaluation on sufficiency and appropriateness of the Company's internal control system and report to the Audit Committee and the Board of Director annually. The most recent report by the Audit Committee to the Board of Directors was in the Board of Directors' Meeting No. 1/2016 held on 17 February 2016, 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 accounting system to stipulate monitoring guidelines, timeline, and scope of the operation. In 2015, the auditor found no material issue that potentially requires the improvement in internal control system.
- Risk Management: The Company always takes 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 hold a meeting to consider risks arising from economic conditions and competition, including seeking for ways to manage such risks. In 2015, the Company found no risk that could materially has an impact on the Company materially.

The Company realizes the significance 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 and performance of the Board of Directors, transparent disclosure, and strict monitoring 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, and the Company's website to facilitate every stakeholder to access such information easily through various channels.

Moreover, the Company gives opportunities to every stakeholder to suggest their opinions through letter or email to Corporate Communications & Investor Relations, for which suggestions will be gathered and screened before reporting to the Executive Committee and the Company' Board of Directors.

The Board of Directors realizes the importance of good corporate governance to have transparent business operations, increase competitive capacity, and increase confidence to all shareholders, investors, 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 additional values to the business in the long term, perform their duties and manage the business with due care and efficiency for the utmost benefit of every shareholders, including preventing the occurrence of conflict of interest and being responsible to his/her act and decision.
- Operate with transparency, verifiable, with adequate information disclosure to every relevant persons.
- The Company also prepares code of conduct for all directors, executives and employees to follow strictly as guidelines since April 2003, which is from time to time subject to any amendment to match with the current circumstances, the changing conditions of the Company, economic and social situations, and to comply with the additional regulations as set by SET or other supervisory agencies. 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 Company had published code of conduct and distributed to the relevant units as guidelines for fair and honest performance. The employees and executives are required to acknowledge and consent to comply with such code of conduct.
- The Company was evaluated on corporate governance of listed company by Thai Institute of Director under the support from SET and SEC in 2015. According to letter no. PorThorTor.(Wor) 1/2015, dated 19 October 2015 of IOD., the Company was given 87 scores or "Very Good", from the total of 588 listed companies being evaluated in 2015. The average score was 75 scores. The Company was rated "Very good", which was higher than 2013 and 2014 rating of "Good".
- The Company was evaluated on quality of its annual general meeting in 2015 (Annual General Meeting Checklist). According to letter no. TIA. 129/2015 dated 8 June 2015 of Thai Investor Association, the Company was given 96.25 scores or "Excellent", from the total of 575 listed company being evaluated in 2015. The average score was 92.68 scores. The Company was rated as "Excellent", which was higher than 2013 and 2014 rating of "Very good".

- The Company was evaluated on the level of sustainability of anti-corruption measures of listed company by Thaipat Institute under the support from SEC. According to the letter no. TorPor.581007 dated 7 October 2015 of Thaipat Institute, the Company was assessed with compliance on sustainability of anti-corruption measures of Level 3, reflecting the level of the Company's anti-corruption measures such as no bribery to governmental officers and no involvements with corruption and any person involving corruption, and objection to any person involving corruption. Measures include an assessment to identify any activity of the Company or its subsidiary of which there is potential risk of involvement in corruption, communication and training for staffs to gain knowledge on policy and guidelines for anti-corruption, ensuring policy compliance and reassessment of appropriateness of the policy from time to time and report to the Audit Committee and the Board of Directors for consideration and approval on a regular basis in case of any amendment to the policy.
- 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 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 and express their vote and opinions freely.

Apart from the abovementioned 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' rights to attend the meetings and the right to vote on resolutions will be clearly mentioned in the notice to shareholders' meeting;
3. Every shareholder is entitled to propose agenda of the meeting, nominate person to hold the director's office, and submit the question prior to the meeting date which the Company has notified timeline to accept any questions through channel of SET and the Company's website.

In 2015, the Company encourages shareholders to participate in the shareholders' meeting by allowing them to propose the agenda of which they view essential to be the agendas of the 2016 shareholder's meeting, nominate potential candidates with capabilities and qualifications to hold the director's office, including submitting questions prior to the 2016 AGM, which encourage shareholders to submit their questions through the Company's website (www.wave-groups.com) from 1 October 2015 to 31 December 2015. However, 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 any person, to act as their proxy, using proxy forms attached to the notice of the meeting. The forms can also be downloaded from the Company's website.
5. Before the start of the meeting, the chairman of the meeting will declare the method of counting votes for each agenda and shareholders' rights. The Company shall start the meeting when the number of shareholders and authorized proxies have formed the required quorum. The chairman runs the meeting according to the agendas in order as specified in the notice of the meeting and shareholders could express their comments and queries on each agenda. On the meeting day, the registration to attend the meeting will be opened for 1.5 hours before the meeting commences.
6. In each 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 cards from shareholders who disagree or abstain to support the voting results in each agenda. The shareholders may examine the details after the meeting.

The Company appointed Hunton & Williams (Thailand) Limited, legal counsel, to act as intermediary in the annual general meeting 2015 to carry on the meeting with transparency, completeness, 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. The Company has provided shareholders with sufficient information on such matters. Should shareholders have questions or enquiries, 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 suggestions are recorded in the minute of the meeting.
9. For any agenda of the meeting, the shareholders can call for a secret ballot if one of them makes such request with approval of five other shareholders.
10. In respect of the agenda concerning remuneration of the directors, information regarding the amount and type of compensation to each director, comprising of fix remuneration and meeting fees, are disclosed to the shareholders. In case of any change in the amount of remuneration, such change must be approved by the shareholders' meeting.
11. The Company Secretary is responsible to prepare and keep the minutes of meeting, which has been reviewed by the Board of Directors during the next Board of Directors' meeting. Such minutes 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 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 nominate such matter to the shareholder's meeting to consider including it as agenda of the meeting. In case of complaint, independent directors shall investigate facts and find appropriate 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, no minority shareholders proposed any matter to be included in the agenda of the meeting or nominate any person to hold the office of director or submit prior questions or complaints. The 2015 shareholder's meeting was carried by agendas as designated in the invitation letter with no additional agenda being added without prior notification to the shareholders. In the appointment of directors agenda, the votes were made on an individual basis for which directors and executives have disclosed 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 directors' shareholding as an 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, namely 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 disclose for the purpose of sale or 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 disclosure of such information, and within 3-5 days after the disclosure.

In addition, the Company has a policy governing directors and high ranking executives (including their spouses and minor children), to report the acquisition or sale of the Company's shares 1 day prior to the date of acquisition or sale, by reporting to the Board of Directors or authorized person, or company secretary. The shareholdings in the Company's securities by directors and high ranking executives (including their spouses and minor children) are reported to the Board of Directors quarterly.

3. As for the shareholders' meeting, the Company sends the proxy forms which the shareholders 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 has commenced, have the right to vote on the agenda being discussed at that time and no resolution has been made on such agenda. The attendance by such shareholders will be counted as quorum from such agenda onwards, unless the meeting viewss 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 guidelines on treatments to the various group of stakeholders as part of its code of ethics. The guidelines can be summarized as follows:

▪ 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 for verification on 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 suggestion 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 after tax.

▪ 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.

▪ Policy on non-violation of human rights

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 conducts 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 2015, 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 2015, 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 information 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 and 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) One-third of the Board of Directors must consist of independent 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 2015 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 6 sub-committees, namely the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Investment Committee, and Corporate Governance 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 compliance with the laws and regulations relating to the Company's business.
- 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, the Board of Directors has set a policy that an independent director may lose his/her independency if holding the position of independent director for 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 are two out of the four directors namely, Mr. Matthew Kichodhan, Ms. Cathleen Maleenont, Ms. Piyawadee Maleenont or Mr. Tee Seeumpornroj can jointly sign with the Company's seal affixed to bind the Company.
3. The Board of Directors shall set vision, mission, strategy, and business policies on an annual basis 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.

The Company has set authorizations of the Board of Directors under "Authorization Matrix" of the Company and its associated companies and subsidiaries. The Board of Directors has the authority to approve the following matters:

- 1) Determination on business policies of the group
- 2) Determination on authorization and business conduct of the Company, except for matters which must be proposed to shareholders for approval such as capital increase, capital reduction, issuance of debentures, assignment of rights, amendment to the Company's memorandum of association or articles of association
- 3) Determination on the group structure
- 4) Determination on meeting allowance and remuneration for directors (for further approval through the Nomination and Remuneration Committee prior to proposing to the shareholders' meeting for approval)
- 5) Approval on annual budget of the group
- 6) Investment in new project or new company through proposal by the Investment Committee (if the determined amount of investment exceeds the significant threshold as defined under the notifications of the SET and the SEC concerning acquisition or disposal of assets, connected transactions, and information disclosure, such transaction shall be approved by the Board of Directors' meeting or the shareholders' meeting in accordance with the relevant notifications)
- 7) Financials including withdrawals and deposits such as opening and closing of accounts with banks/financial institutions and determination of bank authorized signatories and authorized amount, loan and guarantee including opening of the bank's O/D facility, loan and issuance of guarantee from banks or financial institutions, and determination on financial policies and management (through proposal by the Investment Committee)
- 8) Employment, appointment, rotation, promotion, dismissal and determination on salaries, wages and other type of remuneration to executives at the level of chief executive officer of the group, through proposal by the Nomination and Remuneration Committee
- 9) Debt compromise and bad debt write-off (per debtor)
- 10) Approval on any project which exceeds the annual budget (20% in excess of the approved budget) or approval on any project outside of the annual budget (with the required amount of exceeding Baht 30 million)
- 11) Fixed assets write-off (by considering net book value) through demolition or charity
- 12) Approval on connected transactions (connected transactions between the Company or its subsidiary and any person with potential conflict of interest pursuant to the definition by SEC or SET) (if the determined amount exceeds the significant threshold as defined under the notifications of the SET and the SEC concerning acquisition or disposal of assets, connected transactions, and information disclosure, such transaction shall be approved by the Board of Directors' meeting or the shareholders' meeting in accordance with the relevant notifications)

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 to the Board of Directors and executives of the Company on compliance with 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)	Role of the Nomination and Governance Committee (RNG)	Anti-Corruption: The practical Guide (ACPG)
1. Mr. Matthew Kichodhan	Class no. 57/2006	Class no. 95/2007		
2. Mr. Prasert Patradhilok ¹	Class no. 48/2005	Class no. 20/2002		Class no. 15/2014
3. Mr. Somsak Phayapdacharchai	Class no. 49/2006			
4. Mr. Chaipranin Visudhipol ²		Class no. 88/2007		
5. Dr. Cathleen Maleenont	Class no. 9/2004	Class no. 150/2011		
6. Mr. Tee Seeumpornroj	Class no. 113/2014			
7. Ms. Manida Zinmerman		Class no. 8/2001	Class no. 2/2012	
8. Ms. Tracy Ann Maleenont	Class no. 61/2007			

Remark:

¹ Mr. Prasert Patradhilok was appointed as independent director and chairman of the Audit Committee on 30 April 2015

² Mr. Chaipranin Visudhipol was appointed as independent director on 26 February 2015 and as chairman of the Corporate Governance Committee on 2 December 2015

The Company's policy is to support participation by directors in programs organized for directors. Over 73% of members of the Board of Directors has participated in the abovementioned programs.

In addition, the Company's directors continuously attended the following courses or seminars to increase their knowledge relating to performance of their duties in 2015.

No.	Course	Date
<u>Mr. Matthew Kichodhan</u>		
1.	"Top Executive Program in Energy (TEA-6)" Organized by: Thailand Energy Academy	15 January – 18 June 2015
2.	"Thailand CG Forum: Governance as a driving force for business sustainability" Organized by: Stock Exchange of Thailand	28 October 2015

Mr. Prasert Patradhilok		
1.	Financial advisor under the concept "Guidelines on reduction of IPO period" Organized by: Office of the Securities and Exchange Commission and Investment Banking Club, Association of Thai Securities Companies	26 February 2015
2.	Internal audit unit : important tool for audit committee Organized by: KPMG Phoomchai Audit Ltd.	18 August 2015
3.	Update and Impact : New Accounting Standard 2015 Organized by: Investment Banking Club, Association of Thai Securities Companies	25 August 2015
4.	Credit Rating : How to be prepared for assessment Organized by: Stock Exchange of Thailand and Investment Banking Club, Association of Thai Securities Companies	3 September 2015
5.	Risk Oversight : High Priority Roles Of the Board Organized by: Stock Exchange of Thailand	9 September 2015
6.	Good internal control system for potential IPO company Organized by: Investment Banking Club, Association of Thai Securities Companies	1 October 2015
7.	Guidelines on anti-corruption measures for business unit Organized by: Investment Banking Club, Association of Thai Securities Companies and Partnership Against Corruption for Thailand (PACT Network)	20 October 2015
Mr. Tee Seeumpornroj		
1.	"Thailand CG Forum: Governance as a driving force for business sustainability" Organized by: Stock Exchange of Thailand	28 October 2015

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.

In 2015, performance evaluation of the Board of Directors was carried out on both individual and collective basis. The Company Secretary prepared such evaluation form for performance evaluation on the Board of Directors based on the form prepared by Good Governance Development & Alliance Department, the Stock Exchange of Thailand, which was posted on the Stock Exchange of Thailand's website and used it as criteria for assessment of the Board of Directors' performance. The Board Self-Assessment can be divided into 5 levels namely 4 = Excellent Performance / 3 = Good Performance / 2 = Adequate Performance / 1 = Slight Performance / 0 = No Performance

- The evaluation of the Board of Directors' performance (collective basis) can be assessed on six main topics:

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

The overall results of performance evaluation on the Board of Directors (collective basis) in 2015 is with average scores of a good level.

- The evaluation of the Board of Directors' performance (individual basis) can be assessed on three main topics:

- (1) Structure and qualifications of the Board of Directors
- (2) Board of Directors' meetings
- (3) Roles, duties and responsibilities of the Board of Directors

The overall results of performance evaluation on the Board of Directors (individual basis) in 2015 is with average scores of a good level.

2) Performance evaluation of the sub-committees

The Company has established a policy that performance of each sub-committee shall be evaluated on annual basis in order to review performance of duties by the sub-committees and provide 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.

In 2015, performance of the following sub-committees was evaluated: Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Investment Committee. The Company Secretary prepared evaluation form for such performance evaluation based on the form posted by Good Governance Development & Alliance Department, the Stock Exchange of Thailand on the Stock Exchange of Thailand's website and used it as criteria for assessment of the sub-committees and/or adjusted according to scope of duties and responsibilities under charter of each sub-committee. The self-assessment can be divided into 5 levels namely 4 = Excellent Performance / 3 = Good Performance / 2 = Adequate Performance / 1 = Slight Performance / 0 = No Performance

- The evaluation of sub-committee's performance can be assessed on three main topics:

- (1) Structure and qualifications of the sub-committee
- (2) Meetings of the sub-committee
- (3) Roles, duties and responsibilities of the sub-committee

The overall results of performance evaluation on the sub-committees in 2015 can be summarized as follows:

- the performance of the Audit Committee is at average scores of a good level.
- the performance of the Nomination and Remuneration Committee is at average scores of a good level.
- the performance of the Risk Management Committee is at average scores of a good level.
- the performance of the Investment Committee is at average scores of a good level.

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 an 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.

In 2015, the Nomination and Remuneration Committee assessed performance of the Chief Executive Officer. The Company Secretary prepared evaluation form for performance evaluation of highest level executive based on the form posted by Good Governance Development & Alliance Department, the Stock Exchange of Thailand on the Stock Exchange of Thailand's website and used it as criteria for assessment of the Chief Executive Officer. The assessment can be divided into 5 levels namely 4 = Excellent Performance / 3 = Good Performance / 2 = Adequate Performance / 1 = Slight Performance / 0 = No Performance.

The Nomination and Remuneration Committee assessed the performance of the Chief Executive Officer on ten main topics:

- (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) Succession plan
- (9) Knowledge of products and services
- (10) Personal characteristics

The overall results of performance evaluation on the Chief Executive Officer in 2015 is with average scores of a good level.

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 5 sub-committees as follows:

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

1) Audit Committee

The Audit Committee consists of at least 3 independent directors, for which Mr. Prasert Patradhilok acts as Chairman of the Audit Committee. He 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 policies and 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 2015, the Audit Committee comprises of:

Name	Position	Status
1. Mr. Prasert Patradhilok ¹	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	

Remark

¹Mr. Prasert Patradhilok was appointed on 30 April 2015

Audit Committee's term of office

The term of office of the Audit Committee is 3-year term of office. The latest term is from 1 January 2015 to 31 December 2017. Upon completion of the term, the members of the Audit Committee may be reappointed. 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 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 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 appropriateness and adequacy of the Company's internal control system, risk management system and internal audit system;
 - (6.3) an opinion on the Company's compliance with laws on securities and exchange, regulations of the Stock Exchange and the laws relating to the Company's business;
 - (6.4) an opinion on suitability of the external auditor;

- (6.5) an opinion on connected transactions and 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 overall 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 operating results to the Board of Directors for rectification within the period of time that the Audit Committee thinks fit:
- (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 regulations 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. The Audit Committee has the duties and responsibilities to govern policies and anti-corruption measures to ensure that the Company has complied with its duties under the prescribed laws and code of ethics.
11. To do any other matters assigned by the Board of Directors of which the Audit Committee agrees.

2) Nomination and Remuneration Committee

The Board of Directors has appointed the Nomination and Remuneration Committee who 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 candidate was proposed for the position of director by minority shareholders in 2015.

As of 31 December 2015, the Nomination and Remuneration Committee comprises of:

Name	Position	Status
1. Ms. Manida Zimmerman	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	Member of the Nomination and Remuneration Committee	Non-executive director
Ms. Suntree Arayasomboon	Secretary of the Nomination and Remuneration Committee	

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 2015 consists of:

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

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 2015 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	Member of Investment Committee	Non-executive Director
	Mrs. Angkanee Rerksirisuk	Secretary of Investment Committee	

Scope of duties and responsibilities of the Investment Committee

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

1. To determine overall investment policy and subsequently propose to the Board of Directors for 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

5) Corporate Governance Committee

The Board of Directors realizes the importance of Good Corporate Governance and had a resolution to appoint the Corporate Governance Committee in the Board of Directors' Meeting No. 6/2015 held on 2 December 2015 to support operations of the Company to be line with good corporate governance principles with appropriateness and transparency, including creating confidence and respect to shareholders, investors, and all stakeholders.

As of 31 December 2015, Corporate Governance Committee consists of:

Name	Position	Status
1. Mr. Chaipranin Visudhipol ¹	Chairman of the Corporate Governance Committ	Independent Director
2. Mr. Somsak Phayapdacharchai ¹	Member of the Corporate Governance Committe	Independent Director
3. Mr. Philipp O. Piaz ¹	Member of the Corporate Governance Committe	Independent Director
Mrs. Angkanee Rerksirisuk ¹	Secretary of the Corporate Governance Committ	

Remark

¹ Appointed on 2 December 2015

Scope of duties and responsibilities of the Corporate Governance Committee

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

1. To determine corporate governance policy, code of conduct, and guidelines on corporate social responsibility (CSR) of Wave Group to propose to the Board of Directors for approval and compliance at every level.
2. To provide advice to the Board of Directors on good corporate governance, code of conduct, and corporate social responsibility.
3. To promote and govern business activities of the Company and performance of duties by the Board of Directors, executives and employees to be in line with policy on good corporate governance, code of conduct and guidelines on corporate social responsibility.
4. To examine and update policy on good corporate governance, code of conduct and guidelines on corporate social responsibility of Wave Group on a regular basis to ensure that policy on good corporate governance, code of conduct and guidelines on corporate social responsibility of Wave Group are up-to-date and in line with guidelines of international standard including laws, rules, regulations and notifications of the Stock Exchange of Thailand or other supervisory agencies and propose to the Board of Directors for approval.
5. To report results of performance to the Board of Directors for acknowledgement or approval.
6. To perform other duties assigned by 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 criteria in choosing new director by using the board skill matrix to determine qualifications of nominated director to be in line with the Company's business strategies. The Company will concentrate with persons who have knowledge, ability experience in various areas (Board Diversity) such as professional skills, expertise, gender, good working background, leadership, vision and moral and ethics, including good attitudes to organization, time to be devoted for benefits of the Company's business. In addition, it shall consider the qualifications that are appropriate and in accordance with component and structure of directors and 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 shareholder has 1 vote for each share
- (2) each shareholder may exercise his/her votes pursuant to item (1) above to appoint 1 or more persons to be directors
- (3) the person who obtains the highest votes will be appointed 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 short-term and long-term operating 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 has expanded its entertainment business to include provision of creative agency and media and marketing communication management services under the name “Index” through acquisition of 86 million shares or 50% of issued and paid-up capital of Index Creative Village Public Company Limited. The Company has entered into shareholder agreement with the existing shareholders in respect of management of such 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 Code of Conduct 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 their spouse and minor children) to report securities trading of the Company at least 1 day before trading day by notifying the Board of Directors or any person authorized by the Board of Directors or the Company's secretary.

This includes providing report on the shareholding by directors and senior management (including their spouses and minor children) to the Board of Directors on a quarterly basis.

- 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 2015, 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 audit fees to PricewaterhouseCoopers ABAS Ltd. and AC Audit & Consult Ltd. for the period between 1 January 2015 to 31 December 2015, in total of Baht 2,730,000, details of which 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	800,000
7	Jeffer Restaurant Co., Ltd	Mr. Kajonkiet Arunpairojanakul	1,100,000
Total			2,730,000

Remark

The Company purchased 86 million shares or 50% of the issued and paid up capital of Index Creative Village Public Company Limited (Index) on 30 June 2015. Index paid audit fees for the financial year 2015 in the amount of Baht 1.80 million.

2) Non-audit fee

In 2015, the Company did not pay any non-audit fee to the audit firm of 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 month 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 entitle to one vote, where the director who has conflict of interest shall not attend the meeting and/or not entitle 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.

On 25 February 2015, the Audit Committee attended a meeting with the external auditor PricewaterhouseCoopers ABAS Ltd. without presence of the management.

List of directors attending meetings of the Board of Directors and sub-committees in 2015:

(Unit: no. of times)

Name of Director	Board of Directors (11 persons) total of 6 times/year	Audit Committee (3 persons) total of 4 times/year	Nomination and Remuneration Committee (3 persons) total of 3 times/year	Risk Management Committee (3 persons) total of 3 times/year	Annual General Meeting 2015 Date 30 April 2015
The Board of Directors					
1. Mr. Matthew Kichodhan	6/6				1
2. Mr. Prasert Patradhilok ¹	5/5	3/3			-N/A-
3. Mr. Somsak Phayapdacharchai	6/6	3/4			1
4. M. L. Nalinee Hastintra	6/6	4/4	3/3		1
5. Mr. Chaipranin Visudhipol ²	5/5				1
6. Mr. Philipp O. Piaz	5/6			0/1	1
7. Dr. Cathleen Maleenont	6/6			1/1	1
8. Ms. Piyawadee Maleenont ³	6/6			0/1	1
9. Mr. Tee Seeumpornroj	6/6		2/3	1/1	1
10. Ms. Manida Zimmerman	6/6		3/3		1
11. Ms. Tracy Ann Maleenont	6/6				1
<u>Directors resigned in 2015</u>					
1. Mrs. Tipawan Wuttisarn ⁴	1/1	1/1			1
2. Mr. Chansak Fuangfu ⁵	-N/A-				-N/A-

Remark:

1. Appointed as independent director and chairman of the Audit Committee on 30 April 2015
2. Appointed as independent director on 26 February 2015 and as the Chairman of the Corporate Governance Committee on 2 December 2015
3. Resigned from the position of Risk Management Committee on 26 February 2015
4. Resigned on 30 April 2015
5. Resigned on 25 February 2015

2) Code of Conduct

In operating its business, the Company does not only focus on achieving the designated business goals, but also to forms and methods of operation that lead to business goal achievement. The Company adheres to ethical principles, including fairness and morality as principles of its conducts and connects with all stakeholders. The Board of Directors expect that the directors, executives, and every employees of the Company to acknowledge, commit and adopt such principles into their performance of duties, to maintain good reputation of the Company and pride of the employees, which leads the Company to become a good corporate governance organization which will create confidence to shareholders, investor, and every stakeholders.

The Board of Directors has considered and approved the latest “Code of Conduct” which is published on the Company’s website. The Code of Conduct covers 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 has communicated with the Board of Directors, executives, and employees for acknowledgement of the content by preparing Code of Conduct in booklet and distributed to all stakeholders to be used as guideline on performance of duties with honesty and fairness, including having them sign for acknowledgement and commit to comply with such Code of Conduct.

The Board of Directors, executives, and employees must strictly adhere to the Code of Conduct. Any omission or violation shall be subject to procedures and penalties as set out in the Company's work rules and, if such act is considered illegal, subject to penalty under the laws.

3) Anti-Bribery and Corruption Policy

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 anti-corruption 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 latest issue of "Anti-Bribery and Corruption Policy" 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 anti-corruption laws. It also outlined below how to check, manage and monitoring of compliance with Anti-Bribery and Corruption Policy to ensure that the policy is being followed. The policy and guideline can be summarized as follows:

1. Directors, executive, and employee at every level must comply 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 compliance with the Code of Conduct.
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's management has organized self-assessment (CSA: Control Self-Assessment) which covers risks that may arise from dishonesty or corruption on a regular basis and reconsider and update risk management measures to appropriately prevent risks to be at acceptable level.
5. The Company will protect those who notifies act of corruption in relation to the Company, in accordance with the Whistleblower Procedures of the Company.

6. A person who involved in act of corruption is considered violating the Code of Conduct 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.
7. 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.
8. 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.

The Company has announced its intention to participate in Private Sector Collective Action Coalition Against Corruption (CAC). In this connection, the Company has received response that it may announce such intention pursuant to the letter of CAC no. IOD 434/2015 dated 28 December 2015. The Company has acknowledged conditions to participate the project and certification procedures.

4) Whistleblower Procedures

The Board of Directors has considered and approved the latest “Whistleblower Procedures Policy” which is published on 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 2015.

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 establishes policies that financial reports must be submitted to the responsible department and sufficiency and appropriateness of its internal control system shall be assessed at least once a year.

(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, accuracy, transparency, trustful, consistency, and timely and unbiased information 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 respect of relationship with investors, the Company has established Corporate Communications & Investor Relations Unit to communicate with institutional investors, shareholders, analysts, including supervisory agencies and relevant government sectors. Investors 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

➤ 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 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 latest issue of “Anti-Bribery and Corruption Policy” 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 anti-corruption law. It also outlined below how to check, manage and monitoring of compliance with Anti-Bribery and Corruption Policy to ensure that the policy is being followed. The policy and guideline can be summarized as follows:

- (1) The directors, executives and all employees must follow the anti-bribery 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's management has organized self-assessment (CSA: Control Self-Assessment) which covers risks that may arise from dishonesty or corruption on a regular basis and reconsider and update risk management measures to appropriately prevent risks to be at acceptable level.
- (5) The Company shall protect those that refuse or notify any corruption that occurred within the Company as specified in the Company's Whistleblower Procedures.
- (6) 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.
- (7) 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.
- (8) 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.

The Company has announced its intention to participate in Private Sector Collective Action Coalition Against Corruption (CAC). In this connection, the Company has received response that it may announce such intention pursuant to the letter of CAC no. IOD 434/2015 dated 28 December 2015. The Company has acknowledged conditions to participate the project and certification procedures.

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 2015, 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 the 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 2015, in order to encourage and support education, the executives and employees of WAVE Group have donated money and English books to library, renovation of the cafeteria and the walkways around the stadium of Wadworaputsungkawas School, Phan Thong District, Chonburi Province.



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 E Y Office Limited¹

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. 1/2016 held on February 17, 2016, 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 Company acquired 86 million shares or 50% of Index Creative Village Public Company Limited ("Index") issued and paid-up shares capital on 30 June 2015, the auditor for the financial statements 2015 of Index was E Y Office Limited

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 2015, 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**

Head of Internal Audit

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.

In 2015, the Audit Committee engaged an independent third party auditor namely KPMG Phoomchai Business Advisory Ltd. and Miss Pimwadee Panthumkamol as Head of Internal Audit. As the Head of Internal Audit is experienced in internal audit of companies with similar business. She is suitable and can adequately perform such duties.

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).

Head of Compliance

The Company assigns Ms. Anchalee Puttapatimok as Head of Compliance to govern and monitor compliance by the Company with regulations of supervisory agencies of the Company's business. The qualifications of the Company's Heads of Compliance are set out in Attachment 3 of the annual registration statement (Form 56-1).

11. Connected Transactions

Transactions with persons who may have conflict of interests and connected transactions

WAVE Group's connected transaction policy for transactions between the Company or its subsidiaries and any person with potential conflict of interest (both present and future conflicts) is to conduct such transactions with normal business terms. The connected transactions were made with fairness, at the market price, and in accordance with the fair and at arms' length principle of the Company and comply with the SET's regulations. The Board of Directors has always approved transactions potentially leading to connected transactions and conflict of interest with due care where the utmost benefit of the Company is prioritized.

The connected transactions between the Company or its subsidiaries and persons with potential conflict of interest are disclosed in the notes to the financial statements no. 31 and the Annual Disclosure Report (Form 56-1) having details as follows:

1) Sales of goods and services

Company	Relationship	Related transactions	For the year ended 31 December 2015
1.1 Sales of goods and services total amount 86.15 MB			
WAVE TV Co., Ltd. VS BEC World Pcl.	BEC World Pcl., the Company's majority shareholders, holding 18% of the registered share capital	Drama production service income, which to be broadcast television Channel 3	Amount of 47.84 MB
WAVE TV Co., Ltd. VS The Bangkok Entertainment Co., Ltd.	The 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 37.80 MB
Wave Entertainment Pcl. VS Thai Solar Energy Pcl.	Thai Solar Energy Pcl., an associated of WAVE, holding 20% of the registered share capital	Income from event planning services	Amount of 0.51 MB

2) Purchases of goods and services

Company	Relationship	Related transactions	For the year ended 31 December 2015
2.1 Cost of rendering of services total amount 37.80 MB			
WAVE TV Co., Ltd. VS The Bangkok Entertainment Co., Ltd.	The Bangkok Entertainment Co., Ltd., a subsidiary of BEC World Public Company Limited, the Company's majority shareholders, holding 18% of the registered share capital	Advertising expenses (derived in in parallel with income from film royalties broadcasted through television stations by way of timesharing)	Amount of 37.80 MB
2.2 Selling and administrative expenses total amount 8.30 MB			
WAVE Group VS Millionaire Property Fund by Maleenont Tower Co., Ltd.	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 5.96 MB
Wave Entertainment Pcl. VS Thai Ticket Major Co., Ltd.	Thai Ticket Major Co., Ltd., same majority shareholders as the Company	Charge for ticket sales fee	Amount of 2.34 MB
2.3 Others total amount 0.55 MB			
WAVE TV Co., Ltd. VS P.Prime Property Co., Ltd.	P.Prime Property Co., Ltd., The member of management is a Director of the Company	Rental warehouse	Amount of 0.28 MB
Wave Entertainment Pcl. VS BEC-TERO Entertainment Pcl.	BEC-TERO Entertainment Pcl., a subsidiary of BEC World Public Company Limited, the Company's majority shareholders, holding 18% of the registered share capital	Show tickets fee	Amount of 0.27 MB
WAVE Group VS Maleenont Tower Co., Ltd.	Maleenont Tower Co., Ltd., same majority shareholders as the Company	Parking fees	Amount of 0.008 MB
Wave Entertainment Pcl. VS Bangkok Television Co., Ltd.	Bangkok Television Co., Ltd., a subsidiary of BEC World Public Company Limited, the Company's majority shareholders, holding 18% of the registered share capital	Royalty expenses Limited	Amount of 0.006 MB

(3) Borrowing / Lending

Item	Between	Balance As of 31 December 2015	Interest Rate
Borrowing	1. Wave Entertainment Pcl. VS WAVE's subsidiary	Amount of 128 MB	bearing interest rate of bank fixed deposits rate plus 1.75% per annum, and there was no specified repayment date.
	2. Between WAVE's subsidiaries	Amount of 14.50 MB	bearing interest rate of 6.50% to 6.75% per annum, and there was no specified repayment date.
Lending	1. WAVE's subsidiaries VS associated	Amount of 3.33 MB	bearing interest rate of bank fixed deposits rate plus 2% 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 2015, 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 E Y Office Limited 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 The Company acquired 86 million shares or 50% of Index Creative Village Public Company Limited ("Index") issued and paid-up shares capital on 30 June 2015, the auditor for the financial statements 2015 of Index was E Y Office Limited

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 2015, 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

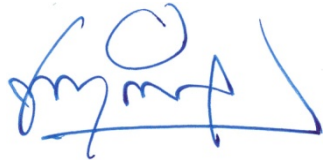
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 2015, 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
17 February 2016

Wave Entertainment Public Company Limited
Statements of Financial Position
As at 31 December 2015

		Consolidated		Company	
		Restated			
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014
Notes		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	8	159,520,297	151,235,392	5,855,224	40,829,132
Short-term investments	9	19,329,446	17,529,946	4,329,446	5,529,946
Trade and other receivables	10	424,589,255	73,549,507	32,695,008	26,956,502
Short-term loans to related parties	31 d)	3,333,150	-	-	-
Inventories	11	29,103,659	27,011,517	-	-
Television programmes, movies and concerts production in progress		35,236,919	34,764,806	-	12,762,897
Other current assets	12	101,685,800	57,612,129	21,743,476	31,368,107
Total current assets		772,798,526	361,703,297	64,623,154	117,446,584
Non-current assets					
Deposit at bank used as collateral		1,684,000	831,000	-	-
Investments in subsidiaries	13.3	-	-	1,263,018,871	833,018,871
Investments in associate	13.1	831,484,731	697,850,213	427,050,000	427,050,000
Interests in joint ventures	13.2	15,540,411	-	-	-
Property, plants and equipment	14	680,548,920	154,930,087	8,164,363	9,566,497
Goodwill	15	1,295,536,051	1,134,673,772	-	-
Intangible asset	16	205,228,753	226,024,685	-	-
Prepaid rent	17	3,815,723	4,510,044	3,815,723	4,510,044
Deferred tax assets	18	17,575,902	9,107,158	-	-
Other non-current assets	19	159,216,614	80,378,409	1,466,352	15,894,814
Total non-current assets		3,210,631,105	2,308,305,368	1,703,515,309	1,290,040,226
Total assets		3,983,429,631	2,670,008,665	1,768,138,463	1,407,486,810

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 2015

		Consolidated		Company	
		31 December 2015	Restated 31 December 2014	31 December 2015	31 December 2014
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts		41,210,084	-	-	-
Short-term borrowings from					
financial institutions	20	70,000,000	-	70,000,000	-
Trade and other payables	21	230,120,704	77,582,565	23,917,304	28,168,093
Unearned revenue		255,764,407	256,546,436	1,399	11,924,899
Accrued expenses		125,133,077	57,110,797	17,452,384	3,240,756
Short-term borrowings from related parties	31 e)	14,500,000	-	128,000,000	88,000,000
Current portion of finance lease liabilities	20	10,822,650	2,366,527	1,673,484	1,534,027
Current portion of long-term borrowings	20	584,557,367	126,607,358	550,334,375	97,007,358
Accrued income tax		10,340,008	1,398,609	-	-
Other current liabilities		64,988,338	35,141,817	16,027,309	30,668,882
Total current liabilities		1,407,436,635	556,754,109	807,406,255	260,544,015
Non-current liabilities					
Long-term finance lease liabilities	20	28,536,923	6,963,645	3,486,411	5,159,895
Long-term borrowings from					
financial institutions	20	1,049,662,500	1,146,581,818	604,863,863	726,181,818
Employee benefit obligations	22	48,859,622	6,049,061	6,600,845	4,536,402
Long-term account payable for investment		223,052,900	223,052,900	-	-
Deferred tax liabilities	18	29,429,393	30,444,200	-	-
Other non-current liabilities		15,945,159	17,330,047	-	14,500,000
Total non-current liabilities		1,395,486,497	1,430,421,671	614,951,119	750,378,115
Total liabilities		2,802,923,132	1,987,175,780	1,422,357,374	1,010,922,130
Shareholders' equity					
Share capital					
Authorised share capital	23				
Ordinary share, 421,000,000 shares					
of par Baht 1 each					
(2014: 324,000,000 shares of Baht 1 each)		421,200,000	324,000,000	421,200,000	324,000,000
Issued and paid-up share capital					
Ordinary share, 324,000,000 shares					
of paid-up Baht 1 each		324,000,000	324,000,000	324,000,000	324,000,000
Share premium		72,564,680	370,773,735	72,564,680	370,773,735
Discount from increment of					
investment in subsidiary		(1,063,239)	(1,063,239)	-	-
Retained earnings					
Appropriated - legal reserve	25	-	16,726,352	-	16,726,352
Retained earnings (deficits)		323,647,897	(27,603,947)	(50,783,591)	(314,935,407)
Other components of equity		4,897,205	-	-	-
Equity attributable to owners					
of the parent		724,046,543	682,832,901	345,781,089	396,564,680
Non-controlling interests	30	456,459,956	(16)	-	-
Total shareholders' equity		1,180,506,499	682,832,885	345,781,089	396,564,680
Total liabilities and shareholders' equity		3,983,429,631	2,670,008,665	1,768,138,463	1,407,486,810

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 2015

	Notes	Consolidated		Company	
		2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Revenues					
Sales		723,197,801	57,517,751	58,240	95,671
Revenue from rendering of services		1,445,625,161	576,742,468	87,331,592	50,272,253
Total revenues		<u>2,168,822,962</u>	<u>634,260,219</u>	<u>87,389,832</u>	<u>50,367,924</u>
Costs					
Costs of sales		(280,065,367)	(24,639,824)	(13,788)	(25,434)
Costs of rendering of services		<u>(1,019,661,117)</u>	<u>(424,389,352)</u>	<u>(48,208,530)</u>	<u>(25,327,054)</u>
Total costs		<u>(1,299,726,484)</u>	<u>(449,029,176)</u>	<u>(48,222,318)</u>	<u>(25,352,488)</u>
Gross profit		869,096,478	185,231,043	39,167,514	25,015,436
Other income	27	13,654,762	32,032,519	57,189,025	21,984,812
Selling expenses		(453,244,843)	(78,314,321)	(31,031,044)	(17,291,706)
Administrative expenses		(398,986,359)	(189,636,748)	(66,697,786)	(60,057,163)
Gain on share dilution	4	-	144,358,053	-	-
Finance cost		(76,282,306)	(27,734,217)	(49,388,783)	(26,886,312)
Share of profit from associates and joint ventures	13	<u>105,676,720</u>	<u>154,276,980</u>	<u>-</u>	<u>-</u>
Profit (loss) before income tax expense		59,914,452	220,213,309	(50,761,074)	(57,234,933)
Income tax expense	29	<u>(14,763,134)</u>	<u>(110,535)</u>	<u>-</u>	<u>-</u>
Net profit (loss) for the year		45,151,318	220,102,774	(50,761,074)	(57,234,933)
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations		(25,646)	315,687	(22,517)	(14,040)
Item that will be reclassified to profit or loss					
Share of other comprehensive income from associate	13.1	<u>4,897,205</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income (expense) for the year		<u>50,022,877</u>	<u>220,418,461</u>	<u>(50,783,591)</u>	<u>(57,248,973)</u>
Profit (loss) attributable to:					
Owners of the parent		36,342,083	220,102,774	(50,761,074)	(57,234,933)
Non-controlling interests		<u>8,809,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>45,151,318</u>	<u>220,102,774</u>	<u>(50,761,074)</u>	<u>(57,234,933)</u>
Total comprehensive income (expense) attributable to:					
Owners of the parent		41,213,642	220,418,461	(50,783,591)	(57,248,973)
Non-controlling interests		<u>8,809,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>50,022,877</u>	<u>220,418,461</u>	<u>(50,783,591)</u>	<u>(57,248,973)</u>
Earnings (loss) per share	26				
Basic earnings (loss) per share		<u>0.11</u>	<u>0.68</u>	<u>(0.16)</u>	<u>(0.18)</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
For the year ended 31 December 2015

Consolidated									
Attributable to owners of the parent									
Notes	Issued and paid-up share capital Baht	Share premium Baht	Discount from increment of investment in subsidiary Baht	Retained earnings		Other components of equity Share of other comprehensive income of associates Baht	Total equity of the parent Baht	Non-controlling interests Baht	Total shareholders' equity Baht
				Appropriated - legal reserve Baht	Retained earnings (deficits) 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	-	-	-	-	220,418,461	-	220,418,461	-	220,418,461
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>(27,603,947)</u>	<u>-</u>	<u>682,832,901</u>	<u>(16)</u>	<u>682,832,885</u>
Opening balance as at 1 January 2015	324,000,000	370,773,735	(1,063,239)	16,726,352	(171,962,000)	-	538,474,848	(16)	538,474,832
Retrospective adjustments	4	-	-	-	144,358,053	-	144,358,053	-	144,358,053
Balance after adjustment	<u>324,000,000</u>	<u>370,773,735</u>	<u>(1,063,239)</u>	<u>16,726,352</u>	<u>(27,603,947)</u>	<u>-</u>	<u>682,832,901</u>	<u>(16)</u>	<u>682,832,885</u>
Compensation of the accumulated loss	24	-	(298,209,055)	(16,726,352)	314,935,407	-	-	-	-
Acquisition of a subsidiary	30	-	-	-	-	-	-	489,261,502	489,261,502
Total comprehensive income for the year	-	-	-	-	36,316,437	4,897,205	41,213,642	8,809,235	50,022,877
Dividends paid	30	-	-	-	-	-	-	(41,610,765)	(41,610,765)
Closing balance as at 31 December 2015	<u>324,000,000</u>	<u>72,564,680</u>	<u>(1,063,239)</u>	<u>-</u>	<u>323,647,897</u>	<u>4,897,205</u>	<u>724,046,543</u>	<u>456,459,956</u>	<u>1,180,506,499</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 2015

	Note	Issued and paid-up share capital Baht	Share premium Baht	Company		Total shareholders' equity Baht
				Retained earnings		
				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		<u>324,000,000</u>	<u>370,773,735</u>	<u>16,726,352</u>	<u>(314,935,407)</u>	<u>396,564,680</u>
Opening balance as at 1 January 2015		324,000,000	370,773,735	16,726,352	(314,935,407)	396,564,680
Compensation of the accumulated loss	24	-	(298,209,055)	(16,726,352)	314,935,407	-
Total comprehensive expense for the year		-	-	-	(50,783,591)	(50,783,591)
Closing balance as at 31 December 2015		<u>324,000,000</u>	<u>72,564,680</u>	<u>-</u>	<u>(50,783,591)</u>	<u>345,781,089</u>

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 2015

		Consolidated		Company	
		2015	Restated 2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit (loss) before income tax expense		59,914,452	220,213,309	(50,761,074)	(57,234,933)
Adjustments for:					
Depreciation	14	133,134,252	29,897,902	1,428,387	1,421,178
Amortisation of intangible asset	16	26,550,786	13,746,509	-	-
Interest income		(1,324,945)	(3,054,024)	(287,128)	(760,558)
Dividends income		-	(230,500)	(27,747,984)	(20,230,484)
Unrealised loss on short-term investments	9	1,200,500	821,554	1,200,500	821,554
(Reversal of) allowance for doubtful accounts		(15,550,209)	2,275,899	-	-
Provision for (reversal of) obsolete inventories		2,539,418	19,235	(7,758)	19,235
(Gain) loss on disposal of property, plant and equipment		(2,964,357)	88,484	-	-
Loss from write-off of property, plant and equipment	14	261,641	369,244	-	-
Provision for employee benefit obligations		6,930,584	2,921,787	2,309,613	2,116,029
Finance costs		76,282,306	27,734,217	49,388,783	26,886,312
Gain on share dilution	4	-	(144,358,053)	-	-
Share of profit from associate and joint ventures	13	(105,676,720)	(154,276,980)	-	-
		181,297,708	(3,831,417)	(24,476,661)	(46,961,667)
Changes in working capital					
- Trade and other receivables		45,085,247	48,077,399	4,001,812	(16,668,007)
- Inventories		176,042	(6,260,878)	7,758	17,593
- Television programmes, movies and concert production in progress		(472,113)	(32,072,782)	12,762,897	(12,012,898)
- Other current assets		11,766,934	(19,591,271)	12,046,533	(22,022,946)
- Deposit at bank used as collateral		(853,000)	10,000,000	-	-
- Prepaid rent		694,321	1,385,422	694,321	1,385,422
- Other non-current assets		18,195,522	(5,500,099)	14,428,462	(14,500,000)
- Trade and other payables		35,476,567	29,338,835	(4,250,789)	15,771,334
- Unearned revenue		(35,079,237)	22,939,080	(11,923,500)	11,924,899
- Accrued expenses		20,298,978	19,067,824	11,510,308	(117,243)
- Other current liabilities		(8,525,463)	2,492,073	(14,641,573)	28,035,633
- Employee benefit obligations		(267,687)	(337,320)	(267,687)	-
- Other non-current liabilities		(1,427,988)	4,662,806	(14,500,000)	11,229,669
Cash flows generated from (used in) operating activities		266,365,831	70,369,672	(14,608,119)	(43,918,211)
Interest paid		(76,991,384)	(26,426,683)	(46,687,463)	(26,316,045)
Income tax paid		(30,922,589)	(4,413,573)	(2,421,902)	(861,970)
Net cash generated from (used in) operating activities		158,451,858	39,529,416	(63,717,484)	(71,096,226)

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 2015

		Consolidated	Consolidated	Company	Company
		2015	Restated	2015	2014
	Notes	Baht	2014	Baht	Baht
			Baht		
Cash flows from investing activities					
Interest received		1,235,069	3,113,804	331,962	875,921
Dividends income		-	230,500	17,962,832	20,230,484
Purchase of short-term investments		(35,000,000)	(56,000,000)	-	-
Proceed from disposals of short-term investments		32,000,000	48,052,223	-	4,052,223
Receipt from short-term loans to related parties	31 d)	16,626,088	-	-	22,900,000
Payment for short-term loans to related parties	31 d)	(3,333,150)	-	-	-
Payment for investment in associate		-	(85,800,000)	-	(85,800,000)
Payment for investment in subsidiaries	30	(357,250,336)	(1,144,755,063)	(430,000,000)	(800,000,000)
Proceed from disposal of property, plant and equipment		29,156,182	11,700	-	-
Purchase of property, plant and equipment		(223,612,021)	(6,290,479)	(26,253)	(127,127)
Purchase of intangible assets		(2,142,548)	(830,885)	-	-
Net cash used in investing activities		<u>(542,320,716)</u>	<u>(1,242,268,200)</u>	<u>(411,731,459)</u>	<u>(837,868,499)</u>
Cash flows from financing activities					
Bank overdrafts		5,513,226	-	-	-
Proceed from short-term borrowings from financial institutions		70,000,000	-	70,000,000	-
Proceed from short-term loan from related parties	31 e)	3,500,000	-	50,000,000	88,000,000
Repayment to short-term loan from related parties	31 e)	-	-	(10,000,000)	-
Proceed from long-term borrowings from financial institutions	20.3	933,272,772	1,335,215,980	430,000,000	885,215,980
Repayment to long-term borrowings from financial institutions	20.3	(572,242,081)	(62,026,804)	(97,990,939)	(62,026,804)
Dividends paid	30	(41,610,765)	(16)	-	-
Repayment to finance lease liabilities		(6,279,389)	(2,367,234)	(1,534,026)	(1,673,484)
Net cash generated from financing activities		<u>392,153,763</u>	<u>1,270,821,926</u>	<u>440,475,035</u>	<u>909,515,692</u>
Net increase (decrease) in cash and cash equivalents		8,284,905	68,083,142	(34,973,908)	550,967
Cash and cash equivalents at beginning of the year		<u>151,235,392</u>	<u>83,152,249</u>	<u>40,829,132</u>	<u>40,278,165</u>
Closing balance of cash and cash equivalents		<u>159,520,297</u>	<u>151,235,391</u>	<u>5,855,224</u>	<u>40,829,132</u>

Significant non-cash transactions

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

Dividend Receivable					
Finance lease liabilities arising from purchases of equipment	-	-	9,785,168	16	
Long-term accounts payable for investment in subsidiary	-	3,330,000	-	-	
	-	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 2015

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 sales of food and beverage.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 17 February 2016.

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 5.

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 and interpretations

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards, which are effective on 1 January 2015 and are relevant 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

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.

2 Accounting policies (Cont'd)

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

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards, which are effective on 1 January 2015 and are relevant to the Group: (Cont'd)

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

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.

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.

2 Accounting policies (Cont'd)

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

2.2.1 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:

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
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

2 Accounting policies (Cont'd)

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

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards, which are effective on 1 January 2016, and the Group has not early adopted:

a) Financial reporting standards, which have a significant impact to the Group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS40 (revised 2015)	Investment property
TAS41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TFRIC 21 (revised 2015)	Levies

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

2 Accounting policies (Cont'd)

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

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards, which are effective on 1 January 2016, and the Group has not early adopted: (Cont'd)

a) Financial reporting standards, which have a significant impact to the Group: (Cont'd)

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TAS 41, 'Agriculture' requires biological assets including agricultural produce, harvested product of the entity's biological assets, to be measured at fair value less cost to sell.

The practical guide on TAS 41 issued by the FAP excludes bearer plant from the scope of TAS 41. The guide required bearer plant to be measured at cost less accumulated depreciation and impairment losses, if any, according to TAS 16.

TFRS 2 (revised 2015), 'Share based payments' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

TFRS 3 (revised 2015), 'Business combinations' clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, 'Financial instruments: Presentation' (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11.

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.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS10 (revised 2015) 'Consolidated financial statements' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

TFRIC 21, 'Levies', the Interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of TAS 37. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain.

2 Accounting policies (Cont'd)

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

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards, which are effective on 1 January 2016, and the Group has not early adopted: (Cont'd)

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

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS 29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine

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

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

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

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

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 the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or losses 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.

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

2 Accounting policies (Cont'd)

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

(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.

(3) Disposal of subsidiaries

When the Group ceases to have control, 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.

(4) 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. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

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.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

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.

2 Accounting policies (Cont'd)

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

(4) Associates (Cont'd)

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 separated financial statements, investments in associates 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.

A list of the Group's principal associates is set out in Note 13.

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.

2.5 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 Accounting policies (Cont'd)

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

2.9 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.

2 Accounting policies (Cont'd)

2.9 Investments (Cont'd)

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 other comprehensive income.

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.

2.10 Property, plant and equipment

Property, plant and 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.

Land is not depreciated. 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:

Buildings	20 years
Furniture, fixture, and office equipment	3 and 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 Accounting policies (Cont'd)

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.

2.13 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.

2.13.3 Trademark

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 30 years.

2.13.4 License

Expenditure on acquired license is capitalised and amortised using the straight-line method over their useful lives, generally over 9.4 - 10 years.

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 Accounting policies (Cont'd)

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.

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 Accounting policies (Cont'd)

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.

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 substantively 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, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred 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 retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement 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. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. 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.

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.

2 Accounting policies (Cont'd)

2.18 Employee benefits (Cont'd)

2.18.1 Post-retirement benefit (Cont'd)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

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 recognised 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.

2.21 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 estimation

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

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

The below table illustrates the financial assets that are measured at fair value and see note 20.3 for disclosures of the long-term borrowing that are measured at fair value

	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Financial assets at fair value through profit or loss				
Trading derivatives	4,329,446	-	-	4,329,446

There were no transfers between levels 1 and 2 during the year.

3 Financial risk management (Cont'd)

3.2 Fair value estimation (Cont'd)

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

4 New accounting policy and correction of accounting error

4.1 New accounting policy - employee benefits

The accounting policies for employee benefits used in the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2014, except changes by the revised TFRS 19 Employee Benefits as follows:

- The Group recognised actuarial gains and losses in other comprehensive income in the period in which they arise.
- The Group recognised past-service costs in profit or loss immediately.

4.2 Correction of accounting error

In October 2015, Thai Solar Energy Public Company Limited ("TSE"); the associate in which the Company held 25% of interest, proceeded for initial public offering (IPO), resulting in dilution of interest holding by the Company to 20%. TSE remains to be an associate. The IPO gave rise to the increase in investment amount in TSE due to increase in net assets of TSE, and the dilution should be considered as indirect disposal of investment in TSE, resulting in a gain from dilution of Baht 144.53 million. The Company has not recorded the gain in 2014 and has retrospectively adjusted the transaction.

4 New accounting policy and correction of accounting error (Cont'd)

4.3 Adjustment

On 4 December 2014, the Group acquired 100% of the share capital of Jeffer Restaurant Company Limited, and the process of determining the fair value of the acquired net assets was completed in December 2015. The effect from valuation of the fair value resulted in recognition of trademark of Baht 152.22 million, and deferred tax liabilities of Baht 30.44 million is adjusted with goodwill

The effects due to adoption of the amended standard, the correction of accounting error and the adjustment to the financial statements for the year ended 31 December 2014 are presented as follows:

	Consolidated		
	As previously reported Baht	Increase (decrease) Baht	As restated Baht
Statement of financial position as at 31 December 2014			
Investment in associate	553,492,160	144,358,053	697,850,213
Goodwill	1,256,450,572	(121,776,800)	1,134,673,772
Intangible asset	73,803,685	152,221,000	226,024,685
Deferred tax liabilities	-	30,444,200	30,444,200
Deficits	(171,962,000)	144,358,053	(27,603,947)
Statement of comprehensive income for the year ended 31 December 2014			
Administrative expenses	189,321,061	315,687	189,636,748
Gain on share dilution	-	144,358,053	144,358,053
Profit (loss) for the period	76,060,408	144,042,366	220,102,774
Earnings per share	0.24	0.44	0.68
	Company		
	As previously reported Baht	Increase (decrease) Baht	As restated Baht
Statement of comprehensive income for the year ended 31 December 2014			
Administrative expenses	60,071,203	14,040	60,085,243
Profit (loss) for the period	(57,248,973)	(14,040)	(57,263,013)
Loss per share	(1.77)	-	(1.77)

Since the above adjustments do not have effect to the financial position as at 1 January 2014, the Group does not present herewith the statement of financial position as at 1 January 2014.

5 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.

5.1 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.

5.2 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 22.

5.3 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 15).

6 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.

7 Segment information

Financial statements classified by business segment is as follows:

	For the year ended 31 December 2015						
	Language Institutions Baht	Restaurant Baht	Television programmes production Baht	Concerts and events Baht	Marketing activities Baht	Sublease service and others Baht	Consolidated Baht
Revenues from operation	716,334,676	723,139,560	98,474,353	84,245,650	551,695,664	3,144,182	2,177,034,085
Inter-segment revenue	-	-	-	(169,950)	(6,087,179)	(1,953,994)	(8,211,123)
Total revenue	716,334,676	723,139,560	98,474,353	84,075,700	545,608,485	1,190,188	2,168,822,962
Segment result							65,031,359
Other income							13,654,762
Unallocated costs							(48,166,083)
Finance cost							(76,282,306)
Share of profit from investments in associate and joint ventures							105,676,720
Profit before income tax expense							59,914,452
Income tax expense							(14,763,134)
Net profit							45,151,318
Inventories	4,509,692	17,963,514	-	-	6,630,453	-	29,103,659
Equipment	63,246,800	89,329,864	4,381,532	8,164,366	515,426,358	-	680,548,920
Intangible asset	53,664,421	148,199,310	-	-	3,365,022	-	205,228,753
Investment in associate							831,484,731
Interests in joint ventures							15,540,411
Goodwill							1,295,536,051
Unallocated assets							925,987,106
Consolidated total assets							3,983,429,631

For the year ended 31 December 2014						
	Language Institutions Baht	Restaurant Baht	Television programmes production Baht	Concerts and events Baht	Sublease service and others Baht	Consolidated Baht
Revenues from operation	464,332,655	57,422,080	64,602,155	42,288,498	8,079,426	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	6,125,431	634,260,219
Segment result						(2,310,133)
Other income						32,032,519
Unallocated costs						(80,409,893)
Gain on share dilution						144,358,053
Finance Cost						(27,734,217)
Share of profit of investments in associate						154,276,980
Profit before income tax expense						220,213,309
Income tax expense						(110,535)
Net profit						220,102,774
Inventories	7,403,091	19,608,426	-	-	-	27,011,517
Property, plant and equipment	92,024,417	47,351,106	5,988,065	-	-	145,363,588
Intangible asset	73,803,685	-	-	-	-	73,803,685
Investment in associate						697,850,213
Goodwill						1,256,450,572
Unallocated assets						439,084,890
Consolidated total assets						2,639,564,465

Unallocated costs represent corporate expenses. Segment assets consist primarily of equipment, inventories, receivables and operating cash.

8 Cash and cash equivalents

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash at bank and on hand	145,172,750	88,909,161	1,837,257	6,743,111
Short-term bank deposits	14,347,547	62,326,231	4,017,967	34,086,021
	<u>159,520,297</u>	<u>151,235,392</u>	<u>5,855,224</u>	<u>40,829,132</u>

The effective interest rate on short-term bank deposits was 2.25% (2014: 2.29%) and these deposits have an average maturity of 75 days.

9 Short-term investments

	Consolidated			
	2015		2014	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Short-term investments comprise:				
1. Trading securities	14,911,700	4,329,446	14,911,700	5,529,946
2. Held-to-maturity investments	15,000,000	15,000,000	12,000,000	12,000,000
Total	29,911,700	19,329,446	26,911,700	17,529,946
<u>Less</u> Revaluation adjustments	(10,582,254)	-	(9,381,754)	-
Total short-term investments	<u>19,329,446</u>	<u>19,329,446</u>	<u>17,529,946</u>	<u>17,529,946</u>

	Company			
	2015		2014	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Short-term investments comprise:				
Trading securities	14,911,700	4,329,446	14,911,700	5,529,946
<u>Less</u> Revaluation adjustments	(10,582,254)	-	(9,381,754)	-
Total short-term investments	<u>4,329,446</u>	<u>4,329,446</u>	<u>5,529,946</u>	<u>5,529,946</u>

During the year ended 31 December 2015, movement of trading securities is as follows:

	Consolidated and Company Baht
Book value - beginning balance	5,529,946
Change in market value	(1,200,500)
Book value - ending balance	<u>4,329,446</u>

10 Trade and other receivables

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade accounts receivable - third parties	209,705,690	35,433,560	5,546,448	26,015,893
Trade accounts receivable - related parties (Note 31 c)	26,367,826	3,466,800	-	-
Total	236,073,516	38,900,360	5,546,448	26,015,893
<u>Less</u> Allowance for doubtful accounts	(16,933,250)	(2,599,266)	-	-
Trade accounts receivable, net	219,140,266	36,301,094	5,546,448	26,015,893
Prepayments	29,436,443	24,378,368	241,521	244,705
Deferred interest expense	590,566	781,798	484,691	562,436
Accrued interest income	22,156,572	135,011	12,680	57,515
Other receivables	125,319,144	8,843,445	-	3,422
Accrued income	22,402,740	1,438,500	16,600,000	-
Advance payment	5,543,524	1,671,291	24,500	72,531
Dividend receivable	-	-	9,785,168	-
	424,589,255	73,549,507	32,695,008	26,956,502

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

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade accounts receivable				
Current	108,990,896	22,582,668	12,000	13,089,008
Overdue less than 3 months	44,137,402	14,331,044	3,347,448	12,750,550
Overdue 3 months but less than 6 months	36,539,248	722,347	2,187,000	-
Overdue 6 months but less than 12 months	13,947,091	1,083,085	-	176,335
Overdue more than 12 months	32,458,879	181,216	-	-
Total trade accounts receivable	236,073,516	38,900,360	5,546,448	26,015,893
<u>Less</u> Allowance for doubtful accounts	(16,933,250)	(2,599,266)	-	-
Trade accounts receivable, net	219,140,266	36,301,094	5,546,448	26,015,893

Related accounts receivable as 31 December can be analysed as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade accounts receivable				
Current				
Overdue less than 3 months	16,168,359	-	-	-
Overdue 3 months but less than 6 months	7,271,167	3,466,800	-	-
Overdue 6 months but less than 12 months	2,928,300	-	-	-
Total related accounts receivable	26,367,826	3,466,800	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	26,367,826	3,466,800	-	-

11 Inventories

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Packaging materials	6,656,853	26,401	26,401	26,401
VCD and DVD	767,400	775,158	767,400	775,158
Books	4,695,955	7,589,353	-	-
Raw materials - foods	20,510,690	19,608,426	-	-
<u>Less</u> Allowance for inventories obsolescence	<u>(3,527,239)</u>	<u>(987,821)</u>	<u>(793,801)</u>	<u>(801,559)</u>
	<u>29,103,659</u>	<u>27,011,517</u>	<u>-</u>	<u>-</u>

The cost of inventories recognised as expense are included in “cost of sales” amounted to Baht 302,111,403, and Baht 13,788 (2014: Baht 57,517,751, and Baht 95,671) in the consolidated and company financial statements, respectively.

12 Other current assets

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Tuition fee pending for bank transfer	17,886,246	12,648,601	-	-
Deposits	-	2,516,000	-	2,476,000
Guarantee	14,500,000	24,000,000	14,500,000	24,000,000
Undue input VAT	14,765,516	1,989,801	1,105,397	1,215,729
Withholding tax receivable	37,047,132	14,318,319	6,098,280	3,676,378
Others	17,486,906	2,139,408	39,799	-
	<u>101,685,800</u>	<u>57,612,129</u>	<u>21,743,476</u>	<u>31,368,107</u>

13 Investments in subsidiaries, associates and interests in joint ventures

13.1 Investment in associates

	Consolidated Baht	Company Baht
For the year ended 31 December 2015		
Opening net book amount	697,850,213	427,050,000
Index's associate (Note 30)	23,262,292	-
Share of profit	105,475,021	-
Share of other comprehensive income	4,897,205	-
Closing net book amount	<u>831,484,731</u>	<u>427,050,000</u>

13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

13.1 Investment in associates (Cont'd)

Nature of investment in associates in 2015 and 2014

	Business	Nature of relationship	Country of incorporation	% Ownership interest		Measurement method
				31 December 2015	31 December 2014	
Associate						
Thai Solar Energy Public Company Limited	Generation of electricity from sun radiation, and sale to Government and private states	Direct	Thailand	20.00	20.00	Equity
Associates of Index Creative Village Public Company Limited						
Max Creative Co., Ltd.	Marketing activities	Indirect	Thailand	50.00	-	Equity
Happio Co., Ltd.	Marketing activities	Indirect	Thailand	33.00	-	Equity
Town Branding Co., Ltd.	Marketing activities	Indirect	Thailand	20.00	-	Equity

As at 31 December 2015, the fair value of the Group's interest in Thai Solar Energy Public Company Limited, which is listed company in Thailand, was Baht 1,380.35 million (2014: Baht 2,833.35) and the carrying amount of the Group's interest was Baht 808.10 million (2014: Baht 697.85 million).

There are no contingent liabilities relating to the Group's interest in the associates.

Summarised financial information for associates

Set out below are the summarised financial information for Thai Solar Energy Public Company Limited, which is accounted for using the equity method

Summarised statement of financial position

	Thai Solar Energy Public Company Limited	
	31 December 2015	31 December 2014
	Baht	Baht
Current assets		
Cash and cash equivalents	337,425,538	7,210,028
Other current assets (excluding cash)	686,365,527	1,402,623,342
Total current assets	1,023,791,065	1,409,833,370
Non-current Assets	3,820,792,291	2,706,579,465
	4,844,583,336	4,116,412,835
Current liabilities		
Financial liabilities (excluding trade payables)	246,191,276	106,416,642
Other current liabilities (including trade payables)	38,237,058	193,792,520
Total current liabilities	284,428,334	300,209,162
Non-current liabilities		
Financial liabilities	515,508,140	324,166,425
Other liabilities	4,128,985	2,786,184
Total non-current liabilities	519,637,125	326,952,609
	804,065,459	627,161,771
Net assets	4,040,517,877	3,489,251,064

13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

13.1 Investment in associates (Cont'd)

Summarised statement of comprehensive income

For the year ended 31 December	Thai Solar Energy Public Company Limited	
	2015 Baht	2014 Baht
Revenue	129,150,388	53,882,511
Depreciation and amortisation	(119,656,995)	(88,237,060)
Interest income	22,038,405	5,869,652
Interest expense	(27,847,171)	(29,279,220)
Profit or loss from continuing operations	530,485,054	568,526,997
Income tax income (expense)	(3,707,058)	12,795,121
Post-tax profit from continuing operations	526,777,996	581,322,118
Other comprehensive income	24,486,026	237,732
Total comprehensive income	551,264,022	581,559,850
Dividends received from associate	-	-

The information above reflects the amounts presented in the financial statements of the associate (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associate.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates

For the year ended 31 December	Thai Solar Energy Public Company Limited	
	2015 Baht	2014 Baht
Opening net assets 1 January	3,489,251,064	934,570,634
Called up ordinary shares	-	257,023,259
Increase share capital	-	1,716,097,322
Profit for the year	526,777,996	581,322,118
Other comprehensive income		
Foreign exchange differences	24,486,026	237,732
Closing net assets	4,040,515,086	3,489,251,065
Interest in associates	20%	20%
Carrying value	808,103,017	697,850,213

13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

13.1 Investment in associates (Cont'd)

Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

	2015 Baht	2014 Baht
Aggregate carrying amount of individually immaterial associates	23,381,714	-
Aggregate amounts of the reporting entity's share of:		
Loss from continuing activities	(4,029,320)	-
Other comprehensive income	-	-
Total comprehensive income	(4,029,320)	-

13.2 Investment in joint venture

Movement of investments in joint venture

	Consolidated Baht
For the year ended 31 December 2015	
Opening net book amount	-
Index's joint ventures (Note 30)	15,338,712
Share of profit	201,699
Closing net book amount	15,540,411

Nature of investment in joint ventures in 2015 and 2014

Company	Business	Nature of relationship	Country of incorporation	% Ownership interest		Measurement method
				31 December 2015	31 December 2014	
Joint ventures of Index						
Creative Village Public Company Limited						
ID 2 J	Marketing activities	Indirect	Thailand	67.00	-	Equity
Index City Neon	Marketing activities	Indirect	Thailand	50.00	-	Equity
Index D103 Maco	Marketing activities	Indirect	Thailand	70.00	-	Equity
Index D63	Marketing activities	Indirect	Thailand	63.00	-	Equity

The Group has no commitments and contingent liabilities in respect of joint ventures.

13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

13.2 Investment in joint venture (Cont'd)

Individually immaterial joint ventures

The Group has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

	2015 Baht
Aggregate carrying amount of individually immaterial associates	15,540,411
Aggregate amounts of the reporting entity's share of:	
Profit from continuing activities	781,096
Total comprehensive income	781,096

13.3 Investment in subsidiaries

Movements of investments in subsidiaries

	Company Baht
For the year ended 31 December 2015	
Opening net book amount	833,018,871
Addition during the year	430,000,000
Closing net book amount	1,263,018,871

Index Creative Village Public Company Limited.

At the Board of Director Meeting held on 13 May 2015, the directors passed a resolution to invest in 86,000,000 capital shares, representing 50% of registered shares of Index Creative Village Public Company Limited ("Index"), which is incorporated in Thailand. The main business is providing marketing services and organising marketing activities. The Company made payment for a total consideration of Baht 430 million on 30 June 2015.

Since the directors of the Company have control over Index commencing 1 July 2015 and have ultimate right in decision making over Index's operations, investment in Index is classified as investment in a subsidiary accordingly. The Company included Index financial information in the consolidated financial information since the third quarter of 2015.

Details of business combination is disclosed in Note 30.

13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

13.3 Investment in subsidiaries (Cont'd)

Details of investment in subsidiaries

Name	Country of incorporation and place of business	Nature of business	Nature of relationship	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)	Proportion of shares held by non-controlling interests (%)
Subsidiaries						
Wave TV Company Limited	Thailand	Television programmes production	Direct	99.99	-	0.01
Wave Picture Company Limited	Thailand	Cease of operations	Direct	99.99	-	0.01
Wave Food Group Co., Ltd.	Thailand	Investment	Direct	99.99	-	0.01
CVD Organizer Company Limited	Thailand	Cease of operations	Direct	99.99	-	0.01
Efficient English Services Limited	Thailand	Language Institute	Direct	99.99	-	0.01
Index Creative Village Public Company Limited	Thailand	Marketing activities	Direct	50.00	-	50.00
Subsidiary of Wave Food Group Co., Ltd.						
Jeffer Restaurant Company Limited	Thailand	Restaurant	Indirect	-	99.99	0.01
Subsidiaries of Index Creative Village Public Company Limited						
Event Solutions Co., Ltd.	Thailand	Marketing activities	Indirect	-	99.99	0.01
TresBien Co., Ltd.	Thailand	Marketing activities	Indirect	-	99.99	0.01
Media Vision (1994) Co., Ltd.	Thailand	Marketing activities	Indirect	-	50.00	50.00
Inspire Image Co., Ltd.	Thailand	Marketing activities	Indirect	-	60.00	40.00
I think ad Co., Ltd.	Thailand	Marketing activities	Indirect	-	40.00	60.00
Index Creative Online Co., Ltd.	Thailand	Marketing activities	Indirect	-	70.00	30.00
Envirocell (Thailand) Co., Ltd.	Thailand	Marketing activities	Indirect	-	50.00	50.00
Index and M Co., Ltd.	Thailand	Marketing activities	Indirect	-	50.00	50.00
Index and V Co., Ltd.	Thailand	Marketing activities	Indirect	-	50.00	50.00
Big Events Co., Ltd.	Thailand	Marketing activities	Indirect	-	70.00	30.00
ICVX Co., Ltd.	Thailand	Marketing activities	Indirect	-	70.00	30.00
Blue Media Communications Co., Ltd.	Thailand	Marketing activities	Indirect	-	80.00	20.00

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

14 Property, plant and equipment

	Consolidated					
	Land Baht	Building Baht	Furniture, fixture and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2014						
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	-	-	3,151,968	9,351,638	-	12,503,606
For the year ended 31 December 2014						
Opening net book value	-	-	3,151,968	9,351,638	-	12,503,606
Acquisition of subsidiaries	-	-	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	-	-	129,380,573	17,549,514	8,000,000	154,930,087
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	-	-	129,380,573	17,549,514	8,000,000	154,930,087
For the year ended 31 December 2015						
Opening net book value	-	-	129,380,573	17,549,514	8,000,000	154,930,087
Acquisition of subsidiaries (Note 30)	56,228,550	132,143,116	261,487,743	8,269,385	3,465,736	461,594,530
Additions	33,019,060	-	139,420,105	12,132,186	39,040,672	223,612,023
Disposals	(10,685)	-	(24,482,954)	(1,698,187)	-	(26,191,826)
Write off	-	-	(261,641)	-	-	(261,641)
Transfer	-	-	26,168,848	-	(26,168,848)	-
Depreciation charge	-	(5,974,953)	(120,850,222)	(6,309,078)	-	(133,134,253)
Closing net book value	89,236,925	126,168,163	410,862,452	29,943,820	24,337,560	680,548,920
At 31 December 2015						
Cost	89,236,925	132,143,116	561,324,149	41,931,792	24,337,560	848,973,542
<u>Less</u> Accumulated depreciation	-	(5,974,953)	(150,461,697)	(11,987,972)	-	(168,424,622)
Net book value	89,236,925	126,168,163	410,862,452	29,943,820	24,337,560	680,548,920

	Consolidated	
	2015 Baht	2014 Baht
Depreciation has been charged into the following categories of expenses:		
Cost of sales	4,572,802	496,463
Cost of services	84,001,300	22,965,272
Selling expenses	7,902,336	183,756
Administrative expenses	36,657,815	6,252,411
	133,134,253	29,897,902

14 Property, plant and equipment (Cont'd)

	Company		
	Furniture, fixture and office equipment Baht	Vehicles Baht	Total Baht
At 1 January 2014			
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>
For the year ended 31 December 2015			
Opening net book value	1,190,960	8,375,537	9,566,497
Additions	4,607	21,646	26,253
Depreciation charge	(450,164)	(978,223)	(1,428,387)
Closing net book value	<u>745,403</u>	<u>7,418,960</u>	<u>8,164,363</u>
At 31 December 2015			
Cost	2,820,763	9,402,146	12,222,909
<u>Less</u> Accumulated depreciation	(2,075,360)	(1,983,186)	(4,058,546)
Net book value	<u>745,403</u>	<u>7,418,960</u>	<u>8,164,363</u>

Depreciation expense of Baht 1,428,387 (2014: Baht 1,421,178) has been charged in "administrative expense".

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

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cost - capitalised finance leases	66,238,061	14,611,200	9,402,146	9,380,500
<u>Less</u> Accumulated depreciation	(9,975,144)	(1,836,143)	(1,983,186)	(1,004,963)
Net book amount	<u>56,262,917</u>	<u>12,775,057</u>	<u>7,418,960</u>	<u>8,375,537</u>

15 Goodwill

	Consolidated	
	2015 Baht	Restated 2014 Baht
At 1 January		
Cost	1,134,673,742	-
<u>Less</u> Provision for impairment	-	-
Net book amount	<u>1,134,673,742</u>	<u>-</u>
For the year ended 31 December		
Opening net book amount	1,134,673,742	-
Acquisition of subsidiaries (Note 30)	160,862,279	1,134,673,772
Closing net book amount	<u>1,295,536,051</u>	<u>1,134,673,772</u>
At 31 December		
Cost	1,295,536,051	1,134,673,772
<u>Less</u> Provision for impairment	-	-
Net book amount	<u>1,295,536,051</u>	<u>1,134,673,772</u>

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.

	2015			
	Language Institute Baht	Restaurant Baht	Marketing Activities Baht	Total Baht
Goodwill allocation	726,079,472	408,594,300	160,862,279	1,295,536,051
	2014 Restated			
	Language Institute Baht	Restaurant Baht	Marketing Activities Baht	Total Baht
Goodwill allocation	726,079,472	408,594,300	-	1,134,673,772

Goodwill relating to "Marketing activities" is an inception amount which may subject to be adjusted with the fair value of acquired assets and liabilities being appraised (Note 30).

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.

15 Goodwill (Cont'd)

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

	Language Institute	Restaurant
Growth rate ¹	4.0%	5.0%
Discount rate ²	9.0%	11.50%

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.

16 Intangible assets

	Consolidated					
	Restated					
	License Baht	Computer software Baht	Customer relation Baht	Trademark Baht	Intangible in progress Baht	Total Baht
Year ended						
31 December 2014						
Opening net book amount	-	-	-	-	-	-
Acquisition of subsidiary	21,541,934	30,435,148	33,960,000	152,221,000	782,227	238,940,309
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	152,221,000	782,227	226,024,685
At 31 December 2014						
Cost	21,541,934	31,266,033	33,960,000	152,221,000	782,227	239,771,194
<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	152,221,000	782,227	226,024,685

16 Intangible assets (Cont'd)

	Consolidated					Total Baht
	License Baht	Computer software Baht	Customer relation Baht	Trademark Baht	Intangible in progress Baht	
At 1 January 2015						
Cost	21,541,934	31,266,033	33,960,000	152,221,000	782,227	239,771,194
<u>Less</u> Accumulated amortisation	(2,141,152)	(2,549,357)	(9,056,000)	-	-	(13,746,509)
Net book amount	<u>19,400,782</u>	<u>28,716,676</u>	<u>24,904,000</u>	<u>152,221,000</u>	<u>782,227</u>	<u>226,024,685</u>
Year ended 31 December 2015						
Opening net book amount	19,400,782	28,716,676	24,904,000	152,221,000	782,227	226,024,685
Acquisition of subsidiary (Note 30)	-	3,612,306	-	-	-	3,612,306
Additions	-	2,142,548	-	-	-	2,142,548
Amortisation charge	(6,510,742)	(1,382,010)	(13,584,334)	(5,073,700)	-	(26,550,786)
Closing net book amount	<u>12,890,040</u>	<u>33,089,520</u>	<u>11,319,666</u>	<u>147,137,300</u>	<u>782,227</u>	<u>205,228,753</u>
At 31 December 2015						
Cost	21,541,934	37,020,887	33,960,000	152,221,000	782,227	245,526,048
<u>Less</u> Accumulated amortisation	(8,651,894)	(3,931,367)	(22,640,334)	(5,073,700)	-	(40,297,295)
Net book amount	<u>12,890,040</u>	<u>33,089,520</u>	<u>11,319,666</u>	<u>147,137,300</u>	<u>782,227</u>	<u>205,228,753</u>

Amortisation of Baht 26,550,780 (2014: Baht 13,746,509) is included in the administrative expenses

17 Prepaid rents

	Consolidated and Company Baht
For the year ended 31 December 2015	
Opening net book amount	4,510,044
Amortisation charge	(694,322)
Closing net book amount	<u>3,815,722</u>

18 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities as at 31 December 2015 are as follows:

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	4,181,257	9,107,158	-	-
Deferred tax assets to be recovered after 12 months	13,394,645	-	-	-
	<u>17,575,902</u>	<u>9,107,158</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	1,014,807	1,014,807	-	-
Deferred tax liabilities to be settled after 12 months	28,414,586	29,429,393	-	-
	<u>29,429,393</u>	<u>30,444,200</u>	<u>-</u>	<u>-</u>
Deferred tax, net	<u>(11,853,491)</u>	<u>(21,337,042)</u>	<u>-</u>	<u>-</u>

The gross movement and the deferred income tax account is as follows:

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Opening balance	(21,337,042)	7,600,000	-	-
Acquisition of subsidiary (Note 30)	6,933,618	-	-	-
Fair value appraisal of Jeffer (Note 30)	-	(30,444,200)	-	-
Charged to profit or loss (Note 29)	2,549,933	1,507,158	-	-
At 31 December	<u>(11,853,491)</u>	<u>(21,337,042)</u>	<u>-</u>	<u>-</u>

18 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities during the period is as follows:

	Consolidated			At 31 December 2015 Baht
	At 1 January 2015 Baht	Increase from acquisition of subsidiary Baht	Charged/ (credited) to the income statement Baht	
Deferred tax assets				
Allowance for doubtful account	-	1,342,286	(1,342,286)	-
Provision for employee benefit obligations	-	4,469,955	995,842	5,465,797
Allowance for inventory obsolescence	-	-	509,435	509,435
Decommissioning cost	-	-	3,183,352	3,183,352
Tax losses	9,107,158	1,121,377	864,968	11,093,503
	<u>9,107,158</u>	<u>6,933,618</u>	<u>4,211,311</u>	<u>20,252,087</u>
Deferred tax liabilities				
Property plants and equipment	-	-	(2,676,185)	(2,676,185)
Intangible assets	(30,444,200)	-	1,014,807	(29,429,393)
	<u>(30,444,200)</u>	<u>-</u>	<u>(1,661,378)</u>	<u>(32,105,578)</u>

Presentation in the statements of financial position are as follows:

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	2014 Baht
Deferred income tax assets	17,575,902	9,107,158	-	-
Deferred income tax liabilities	(29,429,393)	(30,444,200)	-	-
Deferred income tax, net	<u>(11,853,491)</u>	<u>(21,337,042)</u>	<u>-</u>	<u>-</u>

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

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 44.6 million (2014: Baht 95 million). These tax losses will expire in 2016.

19 Other non-current assets

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Deposits	31,673,440	64,266,226	-	-
Guarantee	45,823,963	16,028,814	1,466,352	15,894,814
Withholding tax receivable	71,800,340	-	-	-
Others	9,918,871	83,369	-	-
	<u>159,216,614</u>	<u>80,378,409</u>	<u>1,466,352</u>	<u>15,894,814</u>

20 Borrowings

20.1 Finance lease liabilities

The present value of finance lease liabilities is as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Not later than 1 year	10,822,650	2,366,527	1,673,484	1,534,027
Later than 1 year but not later than 5 years	28,536,923	6,963,645	3,486,411	5,159,895
Total	39,359,573	9,330,172	5,159,895	6,693,922

20.2 Short-term loan

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Short-term borrowings from financial institutions	70,000,000	-	70,000,000	-
Total	70,000,000	-	70,000,000	-

20.3 Long-term borrowing

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current portion of long-term borrowing	584,557,367	126,607,358	550,334,375	97,007,358
Long-term borrowing payable between 1 to 5 years	970,862,500	887,855,928	604,863,862	648,255,928
Long-term borrowing payable more than 5 years	78,800,000	258,725,890	-	77,925,890
Total	1,634,219,866	1,273,189,176	1,155,198,237	823,189,176

The carrying amounts of long-term borrowings approximate their fair values.

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.65% to 5.25% (2014: 4.75% to 5.125%) and are within level 2 of the fair value hierarchy.

20 Borrowings (Cont'd)

20.3 Long-term borrowing

Long-term borrowing is collateralised by pledge of shares of Efficient English Services Limited, shares of Jeffer Restaurant Company Limited, shares of Index Creative Village Public Company Limited, and 101.18 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 2015		
Opening amount as at 1 January 2015	1,273,189,176	823,189,176
Addition during the year	933,272,772	430,000,000
Repayment of borrowings	(572,242,081)	(97,990,939)
Closing amount as at 31 December 2015	<u>1,634,219,867</u>	<u>1,155,198,237</u>

20.4 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	
	2015	2014	2015	2014
	%	%	%	%
Long-term borrowing	4.00 - 6.50	5.75 - 7.38	4.00 - 5.53	7.38
Finance lease liability	4.37 - 5.06	4.37 - 5.06	4.37	4.37

20.5 Borrowing facilities

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

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Float rate				
- expiring within one year	90,000,000	70,000,000	70,000,000	40,000,000

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

21 Trade and other payables

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade payables - others	179,109,579	55,881,828	6,044,594	17,192,419
Trade payable - related parties (Note 31c)	572,690	3,469,791	6,972,710	2,991
Other payables	50,438,435	18,230,946	10,900,000	10,972,683
	<u>230,120,704</u>	<u>77,582,565</u>	<u>23,917,304</u>	<u>28,168,093</u>

22 Employee benefit obligations

Post-retirement benefits

The movement in the post-retirement benefit obligation over the year is as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
At 1 January	6,049,061	3,307,613	4,536,402	2,392,293
Liabilities acquired in a business combinations (Note 30)	36,122,018	156,981	-	-
Current service cost	6,643,296	3,158,431	2,128,157	2,034,377
Interest cost	287,288	182,493	181,456	95,692
Actuarial losses (gains)	25,646	(419,137)	22,517	14,040
Benefits paid	(267,687)	(337,320)	(267,687)	-
At 31 December	<u>48,859,622</u>	<u>6,049,061</u>	<u>6,600,845</u>	<u>4,536,402</u>

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

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current service cost	6,643,296	3,158,431	2,128,157	2,034,377
Interest cost	287,288	182,493	181,456	95,692
Total, included in staff costs	<u>6,930,584</u>	<u>3,340,924</u>	<u>2,309,613</u>	<u>2,130,069</u>

Total charge of Baht 6,930,584 and Baht 3,340,924 (2014: Baht 2,309,613 and Baht 2,130,069) was included in administrative expenses in the consolidated and company financial statements, respectively.

22 Employee benefit obligations (Cont'd)

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2015 %	2014 %	2015 %	2014 %
Discount rate	4.00	4.00 - 4.26	4.00	4.00
Inflation rate				
Future salary increases	5.00	5.00 - 8.09	5.00	5.00

The sensitivity analysis for each significant assumption disclosed are as follows:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 7%	Increase by 8%
Salary growth rate	1%	Increase by 8%	Decrease by 7%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement benefit plans and post-employment medical plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields	A decrease in Government bond yields will increase plan liabilities.
Inflation risk	Some of the Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

The weighted average duration of the defined benefit obligation is 11.57 years.

22 Employee benefit obligations (Cont'd)

Expected maturity analysis of undiscounted retirement:

	Consolidated				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2015					
Retirement benefits	283,704	66,150	3,636,210	251,724,908	255,710,972
	Company				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2015					
Retirement benefits	225,744	-	1,175,365	8,153,938	9,555,047

23 Share capital

	Authorised number of shares	Issued and fully paid-up			Total Baht
		Number of shares	Ordinary shares Baht	Share Premium Baht	
At 1 January 2014	32,400,000	32,400,000	324,000,000	370,773,735	694,773,735
Issue of shares	-	-	-	-	-
At 31 December 2014	32,400,000	32,400,000	324,000,000	370,773,735	694,773,735
Change in par value of Baht 10 per share to Baht 1 per share	291,600,000	291,600,000	-	-	-
	324,000,000	324,000,000	324,000,000	370,773,735	694,773,735
Issue of shares	97,200,000	-	97,200,000	-	97,200,000
Offset deficits against share premium (Note 24)	-	-	-	(298,209,055)	(298,209,055)
At 31 December 2015	421,200,000	324,000,000	421,200,000	72,564,680	493,764,680

The total authorised number of ordinary shares is 421,000,000 shares (31 December 2014: 32,400,000 shares) with a par value of Baht 1 per share (31 December 2014: Baht 10 per share). The issued and fully paid-up ordinary shares is 324,000,000 shares (31 December 2014: 32,400,000 shares).

On 30 April 2015, the Annual General Meeting of the shareholders approved the change in the par value of the Company's ordinary shares from Baht 10 to Baht 1 per share. As a result, the number of registered shares increased from 32,400,000 to 324,000,000 shares. The Company registered the increased share capital with the Ministry of Commerce on 21 May 2015.

The shareholders also approved the issuance of 97,200,000 ordinary shares at the par value of Baht 1 per share to support the general mandate. As a result, the number of registered shares increased from 324,000,000 shares to 421,200,000 shares. The Company registered the increase in share capital with the Ministry of Commerce on 21 May 2015.

24 Compensation of the accumulated loss

On 30 April 2015, the Annual General Meeting of the shareholders approved the compensation of the accumulated loss from legal reserve and share premium amounting to Baht 16.73 million, and Baht 298.21 million, respectively. Upon the compensation, the company will have no accumulated loss with the remaining share premium of Baht 72.56 million.

25 Legal reserve

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
At 1 January	16,726,352	16,726,352	16,726,352	16,726,352
Compensation of the accumulated loss (Note 24)	(16,726,352)	-	(16,726,352)	-
At 31 December	-	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.

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	
	2015	Restated 2014	2015	2014
Net profit (loss) attributable to ordinary shareholders (Baht)	36,342,083	220,102,774	(50,761,074)	(57,248,973)
Weighted average number of ordinary shares in issue during the year (Shares)	324,000,000	324,000,000	324,000,000	324,000,000
Basic earnings (losses) per share (Baht)	0.11	0.68	(0.16)	(0.18)

During the second quarter of 2015, par value of the Company's ordinary shares was changed from Baht 10 to Baht 1 per share (Note 23). For comparative purposes, the weighted average number of shares for the year ended 31 December 2014 is adjusted to reflect the share split as if the event had occurred at the beginning of that year.

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

27 Other income

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Interest income	1,324,945	2,483,757	287,128	760,557
Dividends income	248,000	230,500	27,747,984	20,230,484
Management fee income	-	-	27,600,000	-
Refund of deposit	-	8,617,654	-	-
Reversal of long outstanding payable	-	20,700,608	-	-
Other income	12,081,817	-	1,553,913	993,771
Total	13,654,762	32,032,519	57,189,025	21,984,812

28 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	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Provision for obsolete inventories	3,527,239	19,234	793,801	19,234
Depreciation (Note 14)	133,134,252	29,897,902	1,428,387	1,421,178
Amortisation of intangible assets (Note 16)	26,550,786	13,746,501	-	-
Provision for employee benefit expense (Note 22)	6,930,584	3,340,924	2,309,613	2,130,069

29 Income tax expense

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current tax	17,313,067	1,617,693	-	-
Deferred tax	(2,549,933)	(1,507,158)	-	-
	14,763,134	110,535	-	-

29 Income tax expense (Cont'd)

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	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Profit (loss) before tax	59,914,452	220,213,309	(50,761,074)	(57,234,933)
Tax calculated at a tax rate of 20% (2014: 20%)	11,982,890	44,042,662	(10,152,215)	(11,446,987)
Tax effect of:				
Share of profit from associate and joint ventures, net of tax	(21,572,852)	(59,727,007)	-	-
Income not subject to tax	(10,585,549)	(8,722,098)	(4,046,097)	(4,046,097)
Expenses not deductible for tax purpose	2,952,321	750,692	2,357,228	433,067
Tax losses for which no deferred income tax asset was recognised	31,986,324	25,273,444	11,841,084	15,060,017
Recognised deferred income tax from tax losses carried forward	-	(1,507,158)	-	-
Tax charge	14,763,134	110,535	-	-

30 Business combinations

30.1 Index Creative Village Public Company Limited ("Index")

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

Consideration at 30 June 2015

	Baht
Cash	430,000,000
Total consideration	430,000,000

Acquisition-related costs (included in administrative expenses in the profit or loss for the year ended 31 December 2015)

1,811,788

30 Business combinations (Cont'd)
30.1 Index Creative Village Public Company Limited (“Index”) (Cont'd)
Recognised amounts of identifiable assets acquired and liabilities assumed

	Baht
Cash and cash equivalents	72,749,664
Trade and other receivables	380,484,910
Inventories	4,807,602
Loan to related parties	16,626,088
Other current assets	40,412,408
Investment in associates	23,262,292
Investment in joint ventures	15,338,712
Property, plant and equipment	461,594,530
Intangible asset	3,612,306
Deferred tax asset	6,933,618
Other non-current assets	97,033,727
Bank overdraft	(35,696,858)
Trade and other payables	(117,061,572)
Unearned income	(34,297,208)
Accrued expenses	(48,432,380)
Accrued income tax	(7,122,724)
Other current liabilities	(38,371,984)
Finance lease liability	(36,308,790)
Borrowing from related parties	(11,000,000)
Retirement benefit obligations	(36,122,018)
Other non-current liabilities	(43,100)
Fair value of net assets	758,399,223
<u>Less</u> Non-controlling interests	(489,261,502)
Total identifiable net assets	269,137,721
Goodwill	160,862,279

Net assets from acquisition of investment in Index 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.

After business acquisition, Index has distributed dividends totalling Baht 41.6 million to the non-controlling interests in its several subsidiaries.

The non-controlling interests as at 31 December 2015 in the consolidated statement of financial position represents mainly non-controlling interests in Index, of which the movements can be analysed as follows:

	Baht
As at 30 June 2015	489,261,502
Dividends	(41,610,765)
Share of comprehensive income	8,809,235
As at 31 December 2015	456,459,972

30 Business combinations (Cont'd)

30.2 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".

In Quarter 4 of 2015, the Group completed determining the fair value of the acquired acquired net assets. The effect from valuation of the fair value resulted in recognition of trademark of Baht 152.22 million, and deferred tax liabilities of Baht 30.44 million, which are 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
Trademark	152,221,000
Other non-current assets	36,522,943
Deferred tax liabilities	(30,444,200)
Total identifiable net assets	222,756,800
Goodwill	408,594,300

31 Related party transactions

The major shareholder of the Company is BEC World Public Company Limited (incorporated in Thailand), which owns 17.98% of the Company's shares. The remaining 82% of the shares are widely held. Details of subsidiaries and associate are set out in Note 13.

The following material transactions were carried out with related parties:

a) Sales of goods and services

For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Revenue from rendering of services				
Major shareholder	47,840,000	40,000	-	40,000
Subsidiaries	-	-	2,123,944	3,964,702
Related companies	38,307,920	35,737,900	507,920	97,900
	<u>86,147,920</u>	<u>35,777,900</u>	<u>2,631,864</u>	<u>4,102,602</u>
Interest income				
Subsidiaries	<u>-</u>	<u>-</u>	<u>29,084,316</u>	<u>1,500,108</u>

b) Purchases of goods and services

For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Purchase of goods from:				
Related companies	<u>6,030</u>	<u>7,840</u>	<u>6,030</u>	<u>7,840</u>
Cost of rendering of services				
Related companies	<u>37,800,000</u>	<u>35,740,000</u>	<u>-</u>	<u>100,000</u>
Selling and administrative expenses				
Subsidiaries	-	-	36,261	42,598
Related companies	8,857,760	7,623,893	8,582,760	7,183,010
	<u>8,857,760</u>	<u>7,623,893</u>	<u>8,619,021</u>	<u>7,225,608</u>
Interest expenses				
Subsidiaries	<u>-</u>	<u>-</u>	<u>2,633,527</u>	<u>570,267</u>

31 Related party transactions (Cont'd)
c) Outstanding balances arising from sales/purchases of goods and services

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Trade accounts receivable (Note 10)				
Related companies	26,367,826	3,466,800	-	-
Trade and other payable (Note 21)				
Subsidiaries	-	-	6,513,282	-
Related companies	572,690	3,469,791	459,428	2,991
	<u>572,690</u>	<u>3,469,791</u>	<u>6,972,710</u>	<u>2,991</u>
Advances received for production of television programmes				
Related companies	20,205,607	10,000,000	-	-
Accrued expenses				
Subsidiaries	-	-	2,990,504	575,918
Related companies	459,703	463,325	459,703	463,325
	<u>459,703</u>	<u>463,325</u>	<u>3,450,207</u>	<u>1,039,243</u>
Accrued income				
Subsidiaries	-	-	9,785,167	-
Related companies	849,931	-	-	-
	<u>849,931</u>	<u>-</u>	<u>9,785,167</u>	<u>-</u>

d) Loans to related parties

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Loan to:				
Subsidiaries	<u>3,333,150</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Consolidated	Company
	Baht	Baht
For the years ended 31 December 2015		
Beginning balance	-	-
Acquisition of subsidiaries (Note 30)	16,626,088	-
Additions during the year	3,333,150	-
Loans repayment during the year	(16,626,088)	-
Ending balance	<u>3,333,150</u>	<u>-</u>

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.

31 Related party transactions (Cont'd)

e) Borrowings from related parties

	Consolidated		Company	
	31 December 2015 Baht	31 December 2014 Baht	31 December 2015 Baht	31 December 2014 Baht
Loan from:				
Subsidiaries	-	-	128,000,000	88,000,000
Related companies	14,500,000	-	-	-
	<u>14,500,000</u>	<u>-</u>	<u>128,000,000</u>	<u>88,000,000</u>

Movements in borrowings from related party are analysed as follows:

	Consolidated Baht	Company Baht
For the year ended 31 December 2015		
Opening amount as at 1 January 2015	-	88,000,000
Acquisition of subsidiaries (Note 30)	11,000,000	-
Addition during the year	3,500,000	50,000,000
Loan repayment during the year	-	(10,000,000)
Closing amount as at 31 December 2015	<u>14,500,000</u>	<u>128,000,000</u>

The loans from subsidiaries are denominated in Thai Baht, bearing interest rate of bank fixed deposits rate plus 1.75 per annum, and there was no specified repayment date. The loans from other related parties are denominated in Thai Baht, bearing interest rate of 6.50% to 6.75%, and there was no specified repayment date.

f) Key management compensation

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

For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Short-term employee benefits	63,532,853	43,367,680	37,602,617	34,459,680
Post-employee benefits	1,936,122	1,989,163	1,885,477	1,916,446
	<u>65,468,975</u>	<u>45,356,843</u>	<u>39,488,094</u>	<u>36,376,126</u>

32 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	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Not later than 1 year	177,319,364	262,588,359	5,255,579	5,275,625
Later than 1 year but not later than 5 years	143,955,820	170,359,079	844,152	5,935,858
Later than 5 years	3,708,520	475,812	311,940	475,812
	<u>324,983,704</u>	<u>433,423,250</u>	<u>6,411,671</u>	<u>11,687,295</u>

33 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.

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

➤ Management Discussion, Analysis of Financial Positions and Operating Results

Operating Results

2015 economy was as stagnant as many expected despite numerous spending stimuli by the government. The Group continues to diversify its investments with focus on industries least affected by recession, namely food retailer, education and complete marketing service provider. This has allowed the Group to maintain income growth from all the businesses the Group has acquired. We expect the growth to continue well across the board as we head into 2016 capitalizing on the complete AEC opening, augmented by a more efficient costs and expense management to yield yet another better performance year.

As the Group executes its strategy of transforming from pure entertainment to leading lifestyles and entertainment business in 2015, Wave has completed transformation from entertainment into a leading “Lifestyle & Entertainment” business in 2015, having moved into the educational business in May 2014, restaurant in December 2014 and most recently in a complete marketing service provider in June 2015 via a 50% acquisition of Index Creative Village Public Company Limited (“Index”) with controlling interest in such company, the Group is thus required to recognize its financial results in full for revenues and expenses and to recognize net profit only proportionate to its shareholding portion of the invested company.

The Group had significant increases in total revenues and gross profit in 2015 as revenues closed at THB 2,168.82 million (an increase of THB 1,534.56 million) while gross profit ended at THB 869.10 million (40% of revenues), for an increase of THB 683.87 million (11% rise from the prior year.) This is attributed to the systematic and effective cost management. Total expenses amounted to THB 823.95 million, leaving gross profit for the year 2015 at THB 45.15 million, down THB 174.95 million from 2014. Majority of the drop was attributed to THB 192.96 million in share of profits from a subsidiary in 2014 as it received a fine on work completion delay from contractor, special accounting profits from the adjustment of company’s investment in subsidiary, and the accounting adjustment to reflect the reduction of Group’s holding in this subsidiary.

Income from sales and services

2015 Group revenue was at THB 2,168.82 million, total rise in revenues was THB 1,534.56 million or a 242% increase YOY. The details are as follow:

- 1) Revenue from restaurant of THB 723.14 million.
The Group had a full year revenue recognition of the 79-store restaurant business in 2015 which comprised 38 stores in Bangkok and 41 stores upcountry, of which 6 new stores opened in this year: Central Rayong, Robinson Burirum, Central Westgate, Lotus Nakonsrithammarat, Robinson Srisamarn and Robinson Pracheanburi.
- 2) Revenue from educational service of THB 716.33 million.
Similar to the restaurant business, the Group achieved a full year revenue recognition on the educational service in 2015 under the service-rendered revenue basis on student contracts timing in accordance to the current generally accepted accounting standards. Revenues were generated among the 9 centers, 8 of which are located in Bangkok and 1 in Chiangmai at THB 716.33 million.
- 3) Revenue from marketing service of THB 545.61 million.
As the Group has acquired 50% of the complete marketing service provider business in June 2015, covering the creative solutions, marketing enhancement services, lifestyle experience and ASEAN wings pillars in June 2015 with controlling interest in such company, the Group is thus required to recognize its financial results in full for revenues and expenses, and to recognize net profit only proportionate to its shareholding portion of the invested company. As such, the Group has started to account for the revenues since July 2015 for a total amount of THB 545.61 million.

- 4) Revenue from Television Production and Distribution of THB 98.47 million.
TV Production revenues increased by THB 33.87 million or 52% to THB 98.47 million. This was due to the “Kaew Ta Wan Jai” soap opera show that was released early in the year and “Jood Nut Phob” series.
- 5) Revenue from Concert of THB 84.08 million.
Concert Revenues increased by THB 42.30 million, a 101% rise YOY from 4 rounds among the 3 concerts being 1 round of The Palace and Friends (Restaged), 2 rounds of Nuvo Love Story and 1 round of Yesterday Once More.

Selling and Servicing Costs:

The Group incurred total costs of THB 1,299.73 million, an increase of THB 850.70 million or 189% over the previous year as it took the full year cost recognition on educational and restaurant businesses and the new 6-month recognition on the marketing services. Of this amount, THB 1,019.66 million was under servicing costs for a rise of THB 595.27 million (140% increase YOY) and THB 280.07 million selling costs, increasing THB 255.43 million or 1,037% over the prior year.

Selling and Administrative Expenses:

Selling and administrative costs totaled THB 929.62 million, up by THB 665.86 million or 252% compared to the prior year, due to the full year expense recognition on the food and education businesses and a 100-percent expense recognition on the complete marketing service provider. The Group recognized only 50% of profit and loss, in relation to its investment holding in the subsidiary. Expenses mainly consisted of personnel, marketing, depreciation and amortization of intangible assets in accordance to the generally accepted accounting principles, employee benefit reserve, special items such as professional fees on the acquisition of the complete marketing service provider business. The Group also incurred THB 76.28 million financing costs, up by THB 48.55 million compared to the previous year as a result of full-year additional bank debts to fund the entry into new businesses.

Share of profits in associate companies:

The Group has recorded a THB 105.68 million in share of profit from investments in the associates and joint ventures which is down by THB 48.60 million or 32% drop. Majority of the drop was due to the extraordinary income of THB 107.70 million under Thai Solar Energy PLC (TSE) in 2014 from work delay fine on contractors and THB 510 million accounting profit from investment adjustment in subsidiary resulting in a THB 154.28 million impact to Group's holding. Moreover, there was a correction of accounting error on the TSE IPO of THB 144.36 million, such adjustment was added directly to the Company's 2015 retained earnings to reflect the Company's proceeds in which the shareholding reduced from 25% to 20%.

Financial Status:

Assets:

The Group's Total Assets as of 31 December 2015 was THB 3,983.43 million, increasing THB 1,313.43 million or 49% YOY. Majority of increase was from accounts receivables and other receivables of THB 424.59 million (increased THB 351.04 million), property plants and equipment of THB 680.55 million (increased THB 525.62 million mainly from marketing business), investment in associates and joint ventures of THB 831.48 million (increased THB 133.63 million) and good will of THB 1,295.54 million (increased THB 160.86 million on new business acquisition.).

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 178.85 million (4% of total assets), an increase of THB 10.08 million compared to the previous year.

▪ **Accounts Receivables - Net:**

Net accounts receivables for the year 2015 was THB 424.59 million, 11% of total assets, increasing THB 351.04 million or 477% YOY. Of this amount, THB 219.14 million was under the net accounts receivables, THB 125.32 million other receivables, accrued income and interest THB 44.56 million and THB 35.57 million others.

▪ **Inventory:**

Inventory amounted to THB 29.10 million, or 1% of total assets, an increase of THB 2.09 million YOY. Majority of this was in the raw materials and packaging inventory under restaurant business.

▪ **Television Programmes and Concerts Production in Progress:**

Production work in progress amounted to THB 35.24 million, or 1% of total assets, increasing THB 0.47 million from last year for a scheduled soft operas release in early 2016.

▪ **Investments in Associated Company:**

Investment in associated companies amounted to THB 847.03 million or 21% of total assets for an increase of THB 149.17 million YOY. The increase comprised THB 105.48 million share of profits from an associated companies, THB 23.26 million investment in Index's associated company and a THB 4.9 million other share of comprehensive profits.

▪ **Property Plants and Equipment:**

Property plants and equipment amounted to THB 680.55 million, 17% of total assets, an increase of THB 525.62 million over the prior year namely from the THB 281.48 million increase in office equipment, THB 126.17 million buildings and THB 89.24 million land from the marketing service business.

▪ **Goodwill:**

Goodwill accounted for THB 1,295.54 million or 33% of total assets, reflecting the future value of the 3 newly acquired businesses to be received. The goodwill amount is divided into THB 726.08 million Educational business, THB 408.59 million restaurant business and THB 160.86 million marketing service business. The Group believes that the future derived income from the acquired businesses is well-justified with the amount of the good will and will contribute to the long-term performance, strategy and the common target of all companies under the Group. The Group conducts the annual depreciation tests to remain compliant to the current accounting standards.

▪ **Other Non-Current Assets:**

Other non-current assets amounted to THB 159.22 million, up by 78.84 million or a 98% increase, comprising mostly of withholding tax receivable and guarantee

Liabilities:

2015 liabilities increased as the Group financed the expansion into target businesses via bank loans. Long-term and short-term loans were utilized to support acquisition and working capital needs. As 2015 reflected full year operation, the financing costs increased substantially compared to the 2014 numbers.

As of 31 December 2015, the Company had total liability of THB 2,802.92 million, increasing THB 815.75 million from the previous year. Break down of the liabilities were THB 457.95 million current portion of LTL, THB 152.54 million increase in accounts payable, THB 111.21 million increase in bank STL and OD, THB 42.81 million increase in staff benefit contingency funds. The Group had repaid THB 572.24 million in long term loan throughout 2015.

Equity:

As of 31 December 2015, the Company's total equity was THB 1,180.51 million, up THB 497.67 million. The equity attributable to owners of the parent was THB 724.05 million, increasing THB 41.21 million due to net profit for the year.

Equity attributable to owners of the parent had had a significant change in 2015 as the Group was able to turn around from a THB 27.60 million retained loss in 2014 to a positive THB 323.65 million in 2015 via offsetting THB 16.73 million legal reserve and THB 298.21 million share premium against the retained loss as approved by the 22/2015 Annual General Shareholders Meeting dated 30 April 2015. There was also an accounting adjustment on an associated company to reflect the income of THB 144.36 million that was not recognized in 2014, to be credited directly into 2015 retained earnings account.

Group's capital structure as at 31 December 2015 was as follows:

- Equity of THB 1,180.51 million or 30% of total assets.
- Equity attributable to owners of the parent of THB 724.05 million or 18% of total assets.
- Total liabilities of THB 2,802.92 million or 70% of total assets.

Significant financial ratios:

- Debt to Equity ratio of 2.37 times, down from 2.91 times in the previous year due to the consolidation of companies under Group's control.
- Debt to Equity attributable to owners of the parent ratio of 3.87 times, up from 2.91 times in the previous year as a result of increase in liabilities to fund the acquisitions.
- Interest Bearing Debt ratio of 2.43 times, increasing from 1.86 times in the previous year due to the investments in the total marketing service business.
- Net Book Value per share was at THB 2.23, up from THB 2.11 in the previous year as net profits rose.
- Earnings per share of THB 0.11, down from THB 0.68 in previous year as the Group's gross profit was impacted by the accounting adjustment to reflect unrecognized income of an associated company in 2014 and increase in selling and administrative expenses and financial costs in 2015.

Liquidity and debt service capacity

The Group's 2015 debt to equity ratio had risen significantly to end at 3.87 times as it executed the strategy using mainly borrowings from banks. Its Interest Coverage Ratio (ICR) and Debt Service Coverage Ratio (DSCR) were at 4.86 and 1.21 times respectively, an improvement over the prior year (at 3.83 and 0.80 times) owing to the positive cash flow performance in 2015. The Group has a General Mandate capital increase plan within 2016 in line with the resolutions from shareholders' meeting no. 22/2558 held on 30 April 2015. The increase in capital will result in the significant reduction in the Group's DE; together with the effective management of costs and expenses, the Group's long term profit outlook will be well sustained.

Cash Flows:

In 2015, the Company and subsidiaries had THB 159.52 million in cash and cash-equivalents items, slightly higher than the previous year. 2015 EBITDA was THB 190.20M, up THB 197.25 million from 2014. Details of cash activities are as follows:

The Group generated THB 158.45M of net cash from operations activities in 2015, up THB 118.92M from 2014, mostly resulting from depreciation and amortization of intangible assets of THB 159.68M.

The Group had a net investment cash activities of THB 542.32 million, decreasing THB 699.95 million from last year due to the investment in 1 new marketing service business as compared to 2 in 2014.

The Group had a net financing cash activities of THB 392.15 million, down THB 878.67 million from the previous year. This was a result of THB 912.16 million long term loan repayment and THB 75.51 million net increase in short term loan and overdraft to support the newly acquired businesses.

➤ **Risk Factors which may impact profits of the Company in the future**

None