



WAVE

ENTERTAINMENT



iWAVE



WAVE Entertainment Public Company Limited

Annual Report 2016

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

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Report of The Chairman

Matthew Kichodhan

Chairman & CEO



World Leaders and especially all Thais in 2016 mourned the tragic and most sad passing of our beloved King Bhumibol Adulyadej on October 13th, 2016, who reigned righteously for more than 7 Decades. The Board of Directors and the employees of Wave Group send our heartfelt condolences to the Royal Family, and mourn the lost with all Thais.

Wave's businesses faced a challenging year in the "Lifestyle & Entertainment" sectors and especially in Quarter 4. However, we reaffirm our Long Term commitment to realize our Vision to become a leading "Lifestyle and Entertainment" Company 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 while growing our Entertainment business through the full year impact in 2016 of our 50% acquisition of Index Creative Village Public Co. ("Index") in July 2015. 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 Wall Street English (WSE) franchise in Thailand in the Education Sector, is Thailand's leading premium provider of English education, and with Quantitative research completed in 2016 affirm our market share and Brand leadership with now 10 Retail Centres and 5 Corporate Centres. The newest center was opened in March at Central Westgate enabling WSE to capture a new market in the suburbs of Metropolitan Bangkok. 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.

Jeffer Restaurants Co. Ltd, enabled Wave to establish a scale food business through Jeffer's 80 restaurants nationwide. Jeffer opened 4 new restaurants as well as closed 3 nonperforming stores resulting in a net gain of 1 restaurant. 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. In 2016, Jeffer began rolling out the new Brand Corporate Identity with a refresh look and feel to be more consistent with the "Lifestyle" of our consumers.

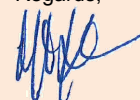
Index Creative Village Public Co. Ltd ("Index"), a leading regional conglomerate group of Creative and Event organizers established over 25 years ago with a current footprint in the IndoChina countries, and now ranked 7th Agency in the World from Special Events Magazine, USA faced a tough year especially with the cancelation of many events in Q4, as the country mourned the lost of our beloved King. Index will give Wave the scale, creative, and production capabilities to the "Entertainment" business, for example, in 2016 successfully producing the Ms. Thailand Reality TV show and Beauty Pageant Event.

Our investment in Thai Solar Energy Public Company (TSE) continues to be a valuable asset since its IPO. In 2016, Wave sold 10% of our TSE holdings to reduce our Long Term Debt as we prepare to lighten our liability and create more breathing room to organically expand our existing businesses as well as be more flexible in examining new opportunities. Our D/E ratio dropped from 3.91 to 1.68, and our IBD/E ratio dropped from 2.49 to 1.04. Our holding of TSE post the sale stands at 10%. The market capital of TSE as of December 30th was Baht 11.07 Billion.

The Company continues to ensure emphasis on Good Corporate Governance improving once again its rating from "Very Good" to "Excellent" (score 87% to 90%) in the Corporate Governance Report of Thai Listed Companies in 2016 from the Thai Institute of Directors (IOD), supported by the Stock Exchange of Thailand, as well as from an "Excellent" (96%) to an "Excellent (deserve as an example)" (100%) rating from the Thai Investors Association in their assessment of our Annual General Meeting in 2015. We will strive to continue to improve/maintain our standing and rating in Good Corporate Governance in the upcoming year.

We look forward in the year ahead, to continue transforming 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.

During the year 2016, 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 2016 were as follows :

1. Reviewed adequate and appropriate of financial reports :

- Reviewed the interim and 2016 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. The External Auditors confirmed that they performed the engagements independently and obtained a kind cooperation with the Management, before submitted the financial statements to the Board of Directors for approval to disclosure to the SET and SEC.
- Acknowledged the Management analysis report pertaining to key financial data quarterly.
- Acknowledge and consider Key Audit Matters and management to disclosure to Auditor's Report for the year 2016.

The Audit Committee is of the opinion that the financial statements of the company and its subsidiaries for the year 2016 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 2016 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, the Company's good corporate governance and Code of Conduct :

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

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

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 Miss Sakuna Yamsakul and/or Mrs. Nattaporn Phan-Udom and/or Mr. Pisit Thangtanagul, auditors from PricewaterhouseCoopers ABAS Co., Ltd. as the company and its subsidiaries' auditors for fiscal year 2017, 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 2016 (Form 56-2) and in the annual information disclosure form as at December 31, 2016 (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 bribery and corruption. To ensure that the Company has complied with the law and ethical requirements. Assigned to the Internal Audit Office has the duty and responsibility to monitor and review operational policies as against bribery and corruption. Including the Internal Audit Office and the Management to conduct a detail study and to prepare a self-evaluation form regarding anti-corruption measures of the project "Private Sector Collective Action Coalition Against Corruption (CAC)".
- 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	4/4
2. Mr.Somsak Phayapdacharchai	3/4
3. M.L.Nalinee Hasadintra	4/4

On behalf of the Audit Committee



(Mr. Prasert Patradhilok)

Chairman of the Audit Committee

27 February 2017

Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors according to the roles and responsibilities as specified under the charter of the Nomination and Remuneration Committee in searching, selecting and nominating persons to become directors and senior executives of the Company, including proposing policies on remuneration and other benefits for the Board of Directors, committees and employees.

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 members of the Nomination and Remuneration Committee.

In 2016, the Nomination and Remuneration Committee had 2 meetings to consider important matters and report the outcomes of the meeting, together with opinion and recommendations, to the Board of Directors. The matters which have been considered and approved by the Board of Directors of the Company as follows:

1. To appoint as the Company's directors the four directors who are retired by rotation. Out of those four directors, two directors are members of the Nomination and Remuneration Committee. With such conflict interest, the appointment of such two directors are considered by the meeting of the Board of Directors. For the other two directors, the committee approve the reappointment of such directors as the Company's directors for another term by considering the performance of duties, the exercise of care and recommendations and opinion which contribute to the business operations of the Company and its shareholders.
2. To determine remuneration of the Board of Directors and 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 create incentives and retain talented employees with good performance, the committee considered bonus for the year 2016 and adjust employee salary for the year 2017 of Wave Group together with the executives. The increase of salary and bonus is at a suitable rate and in line with operating results. The Nomination and Remuneration Committee has considered this based on operating performance of each business.

The Nomination and Remuneration Committee has performed duties assigned to it at its full capabilities with cautions, efficiency, transparency and independence, for the utmost benefits of the Company, its shareholders and all stakeholders, in line with the policy on good corporate governance.

On behalf of the Nomination and Remuneration Committee



(Ms. Manida Zimmerman)

Chairman of the Nomination and Remuneration Committee

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 2016, 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 2016, the significant matters that were considered by the meetings of the Risk Management Committee can be summarized as follows:

1. Review risk management policy to ensure that they are sufficient and appropriate for the nature of the Company's businesses as well as related regulations.
2. Acknowledge significant organizational risks for the year 2016 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 2016.

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

Corporate Governance Committee Report

The Board of Directors understand the importance of good corporate governance and has appointed Corporate Governance Committee to ensure that the business operations of Wave Group are in line with good corporate governance policy and to increase confidence and the Company's credibility to shareholders, investors and stakeholders. As of 31 December 2016, the Corporate Governance Committee consists of Mr. Chaipranin Visudhipol as Chairman of the Corporate Governance Committee and Mr. Somsak Phayapdacharchai and Mr. Philipp Oliver Piaz as Member of the Corporate Governance Committee.

In 2016, the Corporate Governance Committee promoted and supported Wave Group to comply with good corporate governance policy with an aim to continuously improve its good corporate governance. In this regard, the Company's assessment results are as follows:

1. Under the Corporate Governance Report of Thai Listed Companies 2016 by Thai Institute of Directors (IOD) with support from the Stock Exchange of Thailand, the Company received a score of 90% earning the "Excellent" corporate governance recognition level, which is a higher score than in 2015 and 2014 in which the Company received a score in the level of "Very Good" and "Good" respectively.
2. According to the evaluation of the quality of 2016 annual general meetings of shareholders of listed companies (Annual General Meeting Checklist) carried out by the Thai Investor Association, the Company received a score of 100 points earning the "Excellent and worthy as an example" level, which is a higher score than in 2015 and 2014 in which the Company received a score in the level of "Excellent" and "Very Good" respectively.

The Company believes that good corporate governance practice is an important factor that helps promote the Company's business operation to be effective and sustainable. Therefore, the Corporate Governance Committee is determined to ensure that Wave Group strictly follows good corporate governance practice, business ethics, guidelines on social, community and environmental governance and promotes the group to have corporate governance policy which is up-to-date and suitable for changes in environment in order to continuously improve standard and practice of good corporate governance of Wave Group.

On behalf of the Corporate Governance Committee



(Mr. Chaipranin Visudhipol)

Chairman of the Corporate Governance Committee

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 and paid-up capital of Baht 421.20 Million, divided into 421.20 million ordinary shares with a par value of baht 1 each. 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



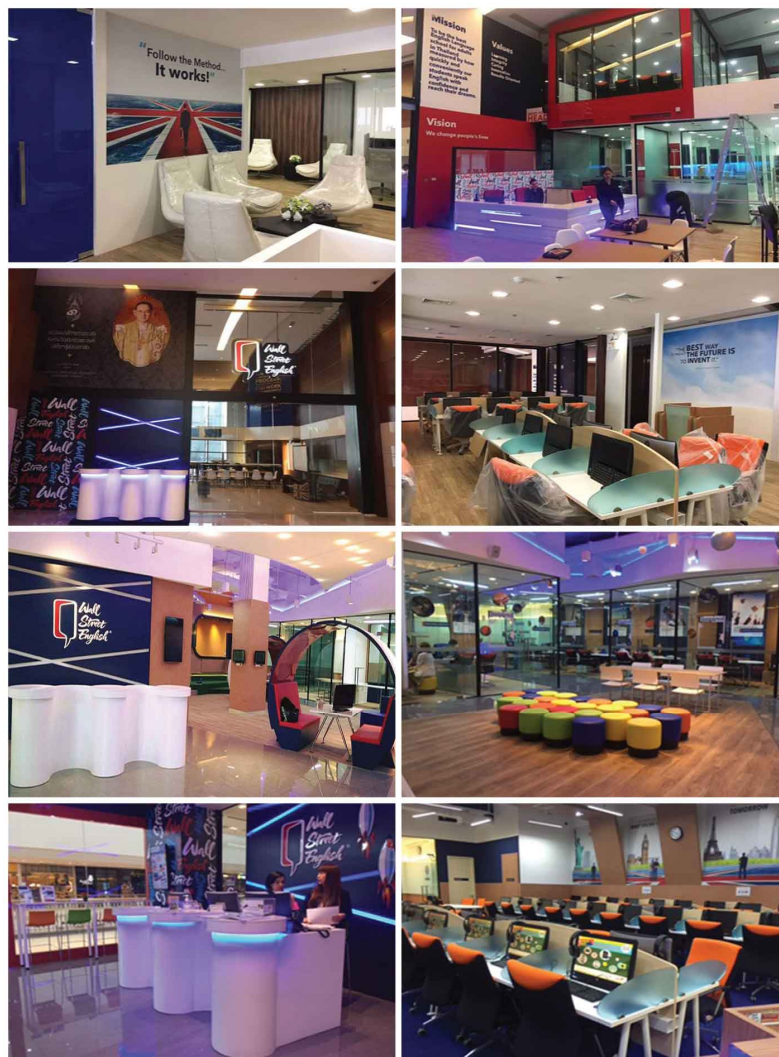
2. Concert and events organizing services



3. Copyright owner and distributor Thai dramas of Channel 3

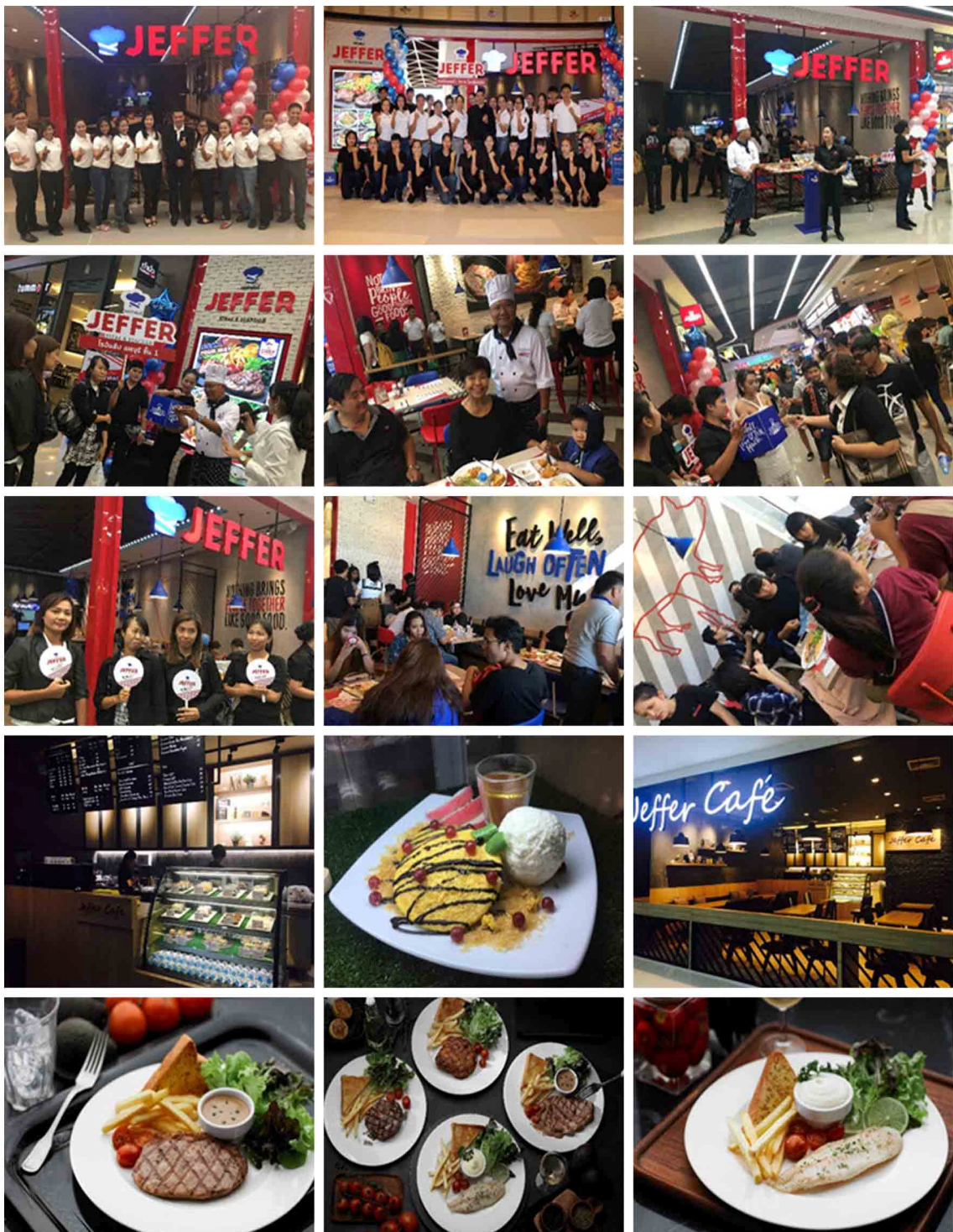


4. English language school business under the trade name of “Wall Street English” (“WSE”)

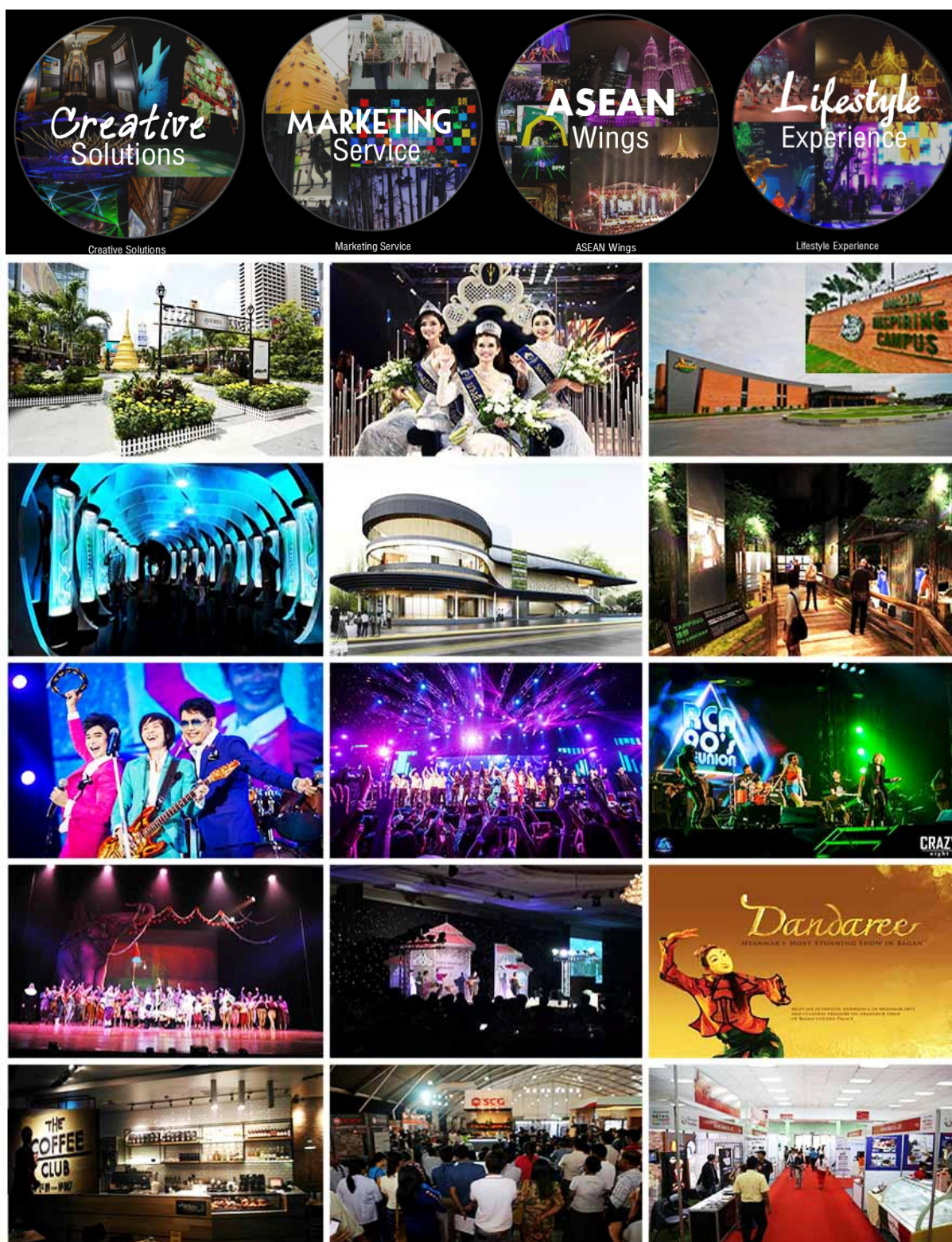


5. Restaurant business under the trade name of “Jeffer Steak & Seafood”

(เปลี่ยนรูปแล้ว)



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

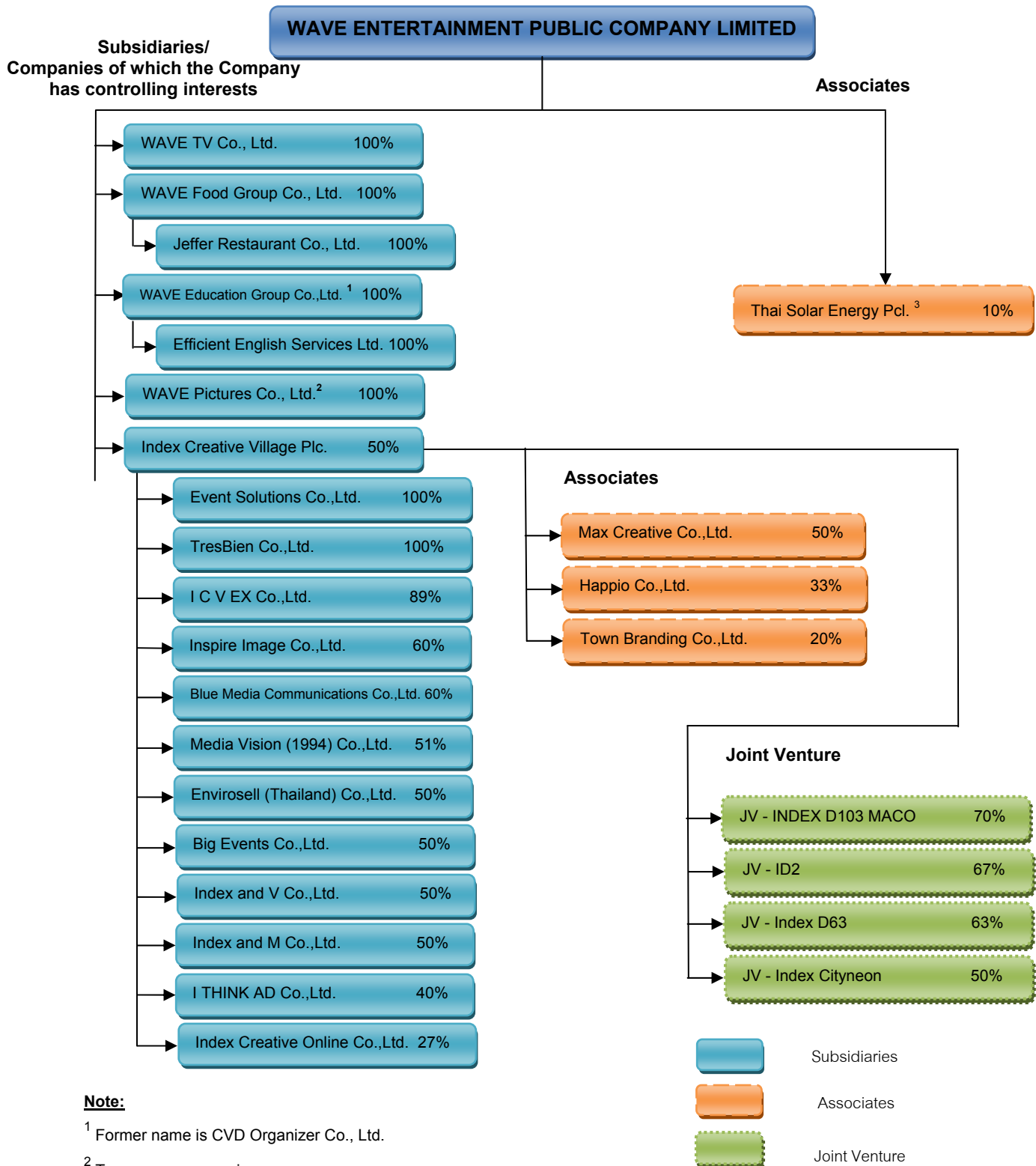
Year	Key Milestones and Development
2002	<ul style="list-style-type: none"> The Company ceased the manufacturing of video tape cassettes.
2007	<ul style="list-style-type: none"> The Company terminated the procurement and distribution of copyright movies.
2010	<ul style="list-style-type: none"> The Company 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"). 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.
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".

Year	Key Milestones and Development
2016	<p>1. Capital increase under general mandate</p> <p>In March 2016, the Company allotted newly issued shares under general mandate scheme of up to 97.20 million shares with a par value of Baht 1 to all existing shareholders of the Company (Right Offerings) at the offer price of Baht 3.50 per share.</p>
	<p>2. Partial disposal of holding in TSE</p> <p>In November 2016, the Company sold 181.50 million TSE shares, accounting for 10% of the registered and paid up capital of TSE. As a result of such disposal, the Company subsequently holds 10% of the registered and paid up capital of TSE.</p>
	<p>3. Restructure of education business</p> <p>In December 2016, the Company restructured its shareholding in education business to accommodate for business expansion to CLMV by selling all EES shares or 100% of paid-up ordinary and preferred shares to Wave Education Group Company Limited (former name is CVD Organizer Company Limited) ("Purchaser") which is a 100% subsidiary of the Company.</p>

1.3 Overview of businesses of the Company and its subsidiaries

The Company has grouped its businesses into business units. Set out below is the Company's group structure representing its shareholding in subsidiaries and associated company.

Group Structure of the Company



Note:

¹ Former name is CVD Organizer Co., Ltd.

² Temporary suspension

³ In November 2016, the Company sold 10% shareholding in TSE.

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 2016)
Wave Entertainment Pcl.	<ol style="list-style-type: none"> 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.	The Company has restructured the business by changing its former name "WAVE TV and Movie Studios Co., Ltd." and its objective to investment company.	100%
3. WAVE Education Group Co., Ltd.	The Company has restructured the business by changing its former name "CVD Organizer Co., Ltd." and its objective to investment company.	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%
<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>WAVE Education Group Co., Ltd.'s subsidiary</u>		
1. Efficient English Services Ltd.	Private English language school	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)

Company	Business Type	Shareholding of the Company and others (if any) (as of 31 December 2016)
4. Inspire Image Co.,Ltd.	Preparation, installation and removal of advertising boards	60% (40% held by other individuals)
5. Blue Media Communications Co.,Ltd.	Provision of publishing media design, production and distribution services	60% (40% held by other individuals)
6. Media Vision (1994) Co.,Ltd.	Light and sound system installation services for entertainment events	51% (49 % held by other individuals)
7. Envirosell (Thailand) Co.,Ltd.	Providing advisory services, research data analysis and survey of statistic	50% (50% held by other individuals)
8. Big Events Co.,Ltd.	Production of film and television programs and business events advisor and organizer	50% (50% held by Woody World Co.,Ltd.)
9. Index and V Co.,Ltd.	Business events advisor and organizer	50% (50% held by other individuals)
10.Index and M Co.,Ltd.	Business events advisor and organizer	50% (50% held by other individuals)
11.I THINK AD Co.,Ltd.	Advertising and public relations services	40% (60% held by other individuals)
12.Index Creative Online Co.,Ltd.	Consultancy, design and development services for web sites and flash media	27% (73% held by other individuals)

(2) Associated Company

Company	Business Type	Shareholding of the Company and others (if any) (as of 31 December 2016)
<u>Wave's Associated</u>		
1. Thai Solar Energy Pcl.	To produce electricity from solar energy for sale to public and private sectors.	10% (42.80% held by P.M. Energy Co.,Ltd. ,10% held by Sino-Thai Engineering & Construction Pcl. 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 other individuals)
2. Happio Co.,Ltd.	Provides online solutions, software design and development service. (Website and mobile application)	33% (67% 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 2016)
<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	2014		2015		2016	
			Revenues	%	Revenues	%	Revenues	%
Total revenues								
1. Entertainment and marketing business ¹	WAVE		107	16	729	33	1,222	40
	WAVE TV	100						
	Index Group	50						
2. Restaurant business	JEFFER	100	57	9	723	33	681	22
3. English language school business	EES	100	464	70	716	33	658	22
4. Other income	All companies		38	5	14	1	480 ²	16
Total revenues			666	100	2,182	100	3,041	100
Growth rates				130%		228%		39%

Remarks:

¹ In 2016, the Company has re-categorized its businesses. The entertainment and marketing business is categorized into 3 types which include television program production and distribution business, concert organizing business, and creative and marketing communication services business.

² Other income in 2016 in the amount of Baht 480 million includes Baht 448 million gain from disposal of investment of 10% of the registered and paid-up capital of Thai Solar Energy Public Company Limited (TSE).

Nature of Business

2.1 Television programs production business

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

Television program production business

Wave TV produced 2 television series in 2016 namely 1) “Buang A Thi Tarn” which was on air in 2016 and 2) “Bun Lang Dok Mai” in 2017.



Program name:	“Buang A Thi Tarn”
Air date	Every Monday - Tuesday
Air time	8.15 p.m. – 10.30 p.m.
Television Channel	Channel 3
Original air date	16 August 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	Every Friday - Sunday
Air time	8.15 p.m. – 10.30 p.m.
Television Channel	Channel 3
Original air date	3 February 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.	

Wave TV is in the process of producing 1 television series namely “Kwam Song Jum Si Jang”, which is expected to on air in 2017.



Program name:	“Kwam Song Jum Si Jang”
Air date	In the production process
Air time	8.15 p.m. – 10.30 p.m.
Television Channel	Channel 3
Original air date	In 2017
Target audience	Suitable for all
Program description: “Kwam Song Jum Si Jang” is a story about romantic love between brother and sister. It all begins from three families who are from different cities, never knew each other before and with different social backgrounds. Destiny has brought them to be together with the start of more stories.	

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
“Buang A Thi Tarn”	Suitable for all
“Bun Lang Dok Mai”	Suitable for all
“Kwam Song Jum Si Jang”	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

1. **Pre-production process**

The process starts from the production unit procures scripts from various publication houses and prepare synopsis for presentation to television channel or stories may come from brainstorming among the unit members. The idea may come from watching foreign movie, television series or listening to music. Then, idea is gathered for creating story plot as an alternative method of procuring story. Once television channel has approved production of the television series, the production unit shall organize a production team which includes scriptwriter, director, producer, set, coordinators, venue procurement team, arts, costumes and other requisite roles. Subsequently, the production unit shall set production schedule in order to plan and find cast for the television series.

2. **Production process**

For each television series, planning of the production process takes approximately 8 months (however, the process may take longer due to other factors). The shooting will take place every week depending on the schedule. The schedule is usually either on (Monday, Tuesday and Wednesday) or (Thursday, Friday, Saturday and Sunday). The choice of shooting schedule would depend on availability of the cast and production team.

3. Post- production process

The post-production process involves editing the series, selecting the shots, adding sound or special techniques. Wave TV has a quality control team who examines the suitability of broadcasting the show prior to submitting it to television channel (the channel will inform Wave TV of the scheduled air date in advance to allow Wave TV sufficient time to submit the series). If any content of the series is not suitable to air, the channel may return the tape to Wave TV for editing. In the past, Wave TV has never encountered such problem as its policy is not to produce series with prohibited content. The whole process is considered completed and ready for on air upon submission of complete tape to television channel.

2.2 Concert and event organizing business

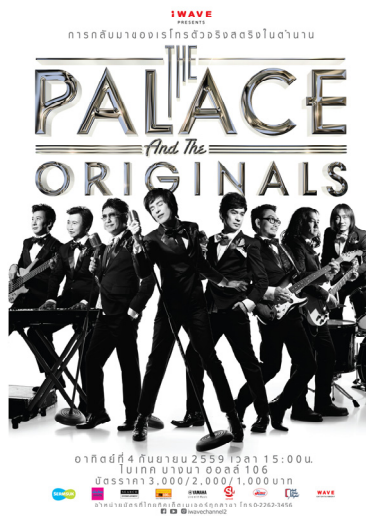
Operated by WAVE (i-WAVE as business unit)

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 2016, the Company organized “The Palace and The Originals” and other press releases such as grand opening events and shareholders’ meeting.



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 continuous high level of competition in respect of concert organizer, form and concept of concert, recruitment of artists and procurement and reservation of venue, which are critical parts to organizing concerts and such factors have 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 quality concerts which give valuable experience for the target customers.

In October 2016, due to the passing of King Bhumibol Adulyadej as announced by Bureau of the Royal Household on Thursday 13 October 2016, the government announced a mourning period of 30 days nationwide and 1 year for public sector. During the first 15 – 30 days following the passing, the government had asked for cooperation that all entertaining events were held off or postponed. As a result, all concert organizers who had scheduled for events during such period until December 2016 announced postponement of events to join the mourning. Those organizers who were unable to reschedule with the artist had to cancel the event or postpone it for indefinite period. In addition, all businesses, product owners, companies had policy not to organize any entertaining event during such period.

- **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 will be able to maintain the market share.

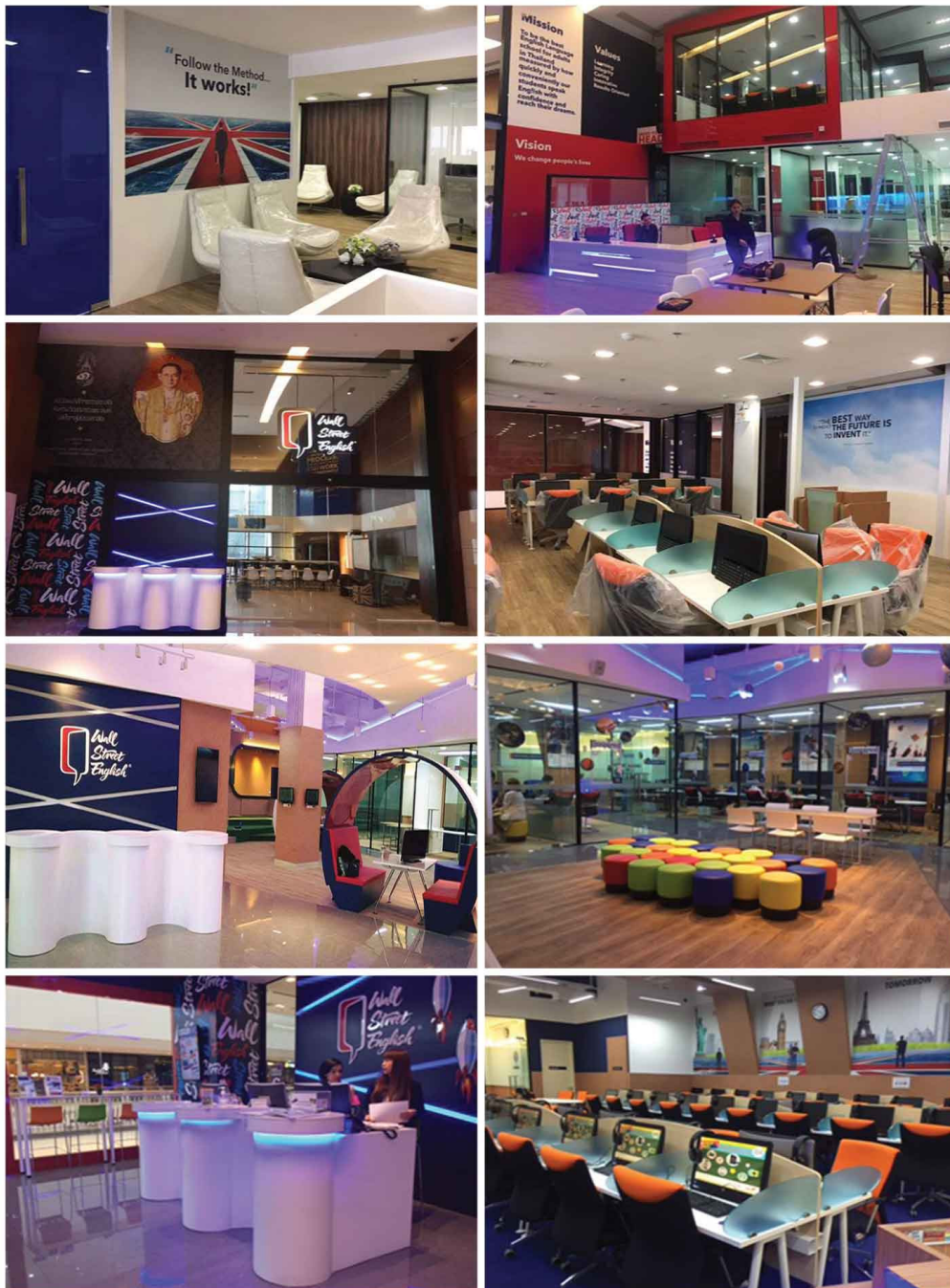
Procurement of products or services**Procurement of products for distribution**

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

Efficient English Services Ltd. (“EES”) is a language institute which operates and provides English language courses and services for adult learners 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 Wall Street English (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 44 years of experience, 450 centers in 29 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 47,000 students, and in 2016, EES has 11,000 current students. Currently, EES has 9 centers in Bangkok and its perimeters plus 2 centers in the economic provincial region of Chiangmai at the Central Festival Mall and Eastern Seaboard branch in Rayong. Consequently, EES currently has 11 centers spread across the country.

The course offered by Wall Street English 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 Wall Street English Institute, a learner can naturally acquire English language skills quickly and speak English with confidence, and 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.

For assurance that the education standard is subject to quality control by the Ministry of Education, the Company or Wall Street English Institute has entered into quality assurance program of private schools organized by Office of the Private Education Commission, the Ministry of Education since 2013. Fashion Island branch was the first branch to be assessed and the results was of very good quality and received certification in 2013. The next branch to be assessed was Mega Bangna branch which received similar results of very good quality. Wall Street English Institute’s objective is to ensure that all branches pass quality assurance process and are certified according to policies and regulations of the Ministry of Education. The students and customers will be confident that WSE has very good standard in terms of quality of its products and services.

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.

Wall Street English Institute 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 Wall Street English Institute’s course levels are in line with the language competence levels of CEFR (Common European Framework of Reference). Therefore, Wall Street English Institute can certainly be considered as a high potential English language school in the Thai market.

- **Target customers**

The target customers of Wall Street English Institute 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**

To maintain its reputation as leading English language institute, in 2016, Pearson Education Limited invested over Baht 500 million to develop English language programs for Wall Street English Institute under the name 'New Student Experience (NSE)'. Thailand was the third country after China and France to revise the English course. EES has launched the course to existing students on 8 November 2016 and to the public on 26 November 2016. The interactive course has been certified by Cambridge University.

The new course has been designed to give students with faster learning and new and better experience with lessons that replicate styles of Hollywood movies. The course content is based on 'Global Scale of English (GSE)', which was developed from the internationally accepted framework such as CEFR by Pearson Education Limited.

- **Overall marketing plan**

For 13 years, Wall Street English Institute remains a leader in the market with number 1 market share (based on survey by Envirosell (Thailand)) for all customer groups. We are determined to emphasize on importance of using English language and provide guidance for students and interested persons that the ability to communicate in English will open new opportunities to life. In addition, the quality of our courses is well accepted and results driven. The faster pace of communication and changes in consumer behavior are reasons for us to be adaptive in adjusting strategies and gain better understanding of customers in different age groups.

In 2016, Wall Street English Institute had more online marketing activities in order to reach target customers faster and provide fast and accurate information. Such communication also involves providing knowledge via online channels to reach out and become closer to the target groups. The marketing via information booth is also another channel which allows target customers to make enquiries and have closer interaction with the institute.

Procurement of products or services

Courses and training methods of Wall Street English Institute 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” trademark which offer western food in the category of steak and seafood with variety of menu. The restaurant design is American-inspired, offering food that appeal to Thai consumers’ preference and fun experience with various selection including pork, beef, chicken, fish, seafood, soups and salads prepared, which are prepared by trained chefs. As Jeffer’s point of differentiation and selling point to its customers, the customers may choose any combination of menu based on their preferences, including side dishes to complement the main dishes such as french fries, mashed potatoes, fried rice or somtum.

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. At present, its Victory Corner branch, Victory Monument and Major Hollywood branch have opened Jeffer Café, offering hot/ice and blended coffee, green tea and chocolate drinks, cakes and bakeries. Jeffer Café also provides free Wifi for customers who come to the café for meetings or for work.

As of 31 December 2016, Jeffer has 80 branches across the nation – 36 branches in Bangkok and 44 branches in other provinces are located in leading department stores in Bangkok and leading provinces. The choices of branch location include business districts, schools, and communities to provide ease of accessibility to the customers.

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 2016, Jeffer has 80 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 a higher market share by expanding at least 6 branches in 2017.

- **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

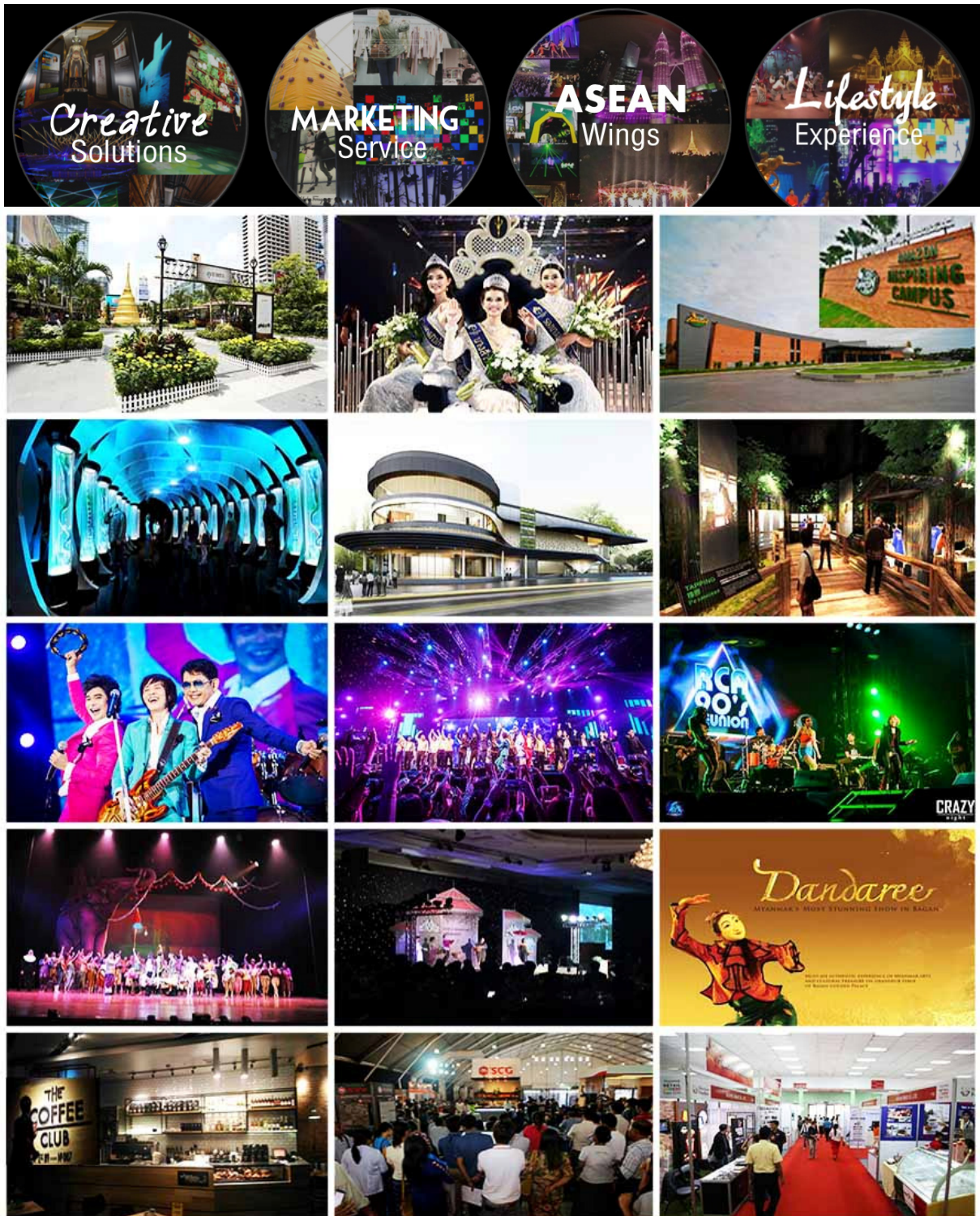
Restaurant managers count remaining stocks on a daily basis to find out which product needs to be ordered and make an order through Jeffer’s centralized system. Every products will be directly sent to each restaurant, whether in Bangkok or other provinces, by standard refrigerated trucks in order to 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 2016 has been deteriorated, including event business. Event is a business which have lots of fluctuations due to various factors such as political, economic or natural disasters, including the greatest loss of Thai people. The market value of the event business was Baht 1.18 billion, which was a decrease from the year 2015 due to various factors. 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 2017 is believed to be stable as the public and marketing promoters remain sensitive to the loss for the time being.

- **Target Customers**

Majority of customers are private sector in Thailand and overseas, including global brands. The portion of customer is 20% for government and private corporate for 80%, covering marketing at every level which include connecting Thai and foreign customers and bringing them to Asean market.

- **Distribution Channels**

The foundation of Creative Business and continuous innovation are key business drivers by creating a difference. Specially, the Company uses the research to help serve each customer's need more precisely. Continuous marketing to the target groups, both press and target customers creates confidence and lead to opportunities in new markets.

- **Competition**

There are many competitors in the events business due to the rapid rise of new businesses which results in new players in the industry. However, majority players are of small to medium scale and their products or services focus on certain expertise and, unlike big organizations, do not offer full scale services. There are few big organizations in the industry which create challenges and barrier to entry for new players. Nevertheless, Index has continuous efforts to adapt and implement strategies which are suitable to market environment.

Procurement of products or services

Index continues to develop, particularly in the area of new technology. It has Innovation Research & Development Department which cover the areas of events and marketing communication. As a result, Index always provide works which are of new styles and differentiated from others.

3. Risk Factors

In year 2016, 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 2016 can be summarized as follows:

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.

In 2016, the Company has allotted new ordinary shares under general mandate of up to 97.20 million shares at the par value of Baht 1 to all its existing shareholders (Right Offerings) at the offer price of Baht 3.50 and the Company has sold shares of Thai Solar Energy Public Company Limited (TSE) of 181.50 shares, accounting for 10% of the registered and paid-up capital of TSE. After such disposal, the Company will hold 10% of registered and paid-up capital of TSE. The Company will use proceeds from disposal of TSE shares for partial repayment of loan, business expansion, and as working capital. The Company believes that the disposal will have a long term benefits which include generate return to the Company's shareholders because the Company's obligations and interest payables decrease and, consequently, there is a higher chance of receiving return and adding value through expansion of the Company's core business. In addition, this will support the Company for stronger financial position and increase future cash flow from operation of the Company.

2. Business Risks

2.1 Creation and management of integrated marketing communications business

Event Business

In 2016, the overall performance of event industry in Thailand remain on a back footing due to many factors including the greatest loss of Thai people which causes postponement of events during the end of 2016. In particular, entertaining events were most affected resulting in changes to events to suit moods and feelings of consumers who were in grievance. In addition, the digital age has caused additional marketing options. Marketing budget were spent on various types of media, especially online, and Thailand's uncertainties in economy and political situations are still important factors which affect many industries. As a result, many organizations have to adjust and find other business opportunities.

Although event business depends on many factors including political situations and Thai people's greatest loss, Wave Group has planned and continuously adapted the business and personnel to suit the economic situations and circumstances. It has expanded its business to overseas by laying out fundamental business model in order to diversify its sources of income and support marketing in Thailand and overseas to be consistent. Wave Group gave great importance to business in Asean in which Wave Group has been planning its marketing strategy for business expansion into countries in such region for over 4 years.

2.2 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.

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.

2.3 English language school business

English language school business is highly competitive due to the low barrier to entry. However, the Company provides unique English courses which are acceptable worldwide. 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 adaptive to current circumstances, 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.

2.4 Television program production business

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.

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.

2.5 Operation of concerts and events business

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.

3. Risks relating to procurement of the right locations for conducting businesses

Selecting the right location, whether in department stores or other lease areas, is a critical factor to success of Wave Group's 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, Wave Group is expanding its restaurant business by opening new stores 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.

4. Risks from shortage of personnel

Human resources are important factor for sustainable growth of Wave Group. Wave Group has continuously given importance to risk in this area by promoting its staffs to have passion and bond with the organization. Wave Group also ensure that its staffs develop understanding and knowledge in business through continuous training and skill development. There is regular assessment of staffs. In addition, Wave Group also ensures appropriate employee compensation and provides other benefits such as medical expenses, group insurance, and provident funds.

5. Risk from 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.

6. Risk of business interruption due to malfunction of 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	<ol style="list-style-type: none"> 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
Paid-up capital	Baht 421.20 million
Number and type of share	421.20 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)
1.Wave’s subsidiaries				
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.	The Company has restructured the business by changing its former name “WAVE TV and Movie Studios Co., Ltd.” and its objective to investment company.	Common Shares	500,000	10
3. WAVE Education Group Co., Ltd.	The Company has restructured the business by changing its former name “CVD Organizer Co., Ltd.” and its objective to investment company.	Common Shares	100,000	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
2.WAVE Food Group Co., Ltd.’s subsidiary				
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
3.WAVE Education Group Co., Ltd.’s subsidiary				
1. Efficient English Services Ltd.	Private English language school	Common Shares	630,000	10
		Preferred Shares	1,026,600	10
4.Index Creative Village Plc.’s subsidiaries				
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. Inspire Image Co., Ltd.	Preparation, installation and removal of advertising boards	Common Shares	60,000	100
5. Blue Media Communications Co., Ltd.	Provision of publishing media design, production and distribution services	Common Shares	50,000	100

Company	Business Type	Paid-up Shares		
		Type	Number	Par value (Baht)
6. Media Vision (1994) Co., Ltd.	Light and sound system installation services for entertainment events	Common Shares	408,910	100
7. Envirosell (Thailand) Co., Ltd.	Providing advisory services, research data analysis and survey of statistic	Common Shares	80,000	100
8. Big Events Co., Ltd.	Production of film and television programs and business events advisor and organizer	Common Shares	50,000	100
9. Index and V Co., Ltd.	Business events advisor and organizer	Common Shares	120,000	70
10. Index and M Co., Ltd.	Business events advisor and organizer	Common Shares	300,000	100
11. I THINK AD Co., Ltd.	Advertising and public relations services	Common Shares	50,000	25
12. Index Creative Online Co., Ltd.	Consultancy, design and development services for web sites and flash media	Common Shares	132,000	100
<u>5.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>6.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:

Name Head Office	1. Efficient English Services Ltd. KamolSukosol Building, 317 Silom Road, Silom Sub-District, Bangrak District, Bangkok 10500 Tel (02) 660-3000	
Name Head Office	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	
Name Head Office	3. Index Creative Village Plc.	4. Event Solutions Co.,Ltd.
	5. TresBien Co.,Ltd.	6. I C V EX Co.,Ltd.
	7. Blue Media Communications Co.,Ltd.	8. Index and V Co.,Ltd.
	9. Index and M Co.,Ltd.	10. I THINK AD Co.,Ltd.
	11. Index Creative Online Co.,Ltd.	12. Max Creative Co.,Ltd.
	13. Town Branding Co.,Ltd.	14. JV - INDEX D103 MACO
	15. JV - ID2	16. JV - Index D63
	17. 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	
Name Head Office	18. Envirosell (Thailand) Co.,Ltd.	19. Big Events Co.,Ltd.
	957/28-30 Sukhumvit 71 Road, Klongtonnuea Sub-District, Wattana District, Bangkok 10110 Tel (02) 713 – 0312-5 Fax (02) 713 – 3331	
Name Head Office	20. 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	
Name Head Office	21. Media Vision (1994) Co.,Ltd. 999, 999/9 Moo 2, Bangkhen, Mueng nonthaburi, Nonthaburi 11000 Tel (02) 951 – 0101 Fax (02) 965 – 9679 – 80	
Name Head Office	22. 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	
Name Head Office	23. Happio Co.,Ltd. 139 Sethiwan Tower, Pan Road, Silom Sub-District, Bangrak District, Bangkok 10500 Tel (02) 731 – 5200 Fax (02) 004 – 8980	

Reference persons

Share registrar	Thailand Securities Depository Co.,Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. (02) 009 - 9000 Fax (02) 009 - 9991
Auditor	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
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

5. Capital Structure

5.1 Company's Registered and Paid-up Capital

Registered and paid-up capital of the Company as of December 31, 2016:

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

Paid-up capital : Baht 421.20 million divided into 421.20 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, 2016) are as follows:

		paid-up	
Name	Number of Shares	% of the total number of shares	
1. Maleenont family Group	175,126,924	41.58	
1.1 Ms.Cathleen Maleenont	105,106,924	24.95	
1.2 BEC World Public Company Limited	58,250,000	13.83	
1.3 Ms.Prisana Maleenont	6,910,000	1.64	
1.4 Ms.Piyawadee Maleenont	4,860,000	1.15	
2. Mr.Nuttapol Jurangkool	22,946,900	5.45	
3. Mr.Pongsakorn Boonyaworamethee	22,358,650	5.31	
4. Ms.Nattawan Piyamahachot	16,377,400	3.89	
5. Ms.Orayaporn Karnchanachari	15,600,000	3.70	
6. Mr.Pinai Jeenapan	14,394,000	3.42	
7. Mrs.Suwimol Leesuwan	12,794,600	3.04	
8. Mr.Phornprasert Karnchanachari	7,658,300	1.82	
9. Ms.Narueporn Karnchanachari	7,605,000	1.81	
10. Mr.Somphop Prompanapitak	7,415,000	1.76	
Others	118,923,226	28.23	
Total	421,200,000	100	

Source: the name list of shareholders of WAVE Entertainment Public Company Limited. as of December 30, 2016.

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

7.1 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 to efficiently and effectively run business in accordance with the specified policy, strategy, business plan and budget 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, 2016, 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	7	7
2. Mr. Prasert Patradhilok	Independent Director Chairman of Audit Committee	7	7
3. Mr. Somsak ¹ Phayapdacharchai	Independent Director Member of Audit Committee Member of Corporate Governance Committee	7	6
4. M. L. Nalinee Hastintra	Independent Director Member of Audit Committee Member of the Nomination and Remuneration Committee	7	7
5. Mr. Chaipranin Visudhipol ¹	Independent Director Chairman of Corporate Governance Committee	7	4
6. Mr. Philipp O. Piaz ¹	Independent Director Member of the Risk Management Committee Member of Corporate Governance Committee	7	4
7. Dr. Cathleen Maleenont ¹	Director Chairman of the Risk Management Committee	7	5
8. Ms. Piyawadee Maleenont	Director Member of the Investment Committee	7	7
9. Mr. Tee Seeumpornroj ¹	Director Member of the Nomination and Remuneration Committee Member of the Risk Management Committee Member of the Investment Committee	7	5
10. Ms. Manida Zimmerman ¹	Director Chairman of the Nomination and Remuneration Committee	7	3

Name	Position	Board of Directors meeting	
		Times/ year	Attendance number
11. Ms. Tracy Ann Maleenont ¹	Director	7	6

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

Remarks

¹ The directors were engaged in other business and unable to attend all meetings.

The shareholding in the Company's securities by directors and senior management (including their spouses and minor children) as at December 30, 2015, compared with 2016 is as follows:

Name	Position	Number of shares		
		30 Dec 2015	30 Dec 2016 ¹	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 (22.05%)	105.11 million shares (24.95%)	Increase by 33.67 million shares
(Spouse and minor children)		-	-	-
8. Ms. Piyawadee Maleenont	Director Member of the Investment Committee	-	4.86 million shares (1.15%)	Increase by 4.86 million shares
(Spouse and minor children)		-	-	-

Name	Position	Number of shares		
		30 Dec 2015	30 Dec 2016 ¹	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	0.07 million shares (0.02%)	0.19 million shares (0.05%)	Increase by 0.12 million shares
(Spouse and minor children)		-	-	-
11. Ms. Tracy Ann Maleenont	Director	-	-	-
(Spouse and minor children)		-	-	-

Remark

- ¹ The Company has increased its registered and paid-up capital from 324 million shares to 421.20 million shares at the par value of Baht 1 per share in 2016.

In 2016, all senior management (including their spouses and minor children) did not hold shares in the Company.

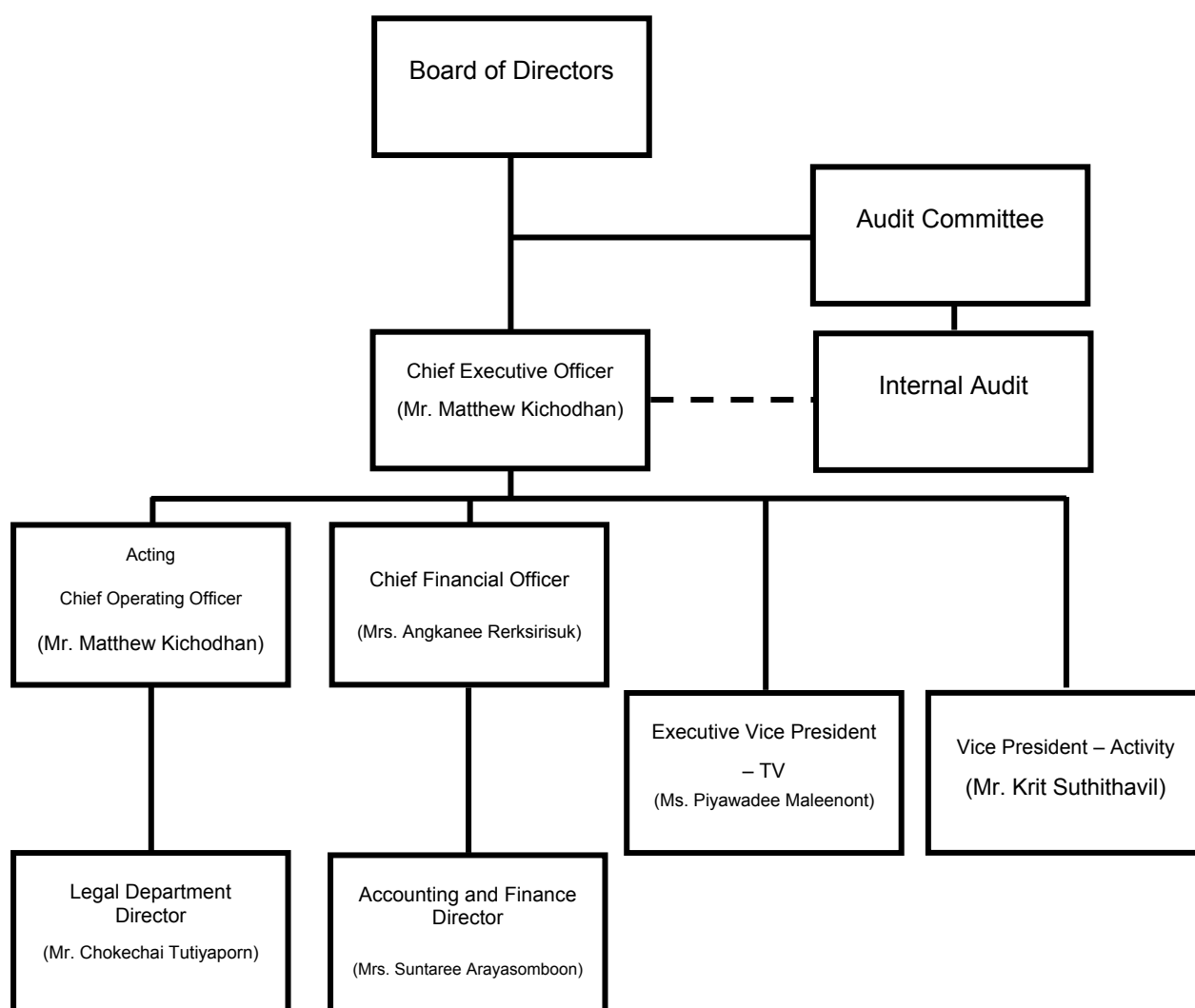
7.2 Management

As of December 31, 2016, the Company has 6 executives as follows:

Name	Position
1. Mr. Matthew Kichodhan	Chief Executive Office Acting 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

As of 31 December 2016



7.3 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).

7.4 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 2016, 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	35,000	455,000
	Chairman of the Investment Committee	180,000	-	180,000
2. Mr. Prasert Patradhilok	Independent Director ¹	240,000	35,000	275,000
	Chairman of Audit Committee	300,000	20,000	320,000
3. Mr. Somsak Phayapdacharchai	Independent Director ¹	240,000	30,000	270,000
	Member of Audit Committee	180,000	15,000	195,000
	Member of Corporate Governance Committee	120,000	5,000	125,000
4. M. L. Nalineee Hastintra	Independent Director ¹	240,000	35,000	275,000
	Member of Audit Committee	180,000	20,000	200,000
	Member of the Nomination and Remuneration Committee	120,000	10,000	130,000
5. Mr. Chaipranin Visudhipol	Independent Director ¹	240,000	20,000	260,000
	Chairman of Corporate Governance Committee	180,000	5,000	185,000
6. Mr. Philipp O. Piaz	Independent Director ¹	240,000	20,000	260,000
	Member of the Risk Management Committee	120,000	5,000	125,000
	Member of Corporate Governance Committee	120,000	-	120,000

Name	Position	Fix remuneration	Meeting Fee	Total monetary remuneration
7. Dr. Cathleen Maleenont	Director	240,000	25,000	265,000
	Chairman of the Risk Management Committee	180,000	5,000	185,000
8. Ms. Piyawadee Maleenont	Director	240,000	35,000	275,000
	Member of the Investment Committee	120,000	-	120,000
9. Mr. Tee Seeumpornroj	Director	240,000	25,000	265,000
	Member of the Nomination and Remuneration Committee	120,000	10,000	130,000
	Member of the Risk Management Committee	120,000	5,000	125,000
	Member of the Investment Committee	120,000	-	120,000
10. Ms. Manida Zimmerman	Director	240,000	15,000	255,000
	Chairman of the Nomination and Remuneration Committee	180,000	10,000	190,000
11. Ms. Tracy Ann Maleenont	Director	240,000	30,000	270,000
Total		5,160,000	415,000	5,575,000

Remark

¹ Independent director shall act in his/her position as director in the parent company only and receive remuneration only from such company.

(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 is linked with the Company's short term performance such as operating results in each financial year and long term performance such as ability to achieve financial objectives and goals of revenue growth by the Company 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 2016, the monetary remuneration was paid by the Group Company, consisting of salaries, bonuses and others to the senior management totaling 10 persons in the total amount of Baht 61.63 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 namely fixed remuneration and meeting fees.

(b) Other remuneration for the management

In 2016, the Company's subsidiary paid other remuneration namely provident fund to the 3 senior management in the total amount of Baht 0.39 million.

7.5 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 based on factors including the Company's short-term operating results such as profitability during each financial year and long-term operating results such as performance assessment by KPI or Balanced Scorecard, business expansion and growth of the Company. As of December 31, 2016, Wave Group has paid remuneration to the employees in the forms of salaries, overtime expenses, financial aid for cost of living, bonuses, special financial aid, social security and provident fund contributing to the total of 2,121 employees, divided into 23 of the Company's employees and 2,098 subsidiary's employees. The total amount of remuneration for employees in 2016 was Baht 698.82 million¹.

Remark

- ¹ Total employees benefit is in accordance with International Accounting Standard 19 Employees Benefits.

(2) Employees benefits

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 2016, the employees had enrolled in trainings at the average period of 12 hours per year, calculated based on total of 2,121 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, follow-up, and assessment of the Company's operations and performance of the management to ensure that laid-out policy and strategies have been implemented.

The Board of Directors realized the importance of good corporate governance and has resolved to appoint Corporate Governance Committee to support operations of the group company to be in compliance with good and transparent governance policy, creating confidence and reliability to all shareholders, investors, stakeholders. The Company's corporate governance policy is as follows:

- Corporate Governance Policy is part of the business operation policy which the Company's Corporate Governance Committee 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 2016, 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 criteria on corporate governance report of Thai listed companies by IOD for year 2017 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.

Guidelines/Good Corporate Governance Policy of IOD	Explanations of the Company
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 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 2016, 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 2016, 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.

Guidelines/Good Corporate Governance Policy of IOD	Explanations of the Company
All directors must attend at least 75% of the total number of board of directors' meeting per year	In 2016, certain directors had urgent matters to attend and could not attend all board of directors' meeting. The Company is in the process of requesting cooperation from all directors to attend at least 75% of the total number of board of directors' meeting per year.
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 Corporate Governance Committee 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 agree to annual self-assessment in respect of compliance with code of conduct. 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 2016.

- **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 Stock Exchange of Thailand'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. 1/2017 held on 27 February 2017, 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 2016, 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 2016, 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, Stock Exchange of Thailand'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's 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, good 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 Stock Exchange of Thailand or other supervisory agencies. Such manual has its core concerning in code of conduct, 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 have acknowledged it and acknowledged self-assessment to comply with such code of conduct on annual basis.

- The Company was evaluated on corporate governance of listed company by Thai Institute of Director under the support from SET in 2016. According to letter no. PorThorTor.(Wor) 002/2016, dated 1 November 2016 of IOD., the Company was given 90 scores or “Excellent”, from the total of 601 listed companies being evaluated in 2016. The average score was 78 scores. The Company was rated “Excellent”, which was higher than 2015 and 2014 rating of “Very Good” and “Good”, respectively.
- The Company was evaluated on quality of its annual general meeting in 2016 (Annual General Meeting Checklist). According to letter no. TIA. 160/2016 dated 20 June 2016 of Thai Investor Association, the Company was given 100 scores or “Excellent and deserve as an example”, from the total of 601 listed company being evaluated in 2016. The average score was 91.62 scores. The Company was rated as “Excellent (deserve as an example)”, which was higher than 2015 and 2014 rating of “Excellent” and “Very good”, respectively.
- The Company has complied with good corporate governance principles for the listed company year 2012, which is in accordance with the guidelines of the Stock Exchange of Thailand 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 2016, 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 2017 shareholder's meeting, nominate potential candidates with capabilities and qualifications to hold the director's office, including submitting questions prior to the 2017 AGM, which encourage shareholders to submit their questions through the Company's website (www.wave-groups.com) from 1 October 2016 to 31 December 2016. 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 and/or 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 2016 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.

The Company give an opportunity for shareholders to propose additional agendas for the 2016 General Annual Meeting of Shareholders including asking any questions in advance as well as proposing persons to be nominated as the Company's director in advance during 1 October 2015 to 31 December 2015 however, 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 2016 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 Board of Directors has determined measures to control the usage and and prevent the misuse of internal information (insider trading) of relevant persons namely the Board of Directors, executive directors, employees and related persons of which they shall comply with the guideline of the Securities and Exchange Act B.E. 2535 (as amended) such as to careful of adhering to the usage of any internal information that could affect the price of the securities and to report the acquisition or sale of the Company's shares.

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 securities 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, status of holding and change of 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 conduct. The guidelines can be summarized as follows:

▪ **Shareholder**

The Board of Directors had designated public relation and 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. 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 2016, the Company has no incidents of accident or any employee taking significant leaves or sick leaves as a result of working. Nevertheless, Wave Group has purchased accident insurance, life insurance and other types of insurance relating to work for the employees.

▪ **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 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, 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 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 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, 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 2016, 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 public relations and 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 Public Relations and 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 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 policy or strategy.

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 2016 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 conduct.

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 and on time 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 Office of the Securities Exchange Commission.

2. The authorized signatories of the Company are in accordance with the Company Affidavit which is 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 monitor, follow up and evaluate performance of Wave Group and its high-level executives to ensure that the policy and strategy have been complied for the highest benefits of the relevant parties.
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 policy, strategy, 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 and strategy of the Company, including policy, strategy, 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, strategy, 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 3,000 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 Office of 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 Office 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, code of conduct, 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 Office of 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. 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 Zimmerman		Class no. 8/2001	Class no. 2/2012	
8. Ms. Tracy Ann Maleenont	Class no. 61/2007			

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 2016.

No.	Course	Date
Mr. Matthew Kichodhan		
1.	"Exclusive Invitation to CEO Networking 2016: The 4 Disciplines of Execution: Turn Great Strategy into Great Result" Organized by: The Stock Exchange of Thailand	18 September 2016
Mr. Prasert Patradhilok		
1.	Enhancing Auditor Reporting Providing Insight and Transparency Organized by: KPMG Phoomchai Audit Ltd.	26 May 2016
2.	Impact of the New Standard of Financial Statement and Impact of Accounting to the Acquisition Organized by: Investment Banking Club, Association of Thai Securities Companies	20 June 2016
3.	FA Forum 2/2016 "We share as we care" Organized by: Stock Exchange of Thailand	7 November 2016

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 2016, 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 whereby the Company Secretary has provided such assessment to the Board of Directors to evaluate its performance on both individual and collective basis and then asked each of Director to provide the evaluated assessment to the Company Secretary for further evaluating and proceeding. 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 2016 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 2016 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 2016, performance of the following sub-committees was evaluated: Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Investment Committee and Corporate Governance 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 whereby the Company Secretary has provided such assessment to the Sub-Committees to evaluate its performance and then asked each of Director of each Sub-Committee to provide the evaluated assessment to the Company Secretary for further evaluating and proceeding. 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 2016 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.
- the performance of the Corporate Governance 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 2016, 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 whereby the Company Secretary has provided such assessment to the Nomination and Remuneration Committee to evaluate the Chief Executive Office's and then asked the Nomination and Remuneration Committee to provide the evaluated assessment to the Company Secretary for further evaluating and proceeding. 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 2016 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 having the qualification in accordance with the notification of the Stock Exchange of Thailand regarding the qualification and scope of the Audit Committee B.E. 2542 (as amended), 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 2016, the Audit Committee comprises of:

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

Audit Committee's term of office

The term of office of the Audit Committee is 3-year term of office. 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, the Office of Securities and Exchange Commission 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, the Office of the Securities and Exchange Commission 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, the Office of the Securities and Exchange Commission 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-bribe 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 consists of at least 3 persons 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 2016.

As of 31 December 2016, 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, chief executive officer 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.
4. To prepare the report of the Nomination and Remuneration Committee and disclose the report which has been signed by the Chairman of the Nomination and Remuneration Committee on the Company annual report.
5. To perform other duties as assigned by the Board of Directors.

3) **Risk Management Committee**

The Risk Management Committee as of 31 December 2016 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
7. To prepare the report of the Risk Management Committee and disclose the report which has been signed by the Chairman of the Risk Management Committee on the Company annual report.
8. To perform other duties as assigned by the Board of Directors.

4) Investment Committee

The Investment Committee as of 31 December 2016 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
8. To perform other duties as assigned by 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 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 2016, Corporate Governance Committee consists of:

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

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 prepare the report of the Corporate Governance Committee and disclose the report which has been signed by the Chairman of the Corporate Governance Committee on the Company annual report.
7. 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 Office 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. By having 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 provided that the vote cannot be divided.
- (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 such as ability to generate profit and long-term such as ability to complete the financial objective and goal and revenue growth target 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

In 2015, 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, employee and related parties 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 or information that may impact the Company's securities price in as follows:

- 1) director, management 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, employee and related person need to comply with the guideline of the Securities and Exchange Act B.E. 2535 (as amended) such as a careful usage of inside information which may impact the Company's securities price.
- 3) 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.

- 4) 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 2016, the Company found no report of directors and executives trading securities of the Company 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 2016 to 31 December 2016 as follows:

1) Audit Fees

	Company Names	Auditors	Audit Fee (Baht)
1	WAVE Entertainment PCL.	Mr. Kajonkiet Arunpairojanakul	590,000
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	WAVE Education Group 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	1,450,000
Sub-Total			3,230,000
8.	Index Creative Village Plc.Group Companies	Ms. Sakhunna Yamsakul and Mr. Kristsana Attsawachopanya	3,559,000
Total			6,789,000

2) Non-audit fee

In 2016, 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 of the Company, 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 5 business 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 17 February 2016, 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 2016:

(Unit: no. of times)

Name of Director	Board of Directors (11 persons) total of 7 times/year	Audit Committee (3 persons) total of 4 times/year	Nomination and Remuneration Committee (3 persons) total of 2 times/year	Risk Management Committee (3 persons) total of 1 times/year	Corporate Governance Committee (3 persons) total of 1 times/year	Annual General Meeting 2016 Date 29 April 2016
The Board of Directors						
1. Mr. Matthew Kichodhan	7/7					1
2. Mr. Prasert Patradhilok	7/7	4/4				1
3. Mr. Somsak Phayapdacharchai	6/7	3/4			1/1	1
4. M. L. Nalinee Hastintra	7/7	4/4	2/2			1
5. Mr. Chaipranin Visudhipol	4/7				1/1	1
6. Mr. Philipp O. Piaz	4/7			1/1	0/1	1
7. Dr. Cathleen Maleenont	5/7			1/1		1
8. Ms. Piyawadee Maleenont	7/7					1
9. Mr. Tee Seeumpornroj	5/7		2/2	1/1		1
10. Ms. Manida Zimmerman	3/7		2/2			1
11. Ms. Tracy Ann Maleenont	6/7					1

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) Code of conduct

- | | |
|---|--|
| • 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 |
| • Non violation on human right policy | • Health and Safety Environment Policy, |
| • Financial Statement Preparation and Information Record and Internal Control of Accounting and Financial of the Company 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, consumer, employee, trading partner and/or debtor, trading competitors, and society.

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 employees and executives shall sign for acknowledgement and agree to annual self-assessment in respect of compliance with 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.

The Audit Committee is responsible for ensuring implementation of Anti-Bribery and Corruption Policy and compliance with laws and ethics by the Company by assigning internal audit to review and monitor if the Company's operations are in compliance with Anti-Bribery and Corruption Policy. During 2016, the internal audit and the management team are studying and preparing self-assessment in respect of Anti-Bribery and Corruption Policy according to Thailand's Private Sector Collective Action Coalition Against Corruption.

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 2016.

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 and report to the Board of Directors 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) Financial Statement Preparation and Information Record and Internal Control of Accounting and Financial of the Company Policy

The Company confidants that the financial statement of the Company is accurate, completeness, reliable and in the appropriate timeframe which is a significant part of the Company's reliability including it shall be deemed as the key factor for maintaining the trust and creditworthy of the employees, shareholders and relevant parties of the Company. Therefore, the Company is obliged to record, classify and process all financial transactions with the accuracy and completeness in accordance with the principle and standard of accounting, laws and regulations of regulatory bodies.

The preparation of financial statement with the non-accuracy or incorrectness shall be deemed as breach of the Company's policy. The director, management and employee are not permitted to record or prepare the accounting and financial information or prepare the financial statement with the intention of concealing, concealing or distorting information. In addition, all employees are obliged to maintain, protect and destroy the Company's documents in accordance with the rules and regulation of the Company and laws.

The Company will present financial statements in accordance with financial reporting standards and will be responsible for the internal controls as it deems necessary. To enable the preparation of financial statements without any material misstatement, whether due to fraud or error.

The Company provides internal control in accounting and finance. This will enable the Company to achieve its objectives of making accurate and reliable accounting and financial information. Internal controls should include, for example, approvals, control of the accuracy and completeness of the transaction, property control, account reconciliation, validation with third parties and control of summary and postings to accounts.

To intentionally abuse, threaten, or mislead the auditor, independent auditor and internal auditor in relation to financial reports, internal process or internal control are a violation of the Company policy.

Accounting and finance officers including all senior executives of the Company shall be responsible for overseeing operational process and the accounting and financial control of the Company to be accurate, complete, reliable and timely to provide users financial performance and financial status report of the Company of which it shall publicly disclose and make the user understand correctly.

If employees encounter suspicious accounting and financial reports or find an invalid operation impression or inappropriate including misconduct. The employees shall provide clues or facts via the channels that the company has set out in its policy of reporting offenses and protecting complainants.

7) 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

In 2016, the Company has continually organized the investor relation activities in order to communicate the information and activities to the shareholders, investors, securities analysts and any person who interested in the Company including provided the responses by telephone, analyst meeting, press conference, opportunity day and press release regarding the investment activities and significant business activities.

9. Corporate Social Responsibility

9.1 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.

9.2 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.

The Audit Committee is responsible for ensuring implementation of Anti-Bribery and Corruption Policy and compliance with laws and ethics by the Company by assigning internal audit to review and monitor if the Company's operations are in compliance with Anti-Bribery and Corruption Policy. During 2016, the internal audit and the management team are studying and preparing self-assessment in respect of Anti-Bribery and Corruption Policy according to Thailand's Private Sector Collective Action Coalition Against Corruption.

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 2016, the Company has no incidents of accident or any employee taking significant leaves or sick leaves as a result of working. Nevertheless, Wave Group has purchased accident insurance, life insurance and other types of insurance relating to work for the employees.

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 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.

9.3 Business operation that has impact on Social Responsibility

None

9.4 Activities to benefit society and the environment

The 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 2016, Wave Group's executives and employees participated in the following activities for the benefits of society and environment.

Foundation for Support of Disabled Persons

Wave Group's executives and employees visited the Foundation for Support of Disabled Persons in Amphur Pakkred, Nonthaburi to observe activities, teaching, well-beings and accommodation of teachers and students. To support education and living of those at the foundation, Wave Group conducted the following activities.

- (1) Donate things and money to support activities and offer steaks from Jeffer as lunch for the teachers, students, and staffs at the Foundation for Support of Disabled Persons on Saturday, 4 June 2016.



- (2) Donate mattress and new window and door screen of the accommodation for the Foundation for Support of Disabled Persons in September 2016.



- (3) Donate used 29 computes from Wall Street English which are of good conditions to the Foundation for Support of Disabled Persons for use in graphic design class. The class assists in building skills and jobs for disabled persons. The Foundation for Support of Disabled Persons sent representatives to receive such computers from Wave Group on Monday, 19 December 2016.



The Mirror Foundation

Wave Group's executives donate 99 used computers from WSE which are of good conditions to the Mirror Foundation to support schools by participating in "Computer for kids" program where computers are distributed to students of those schools who are in need. The computers will be handed over to kids on children's day. The Mirror Foundation sent representatives to receive such computers on 19 December 2016.

The Mirror Foundation delivered the computes to several schools including 50 computers to Sriwilai Kindergarten, Amphur Sriwilai, Bueng Karn Province, 15 computers to Pa-Kum Kindergarten, Amphur Pa- Kum, Buriram Province, 15 computers to Baan Thai Charoen School, Amphur Pa-Kum, Buriram Province, 14 computers to Baan Krating Thong School, Amphur Soi Dao and 5 computers as gifts during Children's Day event organized at the Mirror Foundation, Nong-Jok office.



10. Internal Control and Risks Management

10.1 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.

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.

10.2 Assessment of Internal Control System

Pursuant to the Company's Board of Directors meeting No. 1/2017 held on February 27, 2017, 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.

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 2016, there is no material issue to suggest the Company to improve its internal audit system.

10.3 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 2016, the Audit Committee engaged an independent third party auditor namely KPMG Phoomchai Business Advisory Ltd. and Mr. Sukit Vongthavaravat 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. 32 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 2016
1.1 Sales of goods and services in the total amount of Baht 129.38 million			
WAVE TV Co., Ltd. and BEC World Public Company Limited	BEC World Public Company Limited, the Company's major shareholder, holding 14% of the registered share capital.	Drama production service income to be broadcasted on Channel 3	Baht 110.47 million
Index Creative Village Public Company Limited and Joint Venture Index D63	Index Creative Village Public Company Limited has 63% shareholding in Joint Venture Index D63	Income from provision of event organizer services	Baht 11.61 million
Index and M Company Limited and Myanmar Index Creative Village Co., Ltd.	Index and M Company Limited is a subsidiary (shareholding of 50%) and Myanmar Index Creative Village Co., Ltd. is an associated company (indirect shareholding of 49%) of Index Creative Village Public Company Limited	Income from provision of event organizer services in Myanmar	Baht 7.30 million
1.2 Other income in the total amount of Baht 9.40 million			
Index and M Company Limited and Myanmar Index Creative Village Co., Ltd.	Index and M Company Limited is a subsidiary (shareholding of 50%) and Myanmar Index Creative Village Co., Ltd. is an associated company (indirect shareholding of 49%) of Index Creative Village Public Company Limited	Management and consulting income	Baht 9.40 million

2) Purchases of goods and services

Company	Relationship	Related transactions	For the year ended 31 December 2015
2.1 Cost of rendering of services in the total amount of Baht 1.40 million			
WAVE TV Co., Ltd. and BEC-Multimedia Co., Ltd.	BEC-Multimedia Co., Ltd. is a subsidiary of BEC World Public Company Limited with 99.99% shareholding and BEC World Public Company Limited is the Company's major shareholder, holding 14% of the registered share capital	Costs of air time for advertisement for television program production for broadcasting on Digital TV Channel 3 Family, Channel 13 (derived in parallel with income from program royalties broadcasted through digital television stations by way of timesharing)	Baht 0.83 million
Index Creative Village Public Company Limited and Myanmar Index Creative Village Co., Ltd.	Myanmar Index Creative Village Co., Ltd. is an associated company (indirect shareholding of 49%) of Index Creative Village Public Company Limited	Cost of organizing events in Myanmar	Baht 0.57 million
2.2 Selling and administrative expenses in the total amount of 6.07 million			
WAVE Group and Millionaire Property Fund by Maleenont Tower Co., Ltd.	Millionaire Property Fund by Maleenont Tower Co., Ltd. has same major shareholders as the Company	Rental, service expenses, water and electricity expenses, and other expenses	Baht 6.07 million

(3) Borrowing / Lending

Item	Between	Balance As of 31 December 2016	Interest Rate
Borrowing	1. WAVE's subsidiary and director of WAVE's subsidiary	Baht 35.46 million	bearing interest rate of 6.50% to 6.75% per annum, and the repayment date is within the year 2021.
Lending	1. WAVE's subsidiaries and WAVE's associated companies	Baht 3.43 million	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 2016, 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., 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

12.1 Auditor's Report

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

My opinion

In my opinion, the consolidated financial statements of Wave Entertainment Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and the consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Goodwill impairment assessment</p> <p>According to Thai Accounting Standards 36: Impairment of Assets (TAS 36), goodwill acquired in a business combination should be tested for impairment annually.</p> <p>Refer to note 15 to the consolidated financial statements for the related disclosures, the Group's goodwill is recognised in three Cash Generating Units (CGUs): "Language institute (Baht 390 million)", "Restaurant (Baht 409 million), and "Marketing activities" (Baht 125 million).</p> <p>Management has concluded that the carrying amount of goodwill after allowance for impairment provided, is adequate. I focused on this area due to the size of the goodwill balance, and because the management's assessment of the value in use of the Group's CGUs involves judgements about the future results of the business and the discount rates applied to future cashflow forecasts. Small subjective change in discount rate can have a material impact on the VIU assessment and any resultant impairment charge.</p>	<p>I evaluated management's cashflow forecasts of each CGU and the process by which they were developed, including verifying the mathematical accuracy of the underlying calculations. I also compared them to the latest Board approved budgets. I found that the budgets used in the value in use calculations were consistent with the Board approved budgets, and that the key assumptions were oversight by the Directors.</p> <p>I compared the current year (2016) actual results with the prior year (2015) forecast to consider whether forecast included any assumption that, with hindsight, had been optimistic. I found that actual performance was consistent with forecast performance.</p> <p>I also challenged:</p> <ol style="list-style-type: none"> 1. management's key assumptions for long-term growth rates in the forecasts by comparing them to historical results and economic and industry forecasts; and 2. the discount rate used in the model by assessing the cost of capital of the Group by comparing to the market data of the same industry. <p>I found that the key assumptions used by management in relation to the value in use calculations were reasonable and appropriate in light of current environment.</p> <p>I also tested the computation of the impairment amount and noted no exception.</p>
<p>Business Combination</p> <p>Refer to note 13.3 to the consolidated financial statements for the related disclosures, on 30 June 2015, the Group acquired 86,000,000 capital shares, representing 50% of registered shares of Index Creative Village Public Company Limited ("Index") for a consideration of Baht 430 million.</p> <p>During 2016, the management determined that the fair value of the net identifiable assets acquired is Baht 305 million with Baht 90 million relating to intangible assets and a goodwill of Baht 125 million arose from business combination. The valuation of the intangible assets was performed as part of the Purchase Price Allocation by an independent specialist, and the values of the intangible assets have been provisionally determined in accordance with TFRS 3.</p> <p>I focused on the intangible assets arising from the business combination because of its size and it is a significant area of judgment. The valuation methodology, as well as the inputs and assumptions in the model, will affect the fair value of the intangible assets. Goodwill arose as a difference between the consideration amount and the fair value of the identifiable assets acquired including the intangible assets valued, and the liabilities assumed.</p>	<p>I reviewed management's procedure for determining the fair value of the net identifiable assets acquired and noted no significant exceptions.</p> <p>In terms of intangible asset being Customer Relationship, I assessed the appropriateness of the procedure for determining the valuation, and noted no significant exceptions.</p> <p>I also challenged the following assumptions:</p> <ol style="list-style-type: none"> 1. management's key assumptions for the future revenue expected from the acquired customers relationship; 2. the retention rate on the existing customers used in the model by comparing with historical performance; and 3. the discount rate used in the model by assessing the cost of capital of Index by comparing to the market data of the same industry. <p>I found that the assumptions made by management in relation to the fair value of customers relationship calculation to be reasonable.</p> <p>I also tested the computation of the goodwill arising from the acquisition, and noted that the computation was in line with TFRS 3.</p> <p>No significant exceptions were noted in the accounting for the business combination.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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

PricewaterhouseCoopers ABAS Ltd.



Kajornkiet Aroonpirodkul

Certified Public Accountant (Thailand) No. 3445
Bangkok

27 February 2017

Wave Entertainment Public Company Limited
Statements of Financial Position
As at 31 December 2016

		Consolidated financial statements		Separate financial statements	
		Restated			
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
Notes		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	8	263,377,793	159,520,297	102,648,066	5,855,224
Short-term investments	9	284,478,793	19,329,446	274,478,793	4,329,446
Trade and other receivables	10	254,817,017	424,589,255	16,467,626	32,695,008
Short-term loans to related parties	32.4	3,433,150	3,333,150	583,426,450	-
Inventories	11	28,249,909	29,103,659	-	-
Television programmes, concerts production, and events in progress		28,357,996	35,236,919	-	-
Other current assets	12	77,038,439	101,685,800	5,648,547	21,743,476
Total current assets		939,753,097	772,798,526	982,669,482	64,623,154
Non-current assets					
Deposit at bank used as collateral		1,570,500	1,684,000	-	-
Investments in subsidiaries	13.3	-	-	463,018,871	1,263,018,871
Investments in associate	13.1	477,135,439	831,484,731	213,671,955	427,050,000
Interests in joint ventures	13.2	3,514,107	15,540,411	-	-
Property, plants and equipment	14	677,456,639	700,653,176	6,797,065	8,164,363
Goodwill	15	923,167,963	1,259,698,551	-	-
Intangible asset	16	265,130,260	290,706,903	-	-
Prepaid rent	17	3,252,866	3,815,723	3,252,866	3,815,723
Deferred tax assets	18	26,226,339	21,058,902	-	-
Other non-current assets	19	150,118,995	140,172,614	1,372,894	1,466,352
Total non-current assets		2,527,573,108	3,264,815,011	688,113,651	1,703,515,309
Total assets		3,467,326,205	4,037,613,537	1,670,783,133	1,768,138,463

The notes to the consolidated and separate 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 2016

	Notes	Consolidated financial statements		Separate financial statements	
		Restated			
		31 December 2016 Baht	31 December 2015 Baht	31 December 2016 Baht	31 December 2015 Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts		23,369,117	41,210,084	-	-
Short-term borrowings from					
financial institutions	20.2	132,000,000	70,000,000	100,000,000	70,000,000
Trade and other payables	21	162,059,164	230,120,704	111,097	23,917,304
Account payable for investment		111,526,450	-	-	-
Unearned revenue		148,353,164	255,764,407	51,399	1,399
Accrued expenses		101,590,721	125,133,077	4,471,966	17,452,384
Short-term borrowings from related parties	32.5	-	14,500,000	43,000,000	128,000,000
Current portion of finance lease liabilities	20.1	11,332,705	10,822,650	1,673,484	1,673,484
Current portion of long-term borrowings	20.3	154,350,730	584,557,367	108,737,837	550,334,375
Accrued income tax		13,874,512	10,340,008	10,781,398	-
Other current liabilities		48,893,252	64,988,338	3,658,450	16,027,309
Total current liabilities		907,349,815	1,407,436,635	272,485,631	807,406,255
Non-current liabilities					
Long-term finance lease liabilities	20.1	19,924,299	28,536,923	1,812,927	3,486,411
Long-term borrowings from					
financial institutions	20.3	790,367,925	1,049,662,500	426,981,224	604,863,863
Long-term borrowings from related parties	32.6	35,460,000	-	-	-
Employee benefit obligations	22	69,582,145	48,859,622	7,115,636	6,600,845
Long-term account payable for investment		-	223,052,900	-	-
Deferred tax liabilities	18	46,902,523	50,131,372	-	-
Other non-current liabilities		16,205,665	15,945,159	-	-
Total non-current liabilities		978,442,557	1,416,188,476	435,909,787	614,951,119
Total liabilities		1,885,792,372	2,823,625,111	708,395,418	1,422,357,374
Equity					
Share capital					
Authorised share capital	23				
Ordinary share, 421,200,000 shares of par Baht 1 each		<u>421,200,000</u>	<u>421,200,000</u>	<u>421,200,000</u>	<u>421,200,000</u>
Issued and paid-up share capital					
Ordinary share, 421,200,000 shares (2015: 324,000,000 share) of paid-up Baht 1 each		421,200,000	324,000,000	421,200,000	324,000,000
Share premium		315,564,680	72,564,680	315,564,680	72,564,680
Retained earnings					
Appropriated - legal reserve	25	42,120,000	-	42,120,000	-
Retained earnings (deficits)		336,768,230	322,470,110	183,503,035	(50,783,591)
Other components of equity		8,472,076	3,833,966	-	-
Equity attributable to owners of the parent		1,124,124,986	722,868,756	962,387,715	345,781,089
Non-controlling interests		457,408,847	491,119,670	-	-
Total equity		1,581,533,833	1,213,988,426	962,387,715	345,781,089
Total liabilities and equity		3,467,326,205	4,037,613,537	1,670,783,133	1,768,138,463

The notes to the consolidated and separate 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 2016

	Notes	Consolidated financial statements		Separate financial statements	
		Restated			
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenues					
Sales		680,753,652	723,197,801	213,698	58,240
Revenue from rendering of services		1,880,145,534	1,445,625,161	12,789,732	87,331,592
Total revenues		<u>2,560,899,186</u>	<u>2,168,822,962</u>	<u>13,003,430</u>	<u>87,389,832</u>
Costs					
Costs of sales		(240,067,075)	(280,065,367)	(27,936)	(13,788)
Costs of rendering of services		(1,444,124,994)	(1,019,661,117)	(9,737,965)	(48,208,530)
Total costs		<u>(1,684,192,069)</u>	<u>(1,299,726,484)</u>	<u>(9,765,901)</u>	<u>(48,222,318)</u>
Gross profit		876,707,117	869,096,478	3,237,529	39,167,514
Other income	28	479,979,167	13,654,762	789,372,089	57,189,025
Selling expenses		(441,842,295)	(453,244,843)	(8,591,764)	(31,031,044)
Administrative expenses		(546,810,842)	(402,448,953)	(55,658,621)	(66,697,786)
Other expenses	29	(336,530,588)	-	(392,000,000)	-
Finance cost		(75,264,498)	(76,282,306)	(47,404,948)	(49,388,783)
Share of profit from associates and joint ventures	13	91,402,363	105,676,720	-	-
Profit (loss) before income tax expense		47,640,424	56,451,858	288,954,285	(50,761,074)
Income tax expense	30	(20,745,016)	(13,656,113)	(12,547,659)	-
Net profit (loss) for the year		<u>26,895,408</u>	<u>42,795,745</u>	<u>276,406,626</u>	<u>(50,761,074)</u>
Other comprehensive income (expense):	26				
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations		(558,418)	(25,646)	-	(22,517)
Item that will be reclassified to profit or loss					
Share of other comprehensive income of associate accounted for using the equity method		(1,080,945)	4,897,205	-	-
Total comprehensive income (expense) for the year		<u>25,256,045</u>	<u>47,667,304</u>	<u>276,406,626</u>	<u>(50,783,591)</u>
Profit (loss) attributable to:					
Owners of the parent		56,976,538	35,164,296	276,406,626	(50,761,074)
Non-controlling interests		(30,081,130)	7,631,449	-	-
		<u>26,895,408</u>	<u>42,795,745</u>	<u>276,406,626</u>	<u>(50,761,074)</u>
Total comprehensive income (expense) attributable to:					
Owners of the parent		55,337,175	40,035,855	276,406,626	(50,783,591)
Non-controlling interests		(30,081,130)	7,631,449	-	-
		<u>25,256,045</u>	<u>47,667,304</u>	<u>276,406,626</u>	<u>(50,783,591)</u>
Earnings (loss) per share	27				
Basic earnings (loss) per share		<u>0.14</u>	<u>0.11</u>	<u>0.69</u>	<u>(0.16)</u>

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

Wave Entertainment Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

Consolidated financial statements									
Attributable to owners of the parent									
Notes	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Other components		Total equity of the parent Baht	Non-controlling interests Baht	Total equity Baht
			Appropriated - legal reserve Baht	Retained earnings (deficits) Baht	Change in parent's ownership interest in subsidiaries Baht	Share of other comprehensive income of associates Baht			
Opening balance as at 1 January 2015	324,000,000	370,773,735	16,726,352	(27,603,947)	(1,063,239)	-	682,832,901	(16)	682,832,885
Compensation of the accumulated loss	24	-	(298,209,055)	314,935,407	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	525,099,002	525,099,002
Total comprehensive income for the year	-	-	-	35,138,650	-	4,897,205	40,035,855	7,631,449	47,667,304
Dividends paid by subsidiary	-	-	-	-	-	-	-	(41,610,765)	(41,610,765)
Closing balance as at 31 December 2015	<u>324,000,000</u>	<u>72,564,680</u>	<u>-</u>	<u>322,470,110</u>	<u>(1,063,239)</u>	<u>4,897,205</u>	<u>722,868,756</u>	<u>491,119,670</u>	<u>1,213,988,426</u>
Opening balance as at 1 January 2016	324,000,000	72,564,680	-	323,647,897	(1,063,239)	4,897,205	724,046,543	456,459,956	1,180,506,499
Retrospective adjustments	4	-	-	(1,177,787)	-	-	(1,177,787)	34,659,714	33,481,927
Balance after adjustment	324,000,000	72,564,680	-	322,470,110	(1,063,239)	4,897,205	722,868,756	491,119,670	1,213,988,426
Issue of shares	23	97,200,000	243,000,000	-	-	-	340,200,000	-	340,200,000
Capital increase in a subsidiary	31.2	-	-	-	-	-	-	8,200,000	8,200,000
Change in percentage of shareholdings	-	-	-	-	5,719,055	-	5,719,055	(5,719,055)	-
Shares decrease in a subsidiary	31.1	-	-	-	-	-	-	(1,800,000)	(1,800,000)
Reclassify to profit or loss	-	-	-	-	-	(9,856,782)	(9,856,782)	-	(9,856,782)
Total comprehensive income for the year	-	-	-	56,418,120	-	8,775,837	65,193,957	(30,081,130)	35,112,827
Appropriation of legal reserve	25	-	42,120,000	(42,120,000)	-	-	-	-	-
Dividends paid by subsidiary	-	-	-	-	-	-	-	(4,310,638)	(4,310,638)
Closing balance as at 31 December 2016	<u>421,200,000</u>	<u>315,564,680</u>	<u>42,120,000</u>	<u>336,768,230</u>	<u>4,655,816</u>	<u>3,816,260</u>	<u>1,124,124,986</u>	<u>457,408,847</u>	<u>1,581,533,833</u>

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

Wave Entertainment Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2016

Separate financial statements					
Notes	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Total equity Baht
			Appropriated - legal reserve Baht	Retained earnings (deficits) Baht	
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)	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>
Opening balance as at 1 January 2016	324,000,000	72,564,680	-	(50,783,591)	345,781,089
Issue of shares	23	97,200,000	243,000,000	-	340,200,000
Total comprehensive income for the year	-	-	-	276,406,626	276,406,626
Appropriation of legal reserve	25	-	42,120,000	(42,120,000)	-
Closing balance as at 31 December 2016	<u>421,200,000</u>	<u>315,564,680</u>	<u>42,120,000</u>	<u>183,503,035</u>	<u>962,387,715</u>

The notes to the consolidated and separate 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 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	Restated 2015 Baht	2016 Baht	2015 Baht
Cash flows from operating activities					
Profit (loss) before income tax expense		47,640,424	56,451,858	288,954,285	(50,761,074)
Adjustments for:					
Depreciation	14	177,734,677	132,097,997	1,395,241	1,428,387
Amortisation of intangible asset	16	34,016,724	31,049,636	-	-
Interest income		(1,209,015)	(1,324,945)	(5,640,824)	(287,128)
Dividends income		(162,000)	-	(71,957,000)	(27,747,984)
Unrealised (gain) loss on short-term investments		(2,622,854)	1,200,500	(2,622,854)	1,200,500
Gain on disposal of an associate	13.1	(448,488,035)	-	(666,652,238)	-
Impairment loss on investments in associates and joint ventures	13	3,209,900	-	-	-
Loss from disposal of a subsidiary	13.3	-	-	392,000,000	-
(Reversal of) allowance for doubtful accounts		21,963,176	(15,550,209)	-	-
Provision for (reversal of) obsolete inventories		701,089	2,539,418	(738,220)	(7,758)
(Gain) loss on disposal of property, plant and equipment		(3,441,625)	(2,964,357)	370	-
Loss from write-off of property, plant and equipment	14	3,174,298	261,641	-	-
Loss from write-off of intangible assets	16	782,227	-	-	-
Provision for employee benefit obligations		20,951,470	6,930,584	514,791	2,309,613
Finance costs		75,264,498	76,282,306	47,404,948	49,388,783
Impairment of property, plant and equipment	14	8,639,880	-	-	-
Impairment of goodwill	15	336,530,588	-	-	-
Share of profit from associates and joint ventures	13	(91,402,363)	(105,676,720)	-	-
		183,283,059	181,297,709	(17,341,501)	(24,476,661)
Changes in working capital					
- Trade and other receivables		148,325,378	45,085,247	11,663,455	4,001,812
- Inventories		152,661	176,042	738,220	7,758
- Television programmes, movies and events in progress		6,878,923	(472,113)	-	12,762,897
- Other current assets		31,241,092	11,766,934	15,461,923	12,046,533
- Deposit at bank used as collateral		-	(853,000)	-	-
- Prepaid rent		562,857	694,321	562,857	694,321
- Other non-current assets		(9,946,381)	18,195,522	-	14,428,462
- Trade and other payables		(71,043,515)	35,476,567	(23,806,207)	(4,250,789)
- Unearned revenue		(107,411,243)	(35,079,237)	50,000	(11,923,500)
- Accrued expenses		(23,281,419)	20,298,978	(9,873,020)	11,510,308
- Other current liabilities		(16,095,088)	(8,525,464)	(12,368,861)	(14,641,573)
- Employee benefit obligations		(926,967)	(267,687)	-	(267,687)
- Other non-current liabilities		260,506	(1,427,988)	93,458	(14,500,000)
Cash flows generated from (used in) operating activities		141,999,863	266,365,831	(34,819,676)	(14,608,119)
Interest paid		(75,525,435)	(76,991,384)	(50,512,346)	(46,687,463)
Income tax paid		(32,060,924)	(30,922,589)	(1,133,254)	(2,421,902)
Net cash generated from (used in) operating activities		34,413,504	158,451,858	(86,465,276)	(63,717,484)

The notes to the consolidated and separate 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 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016	Restated 2015	2016	2015
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		692,699	1,235,069	419,583	331,962
Dividends income		23,456,865	-	31,742,168	17,962,832
Deposit at bank as collecteral		113,500	-	-	-
Purchase of short-term investments		(271,609,863)	(35,000,000)	(271,609,863)	-
Proceed from disposals of short-term investments		9,083,370	32,000,000	4,083,370	-
Receipt from short-term loans to related parties	32.4	-	16,626,088	5,000,000	-
Payment for short-term loans to related parties		(100,000)	(3,333,150)	(180,426,450)	-
Payment to account payable for investment		(111,526,450)	-	-	-
Proceed from disposals of an associate	13	880,030,284	-	880,030,284	-
Payment for investment in joint venture	13.2	(1,350,000)	-	-	-
Payment for investment in subsidiaries		-	(357,250,336)	-	(430,000,000)
Proceed from disposal of property, plant and equipment		7,730,310	29,156,182	817	-
Purchase of property, plant and equipment		(167,659,028)	(223,612,021)	(29,130)	(26,253)
Purchase of intangible assets		(9,222,308)	(2,142,548)	-	-
Net cash generated from (used in) investing activities		359,639,379	(542,320,716)	469,210,779	(411,731,459)
Cash flows from financing activities					
Bank overdrafts		(17,840,967)	5,513,226	-	-
Proceed from the issuance of new shares	23	340,200,000	-	340,200,000	-
Payments for decrease in share capital of a subsidiary		(1,800,000)	-	-	-
Dividends paid by subsidiary		(4,310,638)	(41,610,765)	-	-
Proceed from short-term borrowings from financial institutions		344,000,000	70,000,000	280,000,000	70,000,000
Repayment to short-term borrowings from financial institutions		(273,800,000)	-	(250,000,000)	-
Proceed from short-term loan from related parties	32.5	30,960,000	3,500,000	10,000,000	50,000,000
Repayment to short-term loan from related parties	32.5	-	-	(45,000,000)	(10,000,000)
Repayment to long-term loan from related parties	32.6	(10,000,000)	-	-	-
Proceed from long-term borrowings from financial institutions	20.3	11,000,000	933,272,772	-	430,000,000
Repayment to long-term borrowings from financial institutions	20.3	(700,501,213)	(572,242,081)	(619,479,176)	(97,990,939)
Repayment to finance lease liabilities		(8,102,569)	(6,279,389)	(1,673,485)	(1,534,026)
Net cash (used in) generated from financing activities		(290,195,387)	392,153,763	(285,952,661)	440,475,035

The notes to the consolidated and separate 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 2016

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Net increase (decrease) in cash and cash equivalents	103,857,496	8,284,905	96,792,842	(34,973,908)
Cash and cash equivalents at beginning of the year	159,520,297	151,235,392	5,855,224	40,829,132
Closing balance of cash and cash equivalents	<u>263,377,793</u>	<u>159,520,297</u>	<u>102,648,066</u>	<u>5,855,224</u>

Significant non-cash transactions

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

Dividend receivable	-	-	-	9,785,168
Dividend received by offsetting with borrowing from a related party	-	-	50,000,000	-
Finance lease liabilities arising from purchases of equipment	3,859,000	-	-	-
Payable arising from purchase of equipment	2,981,975	-	-	-
Receivable arising from disposal of a subsidiary	-	-	408,000,000	-

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

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

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, and marketing activities services.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 27 February 2017.

2 Accounting policies

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

2.1 Basis for preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai 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 separate 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 separate 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/revised financial reporting standards, and related interpretations

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016

- a) New/revised financial reporting standards and interpretation which are relevant and 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
TAS 40 (revised 2015)	Investment property
TAS 41 (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)	Leases

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. This standard has no impact to the Group.

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. This standard has no impact to the Group.

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. This standard has no impact to the Group, except for disclosures.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting Company as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss. This standard has no impact to the Group.

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 and 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption. This standard has no impact to the Group, except for disclosures.

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. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

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

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016 (Cont'd)

- a) New/revised financial reporting standards and interpretation which are relevant and have a significant impact to the Group: (Cont'd)

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. This standard has no impact to the Group.

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. This standard has no impact to the Group.

TFRS 2 (revised 2015), 'Share based payments' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. This standard has no impact to the Group.

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. This standard has no impact to the Group.

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. This standard has no impact to the Group, except for disclosures.

TFRS10 (revised 2015) 'Consolidated' 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. This standard has no impact to the Group.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose. This standard has no impact to the Group.

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 TFRS 9 (when announced). This standard has no impact to the Group.

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. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

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

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016 (Cont'd)

- b) Revised financial reporting standards and interpretations 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 TAS29 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)

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

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TAS41(revised 2016)	Agriculture
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order. OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

2 Accounting policies (Cont'd)

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

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TAS 41 (revised 2016), the amendments align with the accounting guidance for the measurement and recognition of bearer plants issued by the FAP in 2015.

TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

The management has assessed and considered that the above revised standards will not have a material impact on the Group.

2 Accounting policies (Cont'd)

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

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

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

TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40 (revised 2016)	Investment property
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

2 Accounting policies (Cont'd)

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

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows: (Cont'd)

TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

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 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-measurement 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 loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the 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 is 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.

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 Accounting policies (Cont'd)

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

(5) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

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.

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 Accounting policies (Cont'd)

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.

2.11 Prepaid rent

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

2.12 Goodwill

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

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

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

2 Accounting policies (Cont'd)

2.13 Intangible assets

2.13.1 Computer software

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

2.13.2 Contractual customer relationships

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

2.13.3 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.

2.15 Leases

Leases - where a Group is the lessee

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

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

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

2 Accounting policies (Cont'd)

2.15 Leases

Leases - where a Group company is the lessor

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

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

2.16 Borrowings

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

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

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

2.17 Current and deferred income taxes

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

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

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

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, 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 Accounting policies (Cont'd)

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.

Remeasurement 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 Accounting policies (Cont'd)

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 Financial risk management (Cont'd)

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:

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

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	3,478,793	-	-	3,478,793

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

(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 Restatement

On 30 June 2015, the Group acquired 50% of the share capital of Index Creative Village Public Company Limited (Index). The process of determining the fair value of the acquired net assets (Purchase Price Allocation “PPA”) was completed in June 2016. Accordingly, the Group has adjusted the fair value of the acquired assets and liabilities resulting from the PPA with the goodwill.

The effects due to the adjustment to the financial statements for the year ended 31 December 2015 are presented as follows:

	Consolidated financial statements		
	As previously reported Baht	Increase (decrease) Baht	As restated Baht
Statement of financial position as at 31 December 2015			
Property, Plant and Equipment	680,548,920	20,104,256	700,653,176
Goodwill	1,295,536,051	(35,837,500)	1,259,698,551
Intangible assets	205,228,753	85,478,150	290,706,903
Deferred tax assets	17,575,902	3,483,000	21,058,902
Other non-current assets	159,216,614	(19,044,000)	140,172,614
Deferred tax liabilities	29,429,393	20,701,979	50,131,372
Deficits	323,647,897	(1,177,787)	322,470,110
Non-Controlling interests	456,459,956	34,659,714	491,119,670
Statement of comprehensive income for the year ended 31 December 2015			
Administrative expenses	398,986,359	3,462,594	402,448,953
Income tax expense	14,763,134	(1,107,021)	13,656,113
Profit (loss) for the year	45,151,318	(2,355,573)	42,795,745
Earnings per share	0.11	-	0.11

Since the above adjustments do not have effect to the financial position as at 1 January 2015, the Group does not present herewith the statement of financial position as at 1 January 2015.

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 Critical accounting estimates, assumptions and judgements (Cont'd)**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 2016				
	Language Institutions Baht	Restaurant Baht	Entertainment and marketing activities Baht	Consolidated Baht
Revenues from operation	657,875,419	680,679,793	1,225,828,727	2,564,383,939
Inter-segment revenue	-	-	(3,484,753)	(3,484,753)
Total revenue	657,875,419	680,679,793	1,222,343,974	2,560,899,186
Segment result	31,550,988	33,018,920	101,352,974	165,922,882
Other income				479,979,167
Other expenses				(336,530,588)
Unallocated costs				(66,117,501)
Depreciation and amortisation				(211,751,401)
Finance cost				(75,264,498)
Share of profit from investments in associates and joint ventures				91,402,363
Profit before income tax expense				47,640,424
Income tax expense				(20,745,016)
Net profit				26,895,408
Inventories	365,911	20,715,821	7,168,177	28,249,909
Equipment	53,465,627	99,662,396	524,328,616	677,456,639
Intangible asset	37,378,945	148,701,230	79,050,085	265,130,260
Investment in associate				477,135,439
Interests in joint ventures				3,514,107
Goodwill				923,167,963
Unallocated assets				1,092,671,890
Consolidated total assets				3,467,326,205

For the year ended 31 December 2015				
	Restated			
	Language Institutions Baht	Restaurant Baht	Entertainment and marketing activities Baht	Consolidated Baht
Revenues from operation	716,334,676	723,139,560	737,559,849	2,177,034,085
Inter-segment revenue	-	-	(8,211,123)	(8,211,123)
Total revenue	716,334,676	723,139,560	729,348,726	2,168,822,962
Segment result				65,031,359
Other income				13,654,762
Unallocated costs				(51,628,677)
Finance cost				(76,282,306)
Share of profit from investments in associates and joint ventures				105,676,720
Profit before income tax expense				56,451,858
Income tax expense				(13,656,113)
Net profit				42,795,745
Inventories	4,509,692	17,963,514	6,630,453	29,103,659
Equipment	63,246,800	89,329,864	548,076,512	700,653,176
Intangible asset	53,664,421	148,199,310	88,843,172	290,706,903
Investment in associate				831,484,731
Interests in joint ventures				15,540,411
Goodwill				1,259,698,551
Unallocated assets				910,426,106
Consolidated total assets				4,037,613,537

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

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash at bank and on hand	261,444,974	145,172,750	102,648,066	1,837,257
Short-term bank deposits	1,932,819	14,347,547	-	4,017,967
	<u>263,377,793</u>	<u>159,520,297</u>	<u>102,648,066</u>	<u>5,855,224</u>

The effective interest rate on short-term bank deposits was 0.53% (2015: 2.25%) and these deposits have an average maturity of 60 days.

9 Short-term investments

	Consolidated financial statements			
	2016		2015	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Short-term investments comprise:				
1. Trading securities	8,671,556	3,478,793	14,911,700	4,329,446
2. Held-to-maturity investments	281,000,000	281,000,000	15,000,000	15,000,000
Total	289,671,556	284,478,793	29,911,700	19,329,446
<u>Less</u> Revaluation adjustments	(5,192,763)	-	(10,582,254)	-
Total short-term investments	<u>284,478,793</u>	<u>284,478,793</u>	<u>19,329,446</u>	<u>19,329,446</u>

	Separate financial statements			
	2016		2015	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Short-term investments comprise:				
1. Trading securities	8,671,556	3,478,793	14,911,700	4,329,446
2. Held-to-maturity investments	271,000,000	271,000,000	-	-
Total	279,671,556	274,478,793	14,911,700	4,329,446
<u>Less</u> Revaluation adjustments	(5,192,763)	-	(10,582,254)	-
Total short-term investments	<u>274,478,793</u>	<u>274,478,793</u>	<u>4,329,446</u>	<u>4,329,446</u>

During the year ended 31 December 2016, movement of trading securities is as follows:

	Consolidated and separate financial statements Baht
Book value - beginning balance	4,329,446
Addition	609,863
Disposal	(4,324,273)
Change in market value	<u>2,863,757</u>
Book value - ending balance	<u>3,478,793</u>

10 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts receivable - third parties	172,789,328	209,705,690	-	5,546,448
Trade accounts receivable - related parties (Note 32.3)	15,578,225	26,367,826	-	-
Total	188,367,553	236,073,516	-	5,546,448
<u>Less</u> Allowance for doubtful accounts	(38,896,426)	(16,933,250)	-	-
Trade accounts receivable, net	149,471,127	219,140,266	-	5,546,448
Prepayments	20,132,853	29,436,443	183,597	241,521
Deferred interest expense	1,406,583	590,566	1,374,410	484,691
Accrued interest income	741,203	22,156,572	5,233,922	12,680
Other receivables	8,682,947	125,319,144	9,640,697	-
Accrued income	66,422,120	22,402,740	-	16,600,000
Advance payment	6,553,327	5,543,524	35,000	24,500
Dividend receivable	1,406,857	-	-	9,785,168
	<u>254,817,017</u>	<u>424,589,255</u>	<u>16,467,626</u>	<u>32,695,008</u>

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts receivable				
Current	95,724,410	108,990,896	-	12,000
Overdue less than 3 months	32,210,153	44,137,402	-	3,347,448
Overdue 3 months but less than 6 months	4,049,219	36,539,248	-	2,187,000
Overdue 6 months but less than 12 months	26,223,029	13,947,091	-	-
Overdue more than 12 months	30,160,742	32,458,879	-	-
Total trade accounts receivable	188,367,553	236,073,516	-	5,546,448
<u>Less</u> Allowance for doubtful accounts	(38,896,426)	(16,933,250)	-	-
Trade accounts receivable, net	<u>149,471,127</u>	<u>219,140,266</u>	<u>-</u>	<u>5,546,448</u>

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Related accounts receivable				
Current	1,260,360	-	-	-
Overdue less than 3 months	1,438,845	16,168,359	-	-
Overdue 3 months but less than 6 months	2,315,689	7,271,167	-	-
Overdue 6 months but less than 12 months	2,534,091	2,928,300	-	-
Overdue more than 12 months	8,029,240	-	-	-
Total related accounts receivable	15,578,225	26,367,826	-	-
<u>Less</u> Allowance for doubtful accounts	(7,506,032)	-	-	-
	<u>8,072,193</u>	<u>26,367,826</u>	<u>-</u>	<u>-</u>

11 Inventories

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Packaging materials	7,168,177	6,656,853	-	26,401
VCD and DVD	55,581	767,400	55,581	767,400
Books	2,198,960	4,695,955	-	-
Raw materials - foods	20,715,821	20,510,690	-	-
<u>Less</u> Allowance for inventories obsolescence	(1,888,630)	(3,527,239)	(55,581)	(793,801)
	<u>28,249,909</u>	<u>29,103,659</u>	<u>-</u>	<u>-</u>

The cost of inventories recognised as expense included in "cost of sales" amounted to Baht 230,435,296, and Baht 27,936 (2015: Baht 302,111,403, and Baht 13,788) in the consolidated and separate financial statements, respectively.

12 Other current assets

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Tuition fee pending for bank transfer	7,035,584	17,886,246	-	-
Guarantee	-	14,500,000	-	14,500,000
Undue input VAT	13,896,165	14,765,516	183,273	1,105,397
Withholding tax receivable	43,257,026	37,047,132	5,465,274	6,098,280
Others	12,849,664	17,486,906	-	39,799
	<u>77,038,439</u>	<u>101,685,800</u>	<u>5,648,547</u>	<u>21,743,476</u>

13 Investments in subsidiaries, associates and interests in joint ventures

13.1 Investment in associates

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2016		
Opening net book amount	831,484,731	427,050,000
Dividends received from associate	(21,795,000)	-
Disposal during the year	(441,399,031)	(213,378,045)
Share of profit	102,278,802	-
Share of other comprehensive income	8,775,837	-
Allowance for impairment	(2,209,900)	-
Closing net book amount	<u>477,135,439</u>	<u>213,671,955</u>

Thai Solar Energy Public Company Limited

On 3 November 2016, the Company disposed its investment in Thai Solar Energy Public Company Limited of 181,500,000 shares to external party at Baht 4.85 per share, for the considerations of Baht 880 million and recognised gain from disposal amounting to Baht 448 million, and Baht 667 million in "Other income" in the consolidated and separate statements of comprehensive income, respectively. After disposal, the Company's ownership interest in Thai Solar Energy Public Company Limited changed from 20% to 10%. However, the Company retains significant influence over Thai Solar Energy Public Company Limited, the investment is still classified as investment in an associate accordingly.

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 2016 and 2015

	Business	Nature of relationship	Country of incorporation	% Ownership interest		Measurement method
				31 December 2016	31 December 2015	
Associate						
Thai Solar Energy Public Company Limited	Generation of electricity from sun radiation, and sale to Government and private states	Direct	Thailand	10.00	20.00	Equity
Associates of Index	Creative Village Public Company Limited					
Max Creative Co., Ltd.	Marketing activities	Indirect	Thailand	50.00	50.00	Equity
Happio Co., Ltd.	Marketing activities	Indirect	Thailand	33.00	33.00	Equity
Town Branding Co., Ltd.	Marketing activities	Indirect	Thailand	20.00	20.00	Equity

As at 31 December 2016, the fair value of the Group's interest in Thai Solar Energy Public Company Limited, which is a listed company in Thailand, was Baht 1,107.15 million (2015: Baht 1,380.35 million) and the carrying amount of the Group's interest was Baht 456.26 million (2015: Baht 808.10 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 2016 Baht	31 December 2015 Baht
Current assets		
Cash and cash equivalents	977,037,378	337,425,538
Other current assets (excluding cash)	2,259,172,791	686,176,899
Total current assets	3,236,210,169	1,023,602,437
Non-current Assets	5,138,661,570	3,820,792,271
Total assets	8,374,871,739	4,844,394,708
Current liabilities		
Financial liabilities (excluding trade payables)	554,488,346	246,191,276
Other current liabilities (including trade payables)	455,564,105	38,237,058
Total current liabilities	1,010,052,451	284,428,334
Non-current liabilities		
Financial liabilities	728,770,807	515,508,140
Other liabilities	2,050,629,756	4,128,985
Total non-current liabilities	2,779,400,563	519,637,125
Total liabilities	3,789,453,014	804,065,459
Net assets	4,585,421,725	4,040,329,249
<u>Less</u> Non-controlling interests	22,843,574	2,791
Net assets attributable to owners of the parent	4,562,575,151	4,040,326,458

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

13.1 Investment in associates (Cont'd)

Summarised statements of comprehensive income

For the year ended 31 December	Thai Solar Energy Public Company Limited	
	2016 Baht	2015 Baht
Revenue	421,727,250	129,150,388
Depreciation and amortisation	(149,513,136)	(119,656,995)
Interest income	11,152,936	22,038,405
Interest expense	(59,935,251)	(27,847,171)
Profit or loss from continuing operations	647,130,265	530,485,054
Income tax expense	(29,971,852)	(3,707,058)
Post-tax profit from continuing operations	617,158,413	526,777,996
Other comprehensive income	13,608,683	24,486,026
Total comprehensive income	630,767,096	551,264,022
Dividends received from associate	21,795,000	-

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	
	2016 Baht	2015 Baht
Opening net assets 1 January	4,040,326,458	3,489,251,064
Dividends	(108,893,652)	-
Profit for the year	617,628,000	526,597,369
Other comprehensive income		
Foreign exchange differences	13,514,345	24,478,025
Closing net assets	4,562,574,151	4,040,326,458
Interest in associates	10%	20%
Carrying value	456,257,415	808,065,292

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.

	2016 Baht	2015 Baht
Aggregate carrying amount of individually immaterial associates	20,878,024	23,419,439
Aggregate amounts of the reporting entity's share of:		
Loss from continuing activities	(571,087)	(4,029,320)
Other comprehensive income	-	-
Total comprehensive income	(571,087)	(4,029,320)

13.2 Investment in joint venture

Movement of investments in joint venture

	Consolidated financial statements Baht
For the year ended 31 December 2016	
Opening net book amount	15,540,411
Addition during the year	1,350,000
Share of loss	(10,876,439)
Dividends received from joint ventures	(1,499,865)
Allowance for impairment	(1,000,000)
Closing net book amount	3,514,107

On 1 December 2016, Index Creative Village Public Company Limited, a subsidiary of the Company, has invested in Index Design 103 amounting to Baht 1,350,000 representing 90%. Index Design 103 is a joint venture which was incorporated on 2 November 2016.

Nature of investment in joint ventures in 2016 and 2015

Company	Business	Nature of relationship	Country of incorporation	% Ownership interest		Measurement method
				31 December 2016	31 December 2015	
Joint ventures of Index Creative Village Public Company Limited						
ID 2 J	Marketing activities	Indirect	Thailand	67.00	67.00	Equity
Index City Neon	Marketing activities	Indirect	Thailand	50.00	50.00	Equity
Index D103 Maco	Marketing activities	Indirect	Thailand	70.00	70.00	Equity
Index D63	Marketing activities	Indirect	Thailand	63.00	63.00	Equity
Index Design 103	Marketing activities	Indirect	Thailand	90.00	-	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.

	2016 Baht	2015 Baht
Aggregate carrying amount of individually immaterial associates	3,514,107	15,540,411
Aggregate amounts of the reporting entity's share of:		
Profit(loss) from continuing activities	(10,876,439)	781,096
Total comprehensive income (expense)	(10,876,439)	781,096

13.3 Investment in subsidiaries

Movements of investments in subsidiaries

	Separate financial statements Baht
For the year ended 31 December 2016	
Opening net book amount	1,263,018,871
Disposal during the year	(800,000,000)
Closing net book amount	463,018,871

Efficient English Services Limited.

On 27 December 2016, the Company disposed its entire investment in Efficient English Services Ltd. to Wave Education Co., Ltd., a subsidiary of the Company for the considerations of Baht 408 million and recognised loss from disposal amounting to Baht 392 million as "Other expenses" in the separate statement of comprehensive income. Such disposal does not alter the Group's proportion of shares held in Efficient English Services Ltd.

Index Creative Village Public Company Limited ("Index")

During 2015, the Company has invested 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.

In 2016, the Group completed the Purchase Price Allocation of the net assets acquired. The effect from valuation of the fair value resulted is adjusted with goodwill.

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

13.3 Investment in subsidiaries (Cont'd)

Index Creative Village Public Company Limited ("Index") (Cont'd)

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

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

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	480,662,531
Intangible asset	93,589,306
Deferred tax asset	10,416,618
Other non-current assets	77,989,726
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)
Deferred tax liabilities	(21,809,000)
Other non-current liabilities	(43,100)
Fair value of net assets	830,074,223
<u>Less</u> Non-controlling interests	(525,099,002)
Total identifiable net assets	304,975,221
Goodwill	125,024,779

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	
				2016 (%)	2015 (%)	2016 (%)	2015 (%)	2016 (%)	2015 (%)
Subsidiaries									
Wave TV Company Limited	Thailand	Television programmes production	Direct	99.99	99.99	-	-	0.01	0.01
Wave Picture Company Limited	Thailand	Cease of operations	Direct	99.99	99.99	-	-	0.01	0.01
Wave Food Group Co., Ltd.	Thailand	Investment	Direct	99.99	99.99	-	-	0.01	0.01
Wave Education Group Co., Ltd. (Formerly "CVD Organizer Co., Ltd.")	Thailand	Investment	Direct	99.99	99.99	-	-	0.01	0.01
Efficient English Services Limited	Thailand	Language Institute	Direct	-	99.99	99.99	-	0.01	0.01
Index Creative Village Public Company Limited	Thailand	Marketing activities	Direct	50.00	50.00	-	-	50.00	50.00
Subsidiary of Wave Food Group Co., Ltd.									
Jeffer Restaurant Company Limited	Thailand	Restaurant	Indirect	-	-	99.99	0.01	-	-
Subsidiary of Wave Education group Co., Ltd.									
Efficient English Services Limited	Thailand	Language Institute	Indirect	-	99.99	99.99	-	0.01	0.01
Subsidiaries of Index Creative Village Public Company Limited									
Event Solutions Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	99.99	99.99	0.01	0.01
TresBien Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	99.99	99.99	0.01	0.01
Media Vision (1994) Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	50.00	50.00	50.00	50.00
Inspire Image Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	60.00	60.00	40.00	40.00
I think ad Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	40.00	40.00	60.00	60.00
Index Creative Online Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	26.00	26.00	74.00	74.00
Envirocell (Thailand) Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	50.00	50.00	50.00	50.00
Index and M Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	50.00	50.00	50.00	50.00
Index and V Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	50.00	50.00	50.00	50.00
Big Events Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	70.00	70.00	30.00	30.00
ICVX Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	70.00	70.00	30.00	30.00
Blue Media Communications Co., Ltd.	Thailand	Marketing activities	Indirect	-	-	60.00	60.00	40.00	40.00

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.

The total non-controlling interest amounting to Baht 457.41 million is of Index Creative Village Public Company Limited.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for subsidiary that has non-controlling interests that are material to the Group, being Index Group.

See note 31 for transactions with non-controlling interests.

13 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)
13.3 Investment in subsidiaries (Cont'd)
Summarised statement of financial position

	Index Group
	2016
	Baht
As at 31 December	
Current	
Assets	389,641,877
Liabilities	(237,494,709)
Total net current assets	152,147,168
Non-current	
Assets	107,263,087
Liabilities	(115,092,057)
Total net non-current assets	(7,828,970)
Net assets	144,318,198

Summarised statement of comprehensive income

	Index Group
	2016
	Baht
For the year ended	
31 December	
Revenue	1,101,255,259
Loss before income tax expense	(52,563,159)
Income tax expense	(7,821,311)
Other comprehensive expense	(558,417)
Total comprehensive expense	(60,942,887)
Total comprehensive expense allocated to non-controlling interests	(30,081,130)
Dividend paid to non-controlling interest	(4,310,636)

Summarised statement of cash flows

	Index Group
	2016
	Baht
For the year ended 31 December	
Net cash generated from operating activities	158,443,640
Net cash used in investing activities	(101,851,540)
Net cash used in financing activities	(21,424,858)
Net increase in cash and cash equivalents	35,167,242
Cash, cash equivalents at beginning of year	90,618,375
Cash and cash equivalents at end of year	125,785,617

14 Property, plant and equipment

	Consolidated financial statements					
	Land Baht	Building Baht	Furniture, fixture and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2015						
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	98,094,550	109,345,116	261,487,743	8,269,385	3,465,736	480,662,530
Additions	33,019,060	-	139,420,105	12,132,186	39,040,672	223,612,023
Disposals, net	(10,685)	-	(24,482,954)	(1,698,187)	-	(26,191,826)
Write off, net	-	-	(261,641)	-	-	(261,641)
Transfer	-	-	26,168,848	-	(26,168,848)	-
Depreciation charge	-	(4,938,697)	(120,850,222)	(6,309,078)	-	(132,097,997)
Closing net book value	131,102,925	104,406,419	410,862,452	29,943,820	24,337,560	700,653,176
At 31 December 2015 (restated)						
Cost	131,102,925	109,345,116	561,324,149	41,931,792	24,337,560	868,041,542
<u>Less</u> Accumulated depreciation	-	(4,938,697)	(150,461,697)	(11,987,972)	-	(167,388,366)
Net book value	131,102,925	104,406,419	410,862,452	29,943,820	24,337,560	700,653,176
For the year ended 31 December 2016						
Opening net book value	131,102,925	104,406,419	410,862,452	29,943,820	24,337,560	700,653,176
Additions	-	-	113,386,723	8,130,427	49,123,853	170,641,003
Disposals, net	-	-	(4,288,684)	(1)	-	(4,288,685)
Write off, net	-	-	(2,963,571)	-	(210,727)	(3,174,298)
Transfer	-	-	30,212,461	-	(30,212,461)	-
Impairment charge	-	-	(1,195,963)	-	(7,443,917)	(8,639,880)
Depreciation charge	-	(9,812,447)	(159,498,858)	(8,423,372)	-	(177,734,677)
Closing net book value	131,102,925	94,593,972	386,514,560	29,650,874	35,594,308	677,456,639
At 31 December 2016						
Cost	131,102,925	109,345,116	697,671,078	50,062,218	43,038,225	1,031,219,562
<u>Less</u> Accumulated depreciation	-	(14,751,144)	(309,960,555)	(20,411,344)	-	(345,123,043)
Provision for impairment	-	-	(1,195,963)	-	(7,443,917)	(8,639,880)
Net book value	131,102,925	94,593,972	386,514,560	29,650,874	35,594,308	677,456,639

Consolidated financial statements

	2016 Baht	2015 Baht
Depreciation has been charged into the following categories of expenses:		
Cost of sales	100,146,463	4,572,802
Cost of services	27,127,301	84,001,300
Selling expenses	36,118,881	7,902,336
Administrative expenses	14,342,031	35,621,559
	177,734,677	132,097,997

14 Property, plant and equipment (Cont'd)

	Separate financial statements		
	Furniture, fixture and office equipment Baht	Vehicles Baht	Total Baht
At 1 January 2015			
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	1,190,960	8,375,537	9,566,497
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	745,403	7,418,960	8,164,363
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	745,403	7,418,960	8,164,363
For the year ended 31 December 2016			
Opening net book value	745,403	7,418,960	8,164,363
Additions	29,130	-	29,130
Disposal, net	(1,187)	-	(1,187)
Depreciation charge	(414,788)	(980,453)	(1,395,241)
Closing net book value	358,558	6,438,507	6,797,065
At 31 December 2016			
Cost	2,845,710	9,402,146	12,247,856
<u>Less</u> Accumulated depreciation	(2,487,152)	(2,963,639)	(5,450,791)
Net book value	358,558	6,438,507	6,797,065

Land and building with the carrying value of Baht 230.14 million has been pledged as collateral for short-term borrowings from financial institutions (Note 20.2).

Depreciation expense of Baht 1,395,241 (2015: Baht 1,428,387) has been charged in "administrative expense".

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cost - capitalised finance leases	68,167,014	66,238,061	9,402,146	9,402,146
<u>Less</u> Accumulated depreciation	(30,965,201)	(9,975,144)	(2,963,639)	(1,983,186)
Net book amount	37,201,813	56,262,917	6,438,507	7,418,960

15 Goodwill

	Consolidated financial statements	
	2016 Baht	Restated 2015 Baht
At 1 January		
Cost	1,259,698,551	1,134,673,742
<u>Less</u> Provision for impairment	-	-
Net book amount	<u>1,259,698,551</u>	<u>1,134,673,742</u>
For the year ended 31 December		
Opening net book amount	1,259,698,551	1,134,673,742
Acquisition of subsidiaries	-	125,024,809
<u>Less</u> Provision for impairment	<u>(336,530,588)</u>	<u>-</u>
Closing net book amount	<u>923,167,963</u>	<u>1,259,698,551</u>
At 31 December		
Cost	1,259,698,551	1,259,698,551
<u>Less</u> Provision for impairment	<u>(336,530,588)</u>	<u>-</u>
Net book amount	<u>923,167,963</u>	<u>1,259,698,551</u>

In 2016, the Group wrote down the book value of language institute CGU to its recoverable amount by recognising loss from impairment of goodwill amounting to Baht 336 million, due to significant decrease in projected revenue arising from external factors as well as market situation and trend. The loss was included in "Other expenses" in consolidated statement of comprehensive income.

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.

	2016			
	Language Institute Baht	Restaurant Baht	Marketing Activities Baht	Total Baht
Goodwill allocation	389,548,884	408,594,300	125,024,779	923,167,963
	2015 Restated			
	Language Institute Baht	Restaurant Baht	Marketing Activities Baht	Total Baht
Goodwill allocation	726,079,472	408,594,300	125,024,779	1,259,698,551

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	Marketing activities
Growth rate ¹	4.0%	2.0%	3.0%
Discount rate ²	9.0%	10.0%	11.0%

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 financial statements					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	19,400,782	28,716,676	24,904,000	152,221,000	782,227	226,024,685
For the 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	-	3,612,306	89,977,000	-	-	93,589,306
Additions	-	2,142,548	-	-	-	2,142,548
Amortisation charge	(6,510,742)	(1,382,010)	(18,083,184)	(5,073,700)	-	(31,049,636)
Closing net book amount	12,890,040	33,089,520	96,797,816	147,147,300	782,227	290,706,903
At 31 December 2015 (restated)						
Cost	21,541,934	37,020,887	123,937,000	152,221,000	782,227	335,503,048
<u>Less</u> Accumulated amortisation	(8,651,894)	(3,931,367)	(27,139,184)	(5,073,700)	-	(44,796,145)
Net book amount	12,890,040	33,089,520	96,797,816	147,147,300	782,227	290,706,903
For the year ended 31 December 2016						
Opening net book amount	12,890,040	33,089,520	96,797,816	147,147,300	782,227	290,706,903
Addition	2,086,076	7,136,232	-	-	-	9,222,308
Write-off, net	-	-	-	-	(782,227)	(782,227)
Amortisation charge	(6,658,481)	(1,966,511)	(20,317,700)	(5,074,032)	-	(34,016,724)
Closing net book amount	8,317,635	38,259,241	76,480,116	142,073,268	-	265,130,260
At 31 December 2016						
Cost	23,628,010	44,157,119	123,937,000	152,221,000	-	343,943,129
<u>Less</u> Accumulated amortisation	(15,310,375)	(5,897,878)	(47,456,884)	(10,147,732)	-	(78,812,869)
Net book amount	8,317,635	38,259,241	76,480,116	142,073,268	-	265,130,260

Amortisation of Baht 34,016,724 (2015: Baht 31,049,636) is included in the administrative expenses.

17 Prepaid rents

	Consolidated and separate financial statements Baht
For the year ended 31 December 2016	
Opening net book amount	3,815,723
Amortisation charge	(562,857)
Closing net book amount	<u>3,252,866</u>

18 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities as at 31 December 2016 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	Restated 2015 Baht	2016 Baht	2015 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	-	4,181,257	-	-
Deferred tax assets to be recovered after 12 months	28,453,372	19,553,830	-	-
	<u>28,453,372</u>	<u>23,735,087</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	3,228,850	3,228,850	-	-
Deferred tax liabilities to be settled after 12 months	45,900,707	49,578,707	-	-
	<u>49,129,557</u>	<u>52,807,557</u>	<u>-</u>	<u>-</u>
Deferred tax, net	<u>(20,676,185)</u>	<u>(29,072,470)</u>	<u>-</u>	<u>-</u>

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	Restated 2015 Baht	2016 Baht	2015 Baht
Opening balance	(29,072,470)	(21,337,042)	-	-
Acquisition of subsidiaries	-	(11,392,382)	-	-
Charged to profit or loss (Note 30)	8,256,681	3,656,954	-	-
Charged to other comprehensive income	139,604	-	-	-
At 31 December	<u>(20,676,185)</u>	<u>(29,072,470)</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 financial statements				
	At 1 January 2016 Baht	Charged/ (credited) to the other comprehensive income Baht	Charged/ (credited) to the income statement Baht	At 31 December 2016 Baht
Deferred tax assets				
Allowance for doubtful account	105,273	-	3,916,171	4,021,444
Allowance for doubtful account - withholding tax receivable	3,483,000	-	-	3,483,000
Provision for employee benefit obligations	5,465,797	139,604	4,522,701	10,128,102
Allowance for inventory obsolescence	509,435	-	(41,495)	467,940
Decommissioning cost	3,183,352	-	53,034	3,236,386
Tax losses	10,988,230	-	(3,871,730)	7,116,500
	<u>23,735,087</u>	<u>139,604</u>	<u>4,578,681</u>	<u>28,453,372</u>
Deferred tax liabilities				
Property plants and equipment	(6,282,534)	-	863,654	(5,418,880)
Trademark	(29,429,393)	-	1,014,806	(28,414,587)
Customer relation	(17,095,630)	-	1,799,540	(15,296,090)
	<u>(52,807,557)</u>	<u>-</u>	<u>3,678,000</u>	<u>(49,129,557)</u>
Consolidated financial statements				
Restated				
	At 1 January 2015 Baht	Increase from acquisition of subsidiary Baht	Charged/ (credited) to the income statement Baht	At 31 December 2015 Baht
Deferred tax assets				
Allowance for doubtful account	-	1,342,286	(1,342,286)	-
Allowance for doubtful account - withholding tax receivable	-	3,483,000	-	3,483,000
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>10,416,618</u>	<u>4,211,311</u>	<u>23,735,087</u>
Deferred tax liabilities				
Property plants and equipment	-	(3,813,600)	(2,468,934)	(6,282,534)
Trademark	(30,444,200)	-	1,014,807	(29,429,393)
Customer relation	-	(17,995,400)	899,770	(17,095,630)
	<u>(30,444,200)</u>	<u>(21,809,000)</u>	<u>(554,357)</u>	<u>(52,807,557)</u>

18 Deferred income taxes (Cont'd)

Presentation in the statements of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	Restated 2015 Baht	2016 Baht	2015 Baht
Deferred income tax assets	26,226,339	21,058,902	-	-
Deferred income tax liabilities	(46,902,523)	(50,131,372)	-	-
Deferred income tax, net	(20,676,184)	(29,072,470)	-	-

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 15.8 million (2015: Baht 44.6 million). These tax losses will expire in 2021.

19 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2016 Baht	Restated 2015 Baht	2016 Baht	2015 Baht
Deposits	31,913,038	31,673,440	-	-
Guarantee	51,320,519	45,823,963	1,372,894	1,466,352
Withholding tax deducted at sources	66,802,067	52,756,340	-	-
Others	83,371	9,918,871	-	-
	<u>150,118,995</u>	<u>140,172,614</u>	<u>1,372,894</u>	<u>1,466,352</u>

20 Borrowings

20.1 Finance lease liabilities

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not later than 1 year	11,332,705	10,822,650	1,673,484	1,673,484
Later than 1 year but not later than 5 years	19,924,299	28,536,923	1,812,927	3,486,411
Total	<u>31,257,004</u>	<u>39,359,573</u>	<u>3,486,411</u>	<u>5,159,895</u>

20 Borrowings (Cont'd)

20.2 Short-term borrowings from financial institutions

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Short-term borrowings from financial institutions	132,000,000	70,000,000	100,000,000	70,000,000

Short-term borrowings are collateralised by pledge of land and building with the carrying value of Baht 230.14 million (Note 14).

20.3 Long-term borrowings from financial institutions

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current portion of long-term borrowings	154,350,730	584,557,367	108,737,837	550,334,375
Long-term borrowings payable between 1 to 5 years	790,367,925	970,862,500	426,981,224	604,863,863
Long-term borrowings payable more than 5 years	-	78,800,000	-	-
Total	944,718,655	1,634,219,867	535,719,061	1,155,198,238

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 4.53% to 5.25% (2015: 4.65% to 5.25%) and are within level 2 of the fair value hierarchy.

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 held by the Company, and 101.18 million shares of Thai Solar Energy Public Company Limited.

Movements in long-term borrowings are analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For year ended 31 December 2016		
Opening amount as at 1 January 2016	1,634,219,867	1,155,198,237
Addition during the year	11,000,000	-
Repayment	(700,501,213)	(619,479,176)
Closing amount as at 31 December 2016	944,718,654	535,719,061

20 Borrowings (Cont'd)

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 financial statements		Separate financial statements	
	2016 %	2015 %	2016 %	2015 %
Long-term borrowing	3.90 - 6.75	4.00 - 6.50	3.90 - 4.52	4.00 - 5.53
Finance lease liabilities	1.00 - 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 financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Float rate - expiring within one year	347,000,000	90,000,000	40,000,000	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 financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade payables - others	152,563,559	179,109,579	110,092	6,044,594
Trade payable - related parties (Note 32.3)	569,775	572,690	1,005	6,972,710
Other payables	8,925,830	50,438,435	-	10,900,000
	<u>162,059,164</u>	<u>230,120,704</u>	<u>111,097</u>	<u>23,917,304</u>

22 Employee benefit obligations

Post-retirement benefits

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	48,859,622	6,049,061	6,600,845	4,536,402
Liabilities acquired in a business combinations	-	36,122,018	-	-
Current service cost	19,504,592	6,643,296	466,619	2,128,157
Interest cost	1,446,878	287,288	48,172	181,456
Actuarial losses	698,020	25,646	-	22,517
Benefits paid	(926,976)	(267,687)	-	(267,687)
At 31 December	<u>69,582,145</u>	<u>48,859,622</u>	<u>7,115,636</u>	<u>6,600,845</u>

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current service cost	19,504,592	6,643,296	466,619	2,128,157
Interest cost	1,446,878	287,288	48,172	181,456
Total, included in staff costs	<u>20,951,470</u>	<u>6,930,584</u>	<u>514,791</u>	<u>2,309,613</u>

Total charge of Baht 20,951,470 and Baht 514,791 (2015: Baht 6,930,584 and Baht 2,309,613) was included in administrative expenses in the consolidated and separate financial statements, respectively.

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 %	2015 %	2016 %	2015 %
Discount rate	2.70 - 4.26	4.00	2.95	4.00
Future salary increases	3.00 - 8.09	5.00	5.00	5.00

22 Employee benefit obligations (Cont'd)

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

	Change in assumption		Increase in assumption		Impact on defined benefit obligation	
	Decrease in assumption		Decrease in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	2%	1%	Decrease by 7%	Decrease by 7%	Increase by 15%	Increase by 8%
Salary growth rate	1%	1%	Increase by 8%	Increase by 8%	Decrease by 12%	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 19.30 years (2015: 20.30 years).

Expected maturity analysis of undiscounted retirement:

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016					
Retirement benefits	226,012	11,063,853	3,159,125	298,893,698	313,342,688
Other long-term benefit	616,000	690,774	1,946,989	1,563,320	4,817,083
	Consolidated financial statements				
	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
	Separate financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016					
Retirement benefits	-	-	-	58,805,363	58,805,363

22 Employee benefit obligations (Cont'd)

	Separate financial statements				Total Baht
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	
At 31 December 2015					
Retirement benefits	225,744	-	1,175,365	8,153,938	9,555,047

23 Share capital

	Issued and fully paid-up				Total Baht
	Authorised number of shares	Number of shares	Ordinary shares Baht	Share Premium Baht	
At 1 January 2015	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
Register of new shares	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	324,000,000	72,564,680	396,564,680
Issue and paid-up of shares	-	97,200,000	97,200,000	243,000,000	340,200,000
At 31 December 2016	421,200,000	421,200,000	421,200,000	315,564,680	736,764,680

The total authorised number of ordinary shares is 421,200,000 shares (2015: 421,200,000 shares) with a par value of Baht 1 each (2015: Baht 1 each). The issued and fully paid-up ordinary shares is 421,200,000 shares (2015: 324,000,000 shares).

2016

On 25 March 2016, the Company received share subscription for 97,200,000 shares with the par value of Baht 1 each, at the value of Baht 3.50 each, totalling Baht 340.20 million. As a result, the registered and fully paid-up share capital increase to 421,200,000 shares. The Company registered the share issued with the Ministry of Commerce on 7 April 2016.

2015

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 each 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 financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	-	16,726,352	-	16,726,352
Compensation of the accumulated loss (Note 24)	-	(16,726,352)	-	(16,726,352)
Appropriation of legal reserve	42,120,000	-	42,120,000	-
At 31 December	42,120,000	-	42,120,000	-

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 Components of other comprehensive income

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Other comprehensive income:				
Remeasurements of defined benefit plans	(558,418)	(25,646)	-	(22,517)
Share of other comprehensive income of associates:				
Gain arising during the year	8,775,837	4,897,205	-	-
Less: Reclassification adjustment for gain to be included in profit or loss	(9,856,782)	-	-	-
Other comprehensive income for the year	(1,639,363)	4,871,559	-	(22,517)

27 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.

	Consolidated financial statements		Separate financial statements	
	2016	Restated 2015	2016	2015
Net profit (loss) attributable to ordinary shareholders (Baht)	56,976,538	35,164,296	276,406,626	(50,761,074)
Weighted average number of ordinary shares in issue during the year (Shares)	398,891,803	324,000,000	398,891,803	324,000,000
Basic earnings (losses) per share (Baht)	0.14	0.11	0.69	(0.16)

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

28 Other income

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest income	1,209,015	1,324,945	5,640,824	287,128
Dividends income	162,000	248,000	71,957,000	27,747,984
Management fee income	-	-	39,600,000	27,600,000
Gain on disposal of investments in an associate (Note 13.1)	448,488,035	-	666,652,238	-
Unrealised gain on investments in trading securities	5,389,491	-	2,612,327	-
Realised gain on exchange rate	565,127	-	-	-
Unrealised gain on exchange rate	99,530	-	-	-
Gain from disposal of property, plant and equipment	544,192	-	-	-
Other income	23,521,777	12,081,817	2,909,700	1,553,913
Total	479,979,167	13,654,762	789,372,089	57,189,025

29 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 financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Provision for obsolete inventories	701,089	3,527,239	738,220	793,801
Depreciation (Note 14)	177,734,677	132,097,997	1,395,241	1,428,387
Amortisation of intangible assets (Note 16)	34,016,720	34,016,724	-	-
Impairment of goodwill	336,530,588	-	-	-
Loss from disposal of investment in a subsidiary (Note 13.3)	-	-	392,000,000	-
Provision for employee benefit expense (Note 22)	20,793,750	6,930,584	514,791	2,309,613

30 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2016 Baht	Restated 2015 Baht	2016 Baht	2015 Baht
Current tax	29,001,696	17,313,067	12,547,659	-
Deferred tax	(8,256,681)	(3,656,954)	-	-
	20,745,015	13,656,113	12,547,659	-

30 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 financial statements		Separate financial statements	
	2016 Baht	Restated 2015 Baht	2016 Baht	2015 Baht
Profit (loss) before tax	47,640,454	56,451,858	288,954,285	(50,761,074)
Tax calculated at a tax rate of 20% (2015: 20%)	9,528,091	11,290,372	57,790,857	(10,152,215)
Tax effect of:				
Share of profit from associate and joint ventures, net of tax	(18,292,650)	(21,572,852)	-	-
Income not subject to tax	(18,633,143)	(10,585,549)	(14,359,000)	(4,046,097)
Expenses not deductible for tax purpose	22,782,388	2,952,321	179,611	2,357,228
Expenses deductible for tax purpose at greater amount	(3,732,302)	-	(764,140)	-
Utilisation of tax losses	(2,041,929)	-	(30,299,669)	-
Tax losses for which no deferred income tax asset was recognised	31,134,560	31,571,821	-	11,841,084
Tax charge	20,745,015	13,656,113	12,547,659	-

31 Transaction with non-controlling interest

31.1 Change in non-controlling interests from reduction in capital of a subsidiary

On 8 April 2016, Index and V Co., Ltd., a subsidiary of the Group, has reduced its share capital from Baht 12.0 million to Baht 8.4 million by reducing par value from Baht 100 each to Baht 70 each. This resulted in a decrease in non-controlling interests of Baht 1.8 million.

The effect of changes in the ownership interest of Index and V Co., Ltd. on the equity attributable to owner of the Company during the year is summarised as follows:

	Consolidated financial statements	
	2016 Baht	2015 Baht
Cash paid to non-controlling interests	(1,800,000)	-
Decrease in non-controlling interests	(1,800,000)	-

31 Transaction with non-controlling interest (Cont'd)

31.2 Change in non-controlling interests from increasing in capital of a subsidiary

On 15 November 2016, Index Creative Online Co., Ltd., a subsidiary of the Company, has increased its share capital from Baht 5 million to Baht 13.2 million. The Group did not acquire any of the newly issued shares. However, the Group still retains its control over operation of Index Creative Online Co., Ltd.

The effect of change in the ownership interest of Index Creative Online Co., Ltd. on the equity attributable to owners of the Company during the year is summarised as follows:

	Consolidated financial statements	
	2016 Baht	2015 Baht
Increase in non-controlling interests as a results of shares increase in a subsidiary	8,200,000	-
Increase in equity attributable to owners from change in percentage of parent's ownership interest in a subsidiary	5,719,055	-
Decrease in non-controlling interests of the Company from change in percentage of parent's ownership interest in a subsidiary	(5,719,055)	-
Increase in non-controlling interests	8,200,000	-

31.3 Effects of transactions with non-controlling interests on the equity attributable to owners of the Group during the year is summarized as follows:

	Consolidated financial statements	
	2016 Baht	2015 Baht
Change in non-controlling interests from reduction in capital of a subsidiary	(1,800,000)	-
Change in non-controlling interests from increasing in capital of a subsidiary	8,200,000	-
Decrease in non-controlling interests of the Company from change in percentage of parent's ownership interest in a subsidiary	(5,719,055)	-
Increase in non-controlling interests	680,945	-

32 Related party transactions

The major shareholder of the Company is Maleenont family, and BEC World Public Company Limited (incorporated in Thailand), which owns 24.95% and 13.83% of the Company's shares. The remaining 61.22% 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:

32.1 Sales of goods and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenue from rendering of services				
Major shareholder	110,494,155	47,840,000	-	-
Subsidiaries	-	-	2,130,704	2,123,944
Associates	25,724,313	-	-	-
Related companies	1,777,322	38,307,920	-	507,920
	<u>137,995,790</u>	<u>86,147,920</u>	<u>2,130,704</u>	<u>2,631,864</u>
Other income				
Subsidiaries	-	-	41,899,567	-
Associates	423,308	-	-	-
Related companies	9,499,266	-	-	-
	<u>9,922,574</u>	<u>-</u>	<u>41,899,567</u>	<u>-</u>
Interest income				
Subsidiaries	-	-	4,738,089	29,084,316
Associates	177,355	-	-	-
	<u>177,355</u>	<u>-</u>	<u>4,738,089</u>	<u>29,084,316</u>

32.2 Purchases of goods and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Purchase of goods from:				
Related companies	<u>6,054</u>	<u>6,030</u>	<u>6,054</u>	<u>6,030</u>
Cost of rendering of services				
Subsidiaries	-	-	1,200,000	-
Associates	1,244,049	-	-	-
Related companies	1,675,354	37,800,000	-	-
	<u>2,919,403</u>	<u>37,800,000</u>	<u>1,200,000</u>	<u>-</u>
Selling and administrative expenses				
Subsidiaries	-	-	157,778	36,261
Related companies	6,396,026	8,857,760	6,396,026	8,582,760
	<u>6,396,026</u>	<u>8,857,760</u>	<u>6,553,804</u>	<u>8,619,021</u>
Interest expenses				
Subsidiaries	-	-	2,202,363	2,633,527

32 Related party transactions (Cont'd)

32.3 Outstanding balances arising from sales/purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts receivable (Note 10)				
Related companies	15,578,225	26,367,826	-	-
Trade and other payable (Note 21)				
Subsidiaries	-	-	-	6,513,282
Related companies	569,775	572,690	1,005	459,428
	569,775	572,690	1,005	6,972,710
Accrued income				
Major shareholder	40,016,240	-	-	-
Subsidiaries	-	-	-	9,785,167
Associates	1,334,914	-	-	-
Related companies	-	849,931	-	-
	41,351,154	849,931	-	9,785,167
Advances received for production of television programmes				
Related companies	-	20,205,607	-	-
Accrued expenses				
Subsidiaries	-	-	31,359	2,990,504
Related companies	532,964	459,703	532,964	459,703
	532,964	459,703	564,323	3,450,207

32.4 Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Loan to:				
Subsidiaries	3,433,150	3,333,150	583,426,450	-

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the years ended 31 December 2016		
Beginning balance	3,333,150	-
Addition during the year	100,000	588,426,450
Loan repayment during the year	-	(5,000,000)
Ending balance	3,433,150	583,426,450

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.

32 Related party transactions (Cont'd)

32.5 Short-term borrowings from related parties

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Loan from:				
Subsidiaries	-	-	43,000,000	128,000,000
Related companies	-	14,500,000	-	-
	-	14,500,000	43,000,000	128,000,000

Movements in short-term borrowings from related parties are analysed as follows:

	Consolidated Baht	Company Baht
For the year ended 31 December 2016		
Opening amount as at 1 January 2016	14,500,000	128,000,000
Addition during the year	30,960,000	10,000,000
Reclassify	(45,460,000)	-
Loan repayment during the year	-	(95,000,000)
Closing amount as at 31 December 2016	-	43,000,000

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 as at 31 December 2015 are denominated in Thai Baht, bearing interest rate of 6.50% to 6.75%, and there was no specified repayment date.

32.6 Long-term borrowings from related parties

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Loan from:				
Subsidiaries	-	-	-	-
Related companies	35,460,000	-	-	-
	35,460,000	-	-	-

Movements in long-term borrowings from related parties are analysed as follows:

	Consolidated financial statements Baht	Separate financial statements Baht
For the year ended 31 December 2016		
Opening amount as at 1 January 2016	-	-
Reclassify	45,460,000	-
Loan repayment during the year	(10,000,000)	-
Closing amount as at 31 December 2016	35,460,000	-

The loans from other related parties are denominated in Thai Baht, bearing interest rate of 6.50% to 6.75%, and repayable in 2021.

32 Related party transactions (Cont'd)

32.7 Key management compensation

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

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Short-term employee benefits	67,592,612	63,532,853	36,644,682	37,602,617
Post-employee benefits	4,456,661	1,936,122	1,521,579	1,885,477
	<u>72,049,273</u>	<u>65,468,975</u>	<u>38,166,261</u>	<u>39,488,094</u>

33 Commitments and contingencies

33.1 Bank Guarantee

As at 31 December 2016, there are outstanding bank guarantee given on behalf of the Group to the third parties in respect of construction contracts amounting to Baht 41.69 million.

33.2 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 financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not later than 1 year	167,883,717	177,319,364	375,573	5,255,579
Later than 1 year but not later than 5 years	190,179,973	143,955,820	640,646	844,152
Later than 5 years	139,873	3,708,520	139,873	311,940
	<u>358,203,563</u>	<u>324,983,704</u>	<u>1,156,092</u>	<u>6,411,671</u>

34 Event occurs after the reporting date

Media Vision (1994) Co., Ltd.

On 16 January 2016, the Extraordinary General Meeting of shareholders approved dividends in respect of the operating results for 2016 at Baht 24.26 per share, totaling Baht 10 million. The dividend were paid to the shareholders on 17 January 2017.

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

13.1 Management Discussion, Analysis of Financial Positions and Operating Results

Operating Results

The Group has changed its business operations from entertainment business to leading lifestyle business and entertainment by expansion into education business in May 2014, food business in December 2014, and full marketing services by 50% share acquisition of Index Creative Village Public Company Limited in June 2015 (“ICV”). The Company has controlling interest in ICV and therefore consolidates balance sheet and profit and loss statements of ICV.

In 2016, the Group had total revenues of THB 2,560.90 million with THB 392.08 million increase and gross margin of THB 876.71 million or 34% of total revenues. Selling and administrative expenses increased by THB 132.96 million and financial costs slightly decreased by THB 1 million and share of profit from associates and joint ventures decreased by THB 14.27 million. **As a result, the Group had net profit attributable to owners of the parent (exclusive of non-controlling interests) of THB 56.98 million with an increase of THB 21.81 million or 62% year-on-year increase.**

Earning before interest, taxes, depreciation and amortization (EBITDA) was THB 243.25 million with an increase of THB 53 million due to increases in depreciation expense and amortization of intangible assets of THB 45.64 million and THB 2.97 million in 2016 respectively.

- **Sale and service revenues**

Due to the passing of His Majesty King Bhumibol Adulyadej, the 9th King of the Chakri Dynasty, Thai people were in grieving the loss of the King and the Thai government declared a period of mourning and requested that no entertainment was held during the last quarter of 2016 which affected part of the Group’s revenues during the last quarter of the year. However, in 2016, the Group had total revenues of THB 2,560.90 million with an increase of THB 392.08 million or 18% year-on-year increase. The revenues can be categorized as follows:

1. **Restaurant business of THB 680.68 million**

At the year end of 2016, the Group operated restaurants under the name “Jeffer Steak and Seafood”. At present, there are 80 restaurants nationwide with 36 restaurants in Bangkok and 44 restaurants in other provinces. In 2016, four new restaurants were opened namely Future Park Rangsit branch, Harbour Mall Pattaya branch, Robinson Lopburi branch, and Terminal Korat branch. The total revenue of the business was THB 680.68 million or THB 42.46 year-on-year decrease as sales were not as expected and Major Pinklao branch was closed during July and November due to a fire.

2. **English language school business of THB 657.88 million**

The Group operates English language school under the name “Wall Street English”. The revenue from English language school is recognized according to the international accounting standard which recognizes revenue gradually according to contracts entered into between students and the Group.

In March 2016, the Group opened a new Wall Street English center in Central Westgate and moved students from Siam Square center to Central World center at the end of year 2016. As a result, the Group has 11 centers of Wall Street English with 9 centers in Bangkok and 2 centers in Chiangmai and Rayong. The Group recognized revenue in 2016 of THB 657.88 million with year-on-year decrease of THB 58.46 million as sales were not as expected and Major Pinklao center was closed during July and November due to a fire.

3. Entertainment and marketing activities business of THB 1,222.34 million

The Company categorized its businesses by types of business. The entertainment and marketing activities business can be divided into 3 categories including (1) television program production and distribution, (2) concert promoter business and (3) creative and marketing management communication services. In 2016, the Group generated revenues from entertainment and marketing activities business of THB 1,222.34 million with a year-on-year increase of THB 493 million. This was because, in 2015, the Company generated revenues from such business from June 2015 onwards, while the Company recognized revenues for the full year in 2016. Details of each business is set out as follows:

3.1 Creative and marketing communication management services

The Company purchased 50% shares in ICV which operates creative service business and marketing communication management services including creative marketing services, marketing promotion services, regional services and lifestyle services. The Company has controlling interests in ICV group and is required to consolidate profit and loss statement and balance sheet of ICV by recognizing 100% of revenues and expenses but recognizing net profit according to the investment proportion which is 50%.

The passing of His Majesty King Bhumibol Adulyadej, the 9th King of the Chakri Dynasty, had impact on revenue recognition of the Group since certain activities has been delayed or postponed or cancelled by clients.

3.2 Television program production and distribution

In 2016, 2 soap opera production, namely Buang A Thi Tarn and Bun Lang Dok Mai were completed and delivered to clients.

3.3 Concert promoter business

Due to impact on economy and the passing of His Majesty King Bhumibol Adulyadej, the 9th King of the Chakri Dynasty during the last quarter of the year, the government requested not to hold any entertaining activities. Therefore, in 2016, the Group organized only one concert in September named "The Palace & The Originals".

• Other revenues and expenses

The Company had other revenues of THB 479.98 million, an increase of THB 466.33 million. Part of the other revenues came from profit from disposal of investment in Thai Solar Energy Public Company Limited ("TSE") in the proportion of 10% of paid-up capital. In early November 2016, such investment resulted in the Group having profit of THB 448 million. The Company had applied the proceeds from such disposal of securities for loan repayment, reserves for business expansion and working capitals.

As the Company had restructured shareholding structure in the education business in order to clearly determine roles and responsibilities of the business unit and provide flexibility for expansion of education business in other countries, particularly the CLMV group. The costs of such restructuring was THB 336.53 million.

• Cost of goods sold and services

In 2016, the Company had total costs of THB 1,684.19 million with an increase of THB 384.47 million or 30% year-on-year. This was largely due to recognition of full-year costs of creative and marketing communication management business.

- **Overall expenses**

The total selling and administrative expenses was THB 988.65 million, an increase of THB 132.96 million or 16% year-on-year due to recognition of full-year costs of creative and marketing communication management business. Majority of such costs consisted of expenses for personnel, marketing expenses, depreciation and amortization of intangible assets which would be gradually deducted according to accounting standards. In addition, the Group had financial costs of THB 75.26 million, a slight decrease of THB 1 million compared to last year.

- **Share of profit from associates and joint ventures**

As the Company disposed 10% of its investment in TSE during end of 2016, the Company's shareholding in TSE had decreased from 20% to 10%. However, under the Company's financial statements, the accounting method used for recognizing share of profit from investment in TSE remained unchanged where the Company used Equity Method. This was because the Company maintained significant influence over TSE as the Company had its representative as authorized director of TSE and the proportion of authority remained unchanged after the disposal of investment.

In 2016, the Group recognized share of profit from associates and joint ventures of THB 91.40 million, a decrease of THB 14.27 million or 14% due to the decrease in share of profit from investment in TSE. The Company disposed such investment in TSE in November 2016.

Financial Positions

- **Assets**

The financial positions of the Group as of 31 December 2016 included total assets of THB 3,467.33 million with a decrease of THB 570.29 million or 14% year-on-year. The decrease was largely caused by the restructuring of shareholding structure in education business and the decrease of investment in associated company, namely disposal of 10% shareholding in TSE.

The details of major assets are as follows:

- **Cash and cash equivalents and short-term investments**

The Group had cash and cash equivalents and short-term investments of THB 547.86 million or 16% of total assets, with an increase of THB 369.01 million year-on-year due to the receipt of cash proceeds from disposal of investment in TSE at the end of 2016.

- **Trade and other receivables – net**

In 2016, the Company had net trade and other receivables of THB 254.82 million or 7% of total assets, a decrease of THB 169.77 million or 40% year-on-year due to decrease of trade receivables and increase of allowance for doubtful accounts.

- **Inventories**

The Group had managed its remaining inventories well. In 2016, the Company had THB 28.25 in inventories or 1% of the total assets, a slight decrease of THB 0.85 million compared to the last year.

- **Television programmes, concerts production and events in progress**

Television programmes, concerts production and events in progress was THB 28.36 million or 1% of the total assets, a decrease of THB 6.88 million compared to the last year as there are television programmes in progress in 2017.

- **Investment in associates and joint ventures**

Investment in associates and joint ventures was THB 480.65 million or 14% of the total assets, a decrease of THB 366.38 million due to disposal of 10% shareholding of investment in TSE.

- Equipment
Equipment was THB 677.46 million or 20% of the total assets, a decrease of THB 23.20 million compared to the last year due to annual depreciation expenses.
- Goodwill
Goodwill is the value expected to be returned to the Company from its acquired business. At the end of 2016, the Group had goodwill of THB 923.17 million or 27% of the total assets, consisting of English language service business of THB 389.55 million, a decrease of THB 336.53 million compared to the last year due to restructuring of internal shareholding structure, restaurant business of THB 408.59 million and creative and marketing communication management services of THB 125.02 million. The Group will test impairment of goodwill every year to be in accordance with the current accounting standards.
- Intangible assets
Intangible assets consisted of copyrights, computer programs, relationship with relevant clients and trademarks. As at the end of 2016, the Group had intangible assets of THB 265.13 million or 8% of the total assets, a decrease of THB 25.58 million due to the annual amortization expenses.
- Other non-current assets
Other non-current assets accounted for THB 150.12 million or 4% of the total assets, an increase of THB 9.95 million due to increase in withholding taxes and security deposits.

- **Liabilities**

As at 31 December 2016, the Company had total liabilities of THB 1,885.79 million, a decrease of THB 937.83 million compared to the previous year. This was largely due to decrease in current portion of long-term borrowings of THB 430.21 million, decrease in Long-term borrowings from financial institutions of THB 259.29 million and decrease in long-term account payable for investment of THB 223.05 million.

- **Shareholders' Equity**

As at 31 December 2016, the Company had shareholders' equity (inclusive of non-controlling interests) of THB 1,581.53 million, an increase of THB 367.55 million compared to the previous year, equity attributable to owners of the parent (exclusive of non-controlling interests) of THB 1,124.12 million, an increase of THB 401.26 million due to the capital increase in early 2016 of THB 97.20 million and increase in share premium from capital increase of THB 243 million and 2016 net profit of THB 56.98 million.

The capital structure of the Group as of 31 December 2016 is as follows:

- Shareholders' equity of THB 1,581.53 million or 46% of the total assets
- Equity attributable to owners of the parent (exclusive of non-controlling interests) of THB 1,124.12 million or 32% of the total assets
- Total liabilities of THB 1,885.79 million or 54% of the total assets

Important financial ratios are as follows:

As the Company applied proceeds obtained from the increase of capital in early 2016 and the disposal of investment in TSE at the end of 2016 towards loan repayment, its liabilities had significantly decreased.

- Debt to equity (inclusive of non-controlling interests) ratio of 1.19 times, a decrease compared to the previous year ratio of 2.33 times
- Debt to equity attributable to owners of the parent (exclusive of non-controlling interests) of 1.68 times, a decrease compared to the previous year ratio of 3.91 times
- Interest-bearing debt to shareholders' equity (exclusive of non-controlling interests) of 1.04 times, a decrease compared to the previous year ratio of 2.49 times
- Book value of net assets is THB 2.67 per share, an increase from the previous year value which was equivalent to THB 2.23 per share due to increase in net profit
- Basic earnings per share of THB 0.14, an increase from the last year value of THB 0.11

Cashflows

In 2016, the Company and its subsidiaries had cash and cash equivalents of THB 263.38 million, an increase of THB 103.86 million compared to the previous year. Details of cash spent on each business activity are as follows:

- In respect of operating activities, the Group had net cash flows generated from operating activities of THB 34.41 million or a decrease of THB 124.04 million compared to the previous year. This was largely due to decrease in trade receivables and decrease in trade payables
- In respect of investing activities, the Group had net cash flows generated from investing activities of THB 359.46 million or an increase of THB 901.96 million. This was mainly from application of proceeds from disposal of investment in TSE for short-term investment before further usage of the proceeds as loan repayment, business expansion and working capital.
- In respect of financing activities, the Group had net cash flows used in financing activities of THB 290.20 million by applying proceeds obtained from capital increase in early 2016 and disposal of investment for partial loan repayment.

13.2 Risk Factors which may impact profits of the Company in the future

None