

WAVE

G•R•O•U•P



Annual Report 2019

WAVE Entertainment Public Company Limited

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

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Report of The Chairman

Matthew Kichodhan

Chairman & CEO



We continue to consolidate Wave businesses in 2019 with the overall aim to reduce our Total Debt burden, and reset the Group's business on a more sustainable financial path given the scale of our businesses, and the current Economic situation. We have reduced our Total Interest Bearing Debt from Baht 1.8 to Baht 0.7 Billion over the past 4+years.

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 still believe that the Lifestyle sector to Food, and Education still have growth opportunities tapping into teens and young adults as Thailand's middle class develops and the opportunities that AEC presents. 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. However, given the current Economic situation and taking into account changes in the market, we have begun to review our businesses to reset and refocus our efforts on areas of strength, and opportunities where we can grow profitability and with scale into the future.

The Wall Street English business continued its growth recovery with System growth of +3%. We continue to invest in refreshing centers, and adding an additional center in Central Plaza Changwattana. Our Corporate business grew +30% with a stronger team in place. We opened our first WSE Up Country franchisee in Central Plaza KhonKhen as part of our growth model for the WSE business.

Jeffer Restaurant sales declined by 14%, as we continue to consolidate our stores to strengthen the overall total portfolio. We closed nonperforming stores leaving a net drop in system stores from 64 to 61 by end 2019. Jeffer still offers organic and regional growth opportunities to expand Jeffer's unique Value position in the Western Dine-In segment targeting teens, and young adults & families. We opened Jeffer's first franchise in Chumphon in November with plans to focus on franchising to grow. We continue to roll out Jeffer's new Brand Corporate Identity with a refresh look and feel to be more consistent with the "Lifestyle" Positioning.

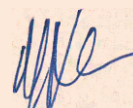
At the beginning of 2019, we divested 25% stake in Index Creative Village Public Co. Ltd ("Index"), and used the proceeds to pay down our debt. We have taken the decision to divest the remaining 25% interest in Index to reduce debt and invest in the life-style businesses and production of content for Channel 3 under Wave TV.

Our investment in Thai Solar Energy Public Company ("TSE") continues to be a valuable asset. We continue to hold 9% of TSE. The market capital of TSE as of December 31st was around Baht 6 Billion.

The Company continues to ensure emphasis on Good Corporate Governance maintaining an "Excellent" rating of 91% in the Corporate Governance Report of Thai Listed Companies in 2019 from the Thai Institute of Directors (IOD), supported by the Stock Exchange of Thailand, as well as maintaining an "Excellent" rating of 99% from the Thai Investors Association in their assessment of our Annual General Meeting in 2019. We will strive to continue to improve/maintain our standing and rating in Good Corporate Governance in the upcoming year.

We are confident in the recovery of our businesses in the year ahead through a cautious approach in expanding, improving margins, and driving growth through Franchising opportunities. We will continue to transform Wave into a leading "Lifestyle and Entertainment" Company with further opportunities to expand organically and expansion into AEC countries. 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 2019, 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 2019 were as follows :

1. Reviewed completely and reliable of financial reports :

- Reviewed the interim and 2019 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 2019.

The Audit Committee is of the opinion that the financial statements of the company and its subsidiaries for the year 2019 were prepared in accordance with generally accepted accounting standards and were presented accurately and fairly with sufficient information disclosure.

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

- 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.
- Assessed the adequate, appropriate and efficiency of internal control system by considering from internal audit report and the opinion of the External Auditors.
- Reviewed the adequacy of the internal control system for the year 2019 in compliance with the self – evaluation forms issued by the SEC.

The Audit Committee found the company and its subsidiaries to have adequate, appropriate and efficiency 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.
- 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 Tithinun Vankeo and/or Mr. Paiboon Tunkoon and/or Miss Nuntika Limviriyalers, auditors from PricewaterhouseCoopers ABAS Co., Ltd. as the company and its subsidiaries' auditors for fiscal year 2020, 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 2019 (Form 56-2) and in the annual information disclosure form as at December 31, 2019 (Form 56-1).
- Reported the Audit Committee's activities to the Board of Directors periodically.
- Conducted the Audit Committee self-assessment, the results indicated that the Committee's tasks have completely been fulfilled according to the Audit Committee charter.
- Reviewed audit committee charter annually.
- 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 and assigned the Internal Audit Office has a duty and responsibility to monitor and review operational policies as against bribery and corruption.
- 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	4/4
3. M.L.Nalineee Hasadintra	4/4

On behalf of the Audit Committee



(Mr. Prasert Patradhilok)

Chairman of the Audit Committee

24 February 2020

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 4 directors consists of:

- 1) Mr. Chaipranin Visudhipol Chairman of the Nomination and Remuneration Committee
- 2) Mr. Matthew Kichodhan Members of the Nomination and Remuneration Committee
- 3) M.L. Nalinee Hastintra Members of the Nomination and Remuneration Committee
- 4) Mr. Tee Seeumpornroj Members of the Nomination and Remuneration Committee

In 2019, the Nomination and Remuneration Committee had 1 meeting 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 three directors who are retired by rotation and pursuant to the Company's Articles of Association, namely Mr. Somsak Phayabdechachai, Mr. Matthew Kichodhan and Dr. Cathleen Maleenont. Out of those three directors, one director 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 approved 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. And the 2019 Annual General Meeting of Shareholders considered and approved the 3 directors be reappointed as directors for another term of office.
2. To determine remuneration of the Board of Directors and sub-committees by considering policies, appropriateness and alignment to responsibilities and performance of the Company. Such proposal was approved by the Board of Directors and by the 2019 Annual General Meeting of Shareholders.

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



(Mr. Chaipranin Visudhipol)

Chairman of the Nomination and Remuneration Committee

Risk Management Committee Report

The Company's Risk Management Committee, which has been appointed by the Board of Directors, consists of Dr. Cathleen Maleenont as the Chairman of the Risk Management Committee and Mr. Tee Seeumpornroj and Mr. Philipp O. Piax as the members. 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 2019, the Risk Management Committee held 1 meeting to consider important matters which 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. Monitor the progress of risk assessment and risk management of subsidiaries company.
3. Acknowledge significant organizational risks for the year 2019 and approve measures on management of risks.
4. Report to the Board of Directors on risks and measures on management of risks on a regular basis.
5. Risk Management Committee regularly conducts performance self-assessment on an annual basis. The result indicated that the Risk Management Committee's tasks have completely been fulfilled according to its risk management policy.

In summary, for the year 2019 Risk Management Committee viewed that the company group has developed and enhanced enterprise risk management to cover all key aspects continuously, in line with the ever-changing environment. To enhanced efficiency and appropriateness of company's risk management operations to control and minimize risks at acceptable level 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

28 February 2020

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 2019, 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.

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 2019, the Corporate Governance Committee had meetings to consider the following important matters and report the outcomes of the meeting, together with opinion and recommendations, to the Board of Directors:

1. To report results on 2019 Corporate Governance Report of Thai Listed Companies assessed by Thai Institute of Director with support from the Stock Exchange of Thailand. The Company was given 91 scores or "Excellent". The Company was rated "Excellent" same as that of the year 2018 and 2017.
2. To report results on quality of its 2019 annual general meeting (Annual General Meeting Checklist) assessed by Thai Investor Association. The Company was given 99 scores or "Excellent". The Company was rated as "Excellent" same as that of the year 2018, which was less than year 2017 rating of "Excellent (deserve as an example)".

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 policy, code of conduct, 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,
- Member of the Nomination and Remuneration Committee and
- Authorized Director


Mr. Prasert Patradhilok

- Independent Director and
- Chairman of the Audit Committee


Mr. Somsak Phayapdacharchai

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


M.L. Nalinee Hastintra

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


Mr. Chaipranin Visudhipol

- Independent Director,
- Chairman of the Corporate Governance Committee and
- Chairman of the Nomination and Remuneration Committee


Mr. Philipp Oliver Piaz

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


Dr. Cathleen Maleenont

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


Ms. Piyawadee Maleenont

- Director and
- Authorized Director


Mr. Tee Seeumpornroj

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


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 capital of Baht 510.07 million, divided into 510.07 million ordinary shares with a par value per share of Baht 1 and paid-up capital of Baht 467.95 million. The initial objective of WAVE was to manufacture blank video tape cassettes (V-O) and video tape cassettes with magnetic tapes (V-cassettes). At present, WAVE Group has changed from Entertainment to Lifestyle & Entertainment. WAVE Group conducts the following businesses:

1. Television programs producer and distributor



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



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



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%"

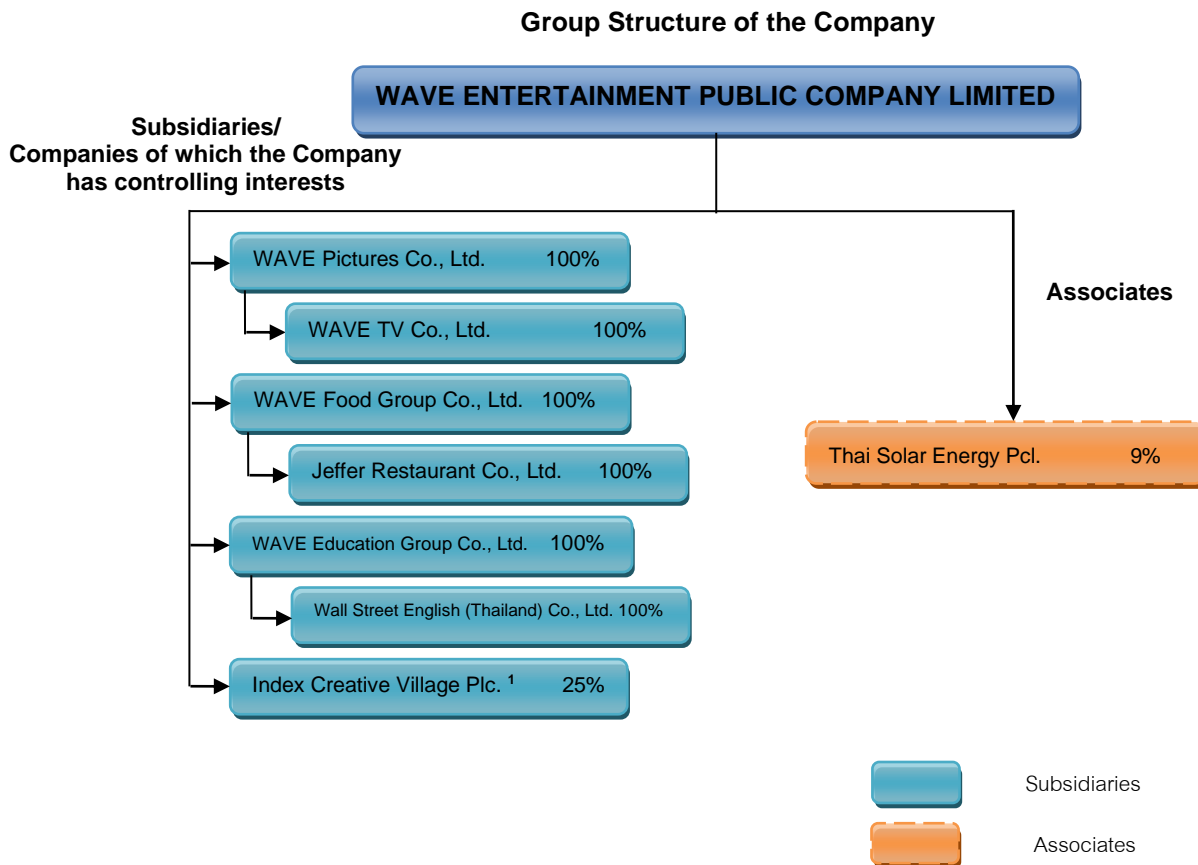
1.2 Key milestones and development of the Company

Year	Key Milestones and Development
2002	The Company ceased the manufacturing of video tape cassettes.
2007	The Company terminated the procurement and distribution of copyright movies.
2010	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	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	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	<ul style="list-style-type: none"> Capital increase under general mandate 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. Partial disposal of holding in TSE 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. Restructure of education business 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.
2017	<p>Restructure of television programs producer and distributor</p> <p>In December 2017, the Company restructured its shareholding in television programs producer and distributor business by selling all shares in WAVE TV Company Limited or 100% of paid-up capital to WAVE Pictures Company Limited ("Purchaser"), which is a 100% subsidiary of the Company.</p>
2018	<ul style="list-style-type: none"> Offering of newly issued ordinary shares to specific investor (Private Placement) On 29 March 2018, the Company issued and offered new ordinary shares in the number of 46.75 million shares to The Mall Group Co., Ltd. Disposal of shares in Index Creative Village Public Company Limited On 24 December 2018, the Company entered into share sale and purchase agreement to dispose not exceeding 86 million shares, representing 50% of paid-up capital of Index Creative Village Public Company Limited (Index) to Kanjanapokin Family (Seller Group), which is an existing shareholder of Index.
2019	<p>During Quarter 4 of the year 2019, the Company has expanded its business through franchising:</p> <ul style="list-style-type: none"> Wave Education Group Co., Ltd. which is a parent company of Wall Street English (Thailand) Co., Ltd. and a master franchisee of English language institution under the name "Wall Street English". As master franchisee, Wave Education Group Co., Ltd. has the right to sub-franchise to investors in Thailand, Kingdom of Cambodia, and Lao People's Democratic Republic. At present, there is one branch opened by sub-franchisee in Khon Kaen Province in the Northeastern region of Thailand. In respect of Jeffer Restaurant Co., Ltd., Jeffer opened 1 franchisee branch in Chomphon Province.

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.



Note:

- ¹ WAVE has reduced the shareholding proportion of Index according to terms and conditions of the share sale and purchase agreement dated 24 December 2018. At the end of 2019, WAVE holds 25% of Index.

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 2019)
Wave Entertainment Pcl.	<ol style="list-style-type: none"> 1. Copyright owner and distributor Thai dramas of Channel 3 2. Holding company 	
<u>Wave's subsidiaries</u>		
1. WAVE Pictures Co., Ltd.	The Company has restructured the business for flexibility in management.	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." for clarity and flexibility in management.	100%
3. WAVE Education Group Co., Ltd.	<ul style="list-style-type: none"> • The Company has the rights as Master Franchisee to establish and operate English language centers under the name "Wall Street English" and license franchisees (sub-franchise right) to investors in Thailand, Kingdom of Cambodia and Lao People's Democratic Republic. • The Company has restructured the business by changing its former name "CVD Organizer Co., Ltd." for clarity and flexibility in management. 	100%
4. Index Creative Village Plc.	Service business for creation and management of integrated marketing communications	25% (75% held by other individuals)
<u>WAVE Pictures Co., Ltd.'s subsidiary</u>		
1. WAVE TV Co., Ltd.	<ul style="list-style-type: none"> • Television programs producer and distributor • Seller of TV commercial air time 	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. Wall Street English (Thailand) Co., Ltd.	Private English language school	100%

(2) Associated Company

Company	Business Type	Shareholding of the Company and others (if any) (as of 31 December 2019)
<u>Wave's Associated Company</u>		
1. Thai Solar Energy Pcl.	To produce electricity from solar energy for sale to public and private sectors.	9% (36.98% held by P.M. Energy Co., Ltd., 9% held by Sino-Thai Engineering & Construction Pcl. and 45.02% held by others)

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	2017		2018		2019	
			Revenues	%	Revenues	%	Revenues	%
Total revenues								
1. Entertainment ¹	WAVE		1,381	57	0.4	0	31	3
	WAVE TV	100						
	Index Group	25 ²						
2. Restaurant business	JEFFER	100	627	26	594	52	511	46
3. English language school business	WSE	100	399	16	529	47	545	50
4. Other income	All companies		27	1	10	1	15	1
Total revenues			2,434	100	1,133	100	1,102	100
Growth rates				(20%)		(53%)		(3%)

Remarks:

¹ The Company has reclassify the entertainment businesses segment. The year 2017 consist of 2 types which include television program production and distribution business, and creative and marketing communication services business and the year 2018 – 2019 consist of 1 type which include television program production and distribution business.

² WAVE has reduced the shareholding proportion of Index according to terms and conditions of the share sale and purchase agreement on 24 December 2018. At the end of 2019, WAVE holds 25% of Index

Nature of Business

2.1 Television programs production business

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

Television program production business

Wave TV is in the process of producing 2 television series namely 1) “Kwam Song Jum Si Jang” and 2) “San Saneha”

Program name:	“Kwam Song Jum Si Jang”
Air date	In the production process
Air time	8.15 p.m. – 10.30 p.m. (Expected to be on-air in quarter 1 of 2020)
Television Channel	Channel 3
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.	



Program name:	“San Saneha”
Air date	In the production process
Air time	8.15 p.m. – 10.30 p.m. (Expected to be on-air in quarter 1 of 2021)
Television Channel	Channel 3
Target audience	Suitable for all
Program description: San Saneha is a story about a woman who has a conservative father believing that woman is inferior to man in any period of time. However, she wants to prove to her father that she can be successful without depending on a man.	



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
“Kwam Song Jum Si Jang”	Suitable for all
“San Saneha”	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**

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. 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.

- **Procurement of products or services**

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 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**

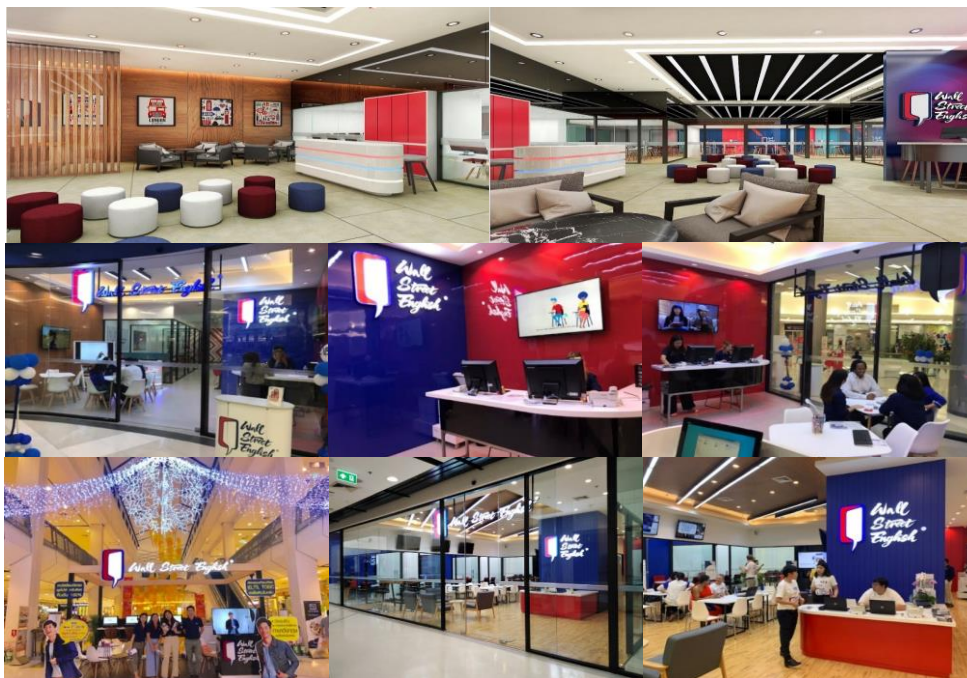
For each television series, planning of the production process takes approximately 8 months (however, the process may take longer due to other factors). The shooting will take place every week depending on the schedule. The schedule is usually either on (Monday, Tuesday and Wednesday) or (Thursday, Friday, 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 English language school business under the trade name of “Wall Street English” (“WSE”)

Operated by Wall Street English (Thailand) Co., Ltd. (“WSE”)



Nature of business

Wall Street English (Thailand) Co., Ltd (“WSE”) is the company 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 WSE Hong Kong Limited. In addition, 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 47 years of experience, 450 centers in 29 countries worldwide and over 3 million alumni students. In Thailand, WSE which is the subsidiary company of Wave Education Group and it's the company that owns the copyright to operate the institute in the country. WSE has been operating for more than 16 years in Thailand since 2003 with over 76,000 graduates, and in 2019, WSE has 8,500 current students. Currently, WSE has 12 centers in Bangkok and its perimeters plus 3 centers in the economic provincial region of Chiangmai at the Central Festival Mall, Maya and in Eastern Seaboard of Rayong. Consequently, WSE currently has 15 centers spread across the country.

In 2019 besides the company's expansion plan, Wave Education Group which is the parent company and the entrepreneur that owns copyright of Master Franchise Agreement to operate English school business under the name Wall Street English in Thailand, Kingdom of Cambodia and Lao People's Democratic Republic. Therefore, Wave Education Group can operate the business by itself and/or by subsidiary company or associated company. Also, Wave Education Group has the right to give permission to other entity (Sub Franchisee) to operate English School business under the name of Wall Street English via Franchise system. With the plan of expanding centers via Franchise system, we aim to increase service bases and open more business to various areas in Thailand. In 2019, we opened 1 center by Franchisee in Khon Kaen province in northeastern region of Thailand. Therefore, the number of centers which operated by the company and by Franchise is in total of 16 centers.

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

Furthermore, the copyright owner makes a continuous development in the learning method by investing in technology aspect in order to develop online learning to become more up-to-date which make the course more interesting and meet the students' needs even more.

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

Besides the main course that mentioned above, WSE has developed test preparation courses IELTS Course. They are the international test programs which their results are accepted by several organizations worldwide and used to submit for university admission. Or it can use to submit for visa application to countries under The British Commonwealth of Nations and also opportunity to work at the leading companies. The courses have been designed and taught by the teachers who are specialized in these tests. With the blending learning method and doing Mock Test will help students to know about their progress and also which skills that they need to practice more before they do the actual test. Also, there are extra activities for students to get ready and gain more confidence in doing the test; such as; Essay Marking Service and English Corner.

To assure in education standard under the control of Ministry of Education, WSE has been certified in quality assurance by Project Quality Assurance managed by Non-formal Education of Office of the National Primary Education Commission, Ministry of Education since 2013. The first center that certified quality assurance was WSE Fashion Island in year 2013. The next was WSE Mega Bangna which certified in excellent level as well. Nevertheless, WSE determines to manage all centers to enter the quality assurance process and be certified which according to the policy and law regulations controlled by Ministry of Education. So that students and consumers are confident that WSE has excellent standard in both product and service.

Industry outlook and competition

Overall, the English language school market is constantly expanding since English is an international language used for communication and connection worldwide. Especially when Thailand and other Asean countries assemble together as one under the Asean Economic Community (AEC) in 2015, the market has become active in improving English language more widely.

Wall Street English has been operating for more than 16 years in Thailand with constant expansion, and being well-known and recognized for its unique learning method. Moreover, WSE's course levels officially correlated to Common European Framework of Reference (CEFR) and certified by University of Cambridge in England. Therefore, WSE can certainly be considered as a high potential English language school in the Thai market.

- **Target customers**

The target customers of WSE are high school students, undergraduates, working people and other people who are interested in developing their English language skills. We also focus on the parents and guardians who are interested in building good foundation in English skills for their children. So, they can build on their future with confidence.

- **Competitive strategy**

English language institute is considered a competitive business due to the low barrier to entry. However, WSE'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, WSE will use innovative marketing to publicize its brand and stimulate sales. At the same time, WSE will continuously focus on the alumnus by presenting various campaigns to meet the target group's needs and to boost the sales volume as well.

- **Channel of Distribution**

With the reputation that Wall Street English has been gaining for more than 16 years in Thailand and the continuous growth, Wall Street English now increases more channels to distribute by opening more centers continuously to get ready for the city expansion. In 2020, WSE plans to open 1 more centers in East region. The new center is expected to open in the first quarter of 2020. Including the expansion of centers through a franchise system which is expected to open 5 centers in Thailand, Kingdom of Cambodia and Lao People's Democratic Republic to support the population distribution in the future.

- **Marketing Overall Strategy**

During the sixteen years of operation, Wall Street English has still been the leading language institute in the market and the number one market share (based on survey by Enviro (Thailand)) for users in each segment. The company continues to emphasize the importance of English communication skills; and offers guidance to students and people who are interested to understand that if they have the ability to communicate in English, there will be new opportunities coming to their lives. Also, the quality of the course is being recognized and effective.

In 2019, Wall Street English focused on service and students' success as the main priorities. Therefore, the campaign for the whole year focused on the students' successes, dreams and showed how English helped opening the door for more opportunities via several channels especially online, social media and booth activities which were able to gain attention from people who want to study English really well.

Nowadays, with the rapid communication and the change of consumer's behavior, we need to adjust our strategies and understand targeted groups from different age ranges even more. In 2020, Wall Street English will focus the marketing channel via online more with the storytelling of Wall Street English students and emphasize on their successes. With becoming partnership with several companies such as; GMM 25, BEC TERO Radio, BEC TERO, OK Magazine will help us reaching targeted groups rapidly and provide relevant information and useful knowledge via online channels which will help targeted groups reach and communicate more closely. Also, activities booth is another channel that will help targeted groups to be able to ask for information and talk with us more closely.

Procurement of products or services

WSE courses and training methods are operated under copyright. The courses were developed and determined by the copyright owner. Each WSE center can accommodate approximately 800-1,500 students. Staffs who are involved with the learning process are those with qualifications as prescribed by the Ministry of Education.

2.3 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.

As of 31 December 2019, Jeffer has 61 branches across the nation – 24 branches in Bangkok and 37 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.

In Quarter 4 of the year 2019, Jeffer has also opened 1 franchisee branch in Chumphon Province.

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**

From the year 2019 onwards, Jeffer has been focusing on expanding its business through franchising. This is to expand its customer base and have franchisee investing in the business. Jeffer provides guidelines and recommendations in operating franchisee branches. At the beginning, Jeffer will focus on expanding its franchisee branch in Bangkok and outer areas since Bangkok and outer areas still have much opportunities and Jeffer’s existing branches do not cover all service areas in Bangkok and outer areas. Therefore, the business can be expanded in such area in order to increase Jeffer’s market share.

In Quarter 4 of the year 2019, Jeffer has opened 1 franchisee branch in Chumphon Province.

- **Launch of new menu and promotions**

In 2019, Jeffer launched 4 new menus during the year. The new menus offer valued meals to customers. Jeffer also launched promotions with partners such as TrueYou and Shopee to expand its customer base and stimulate repeating purchaser from existing customers.

- **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 2019, Jeffer has 61 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 5 more branches in 2020 and 10 more branches by Franchise.

- **Competition**

The restaurant industry is constantly expanding. 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.

At present, many consumers prefer dining out. However, due to declining economic conditions, decrease in spending, and high level of competition in restaurant business, business operators must maintain selling price at the same level. Instead, the business operators tried to increase the spending per person through introduction of new menus and launching new promotions. Kasikorn Research Center estimates that the market value of restaurant business in 2019 is an approximately of Baht 430,762 million, a growth rate of 2.6% from the year 2018. The fierce competition in the restaurant business has resulted in business operators keeping close watch of consumer behavior in order to adjust their business strategies to be in line with customers. The interesting restaurant trends are as follows:

1. Customers take healthier food due to healthy trend. Customers tend to take food with benefits to health such as vegetables, fruit and grains, reduction of sugar, sodium and fat, and selection of raw materials that have no chemical or synthetic ingredient. Healthy food has become well-known and a choice widely chosen among Thai people. Most Thai people purchase healthy food for consumption for more than once a week. Some purchase healthy food on a daily basis. This presents opportunities to restaurant operators through offer of healthy menu to accommodate expansion of healthy food customer base. Such customer group is also willing to pay higher price for healthy food.
2. Customers use more food delivery service. Food delivery service becomes more popular due to changing lifestyle. Urban lifestyle with time limitation, incline for convenience, and avoidance of traffics stimulate increase in food delivery service. In addition, there are multiple channels for ordering food including online, website, and application developed by restaurant operators, online application service providers, delivery service providers. Such factor has contributed to an increase in customer usage in food delivery service. The increase in food delivery service also stimulates sales by restaurant operators.
3. Restaurant operators also focus on expansion strategy in order to compete in the business. New stream of revenue is generated from opening of new branches. However, majority of the incremental revenue comes from consumers trying of services at new branches or restaurants. And revenues from, or revenue growth of, existing branches tend to decrease. Hence, restaurant operators face a challenge in selecting locations that reach new customer groups or locations with low competition and relatively low rental fees in order to expand revenue base and create no impact on growth rate of existing branches.
4. Customers tend to save costs and have various choices for food consumption. Due to uncertain economic conditions, customers cut expenses, including food expenses. Customers dine out less and will only dine out if necessary. In addition, customers are presented with more variety of food, including ready-to-eat food and ready-to-cook food from various distributors such as food stalls, convenient stores and supermarkets. Customers are also able to cook by themselves. This may cause average spending per person per meal to decrease. The frequency of customers using restaurant service will also drop and this unavoidably affects the revenues of the restaurant operators.

Procurement of products or services

From 2017 onwards, Jeffer places importance on retention of existing customers. Jeffer has organized digital Customer Relationship Management to increase repeat purchase by existing customers and referral of new customers to Jeffer.

For product development, Jeffer focuses on relationship with trade partners by cooperation with its trade partners to develop new menu, including cost planning and internal management. Jeffer's procurement policy is to order raw materials from 2 – 3 suppliers for each type of raw material. This helps to provide diversification in terms of price and raw materials in case there is lack of certain raw material at certain period of time. For certain raw materials, the Company reserves them in higher quantity through contract to control costs and negotiate on price. Particularly, those products that involve exchange rates.

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

3. Risk Factors

In year 2019, the Company's core business were (i) television program producer and distributor, (ii) English language school business under the trade name of "Wall Street English" and (iii) restaurant business under the trade name of "Jeffer Steak & Seafood".

Risk factors of the year 2019 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 for highest benefits to the Company although Wave Group has outstanding long-term and short-term loans however, the well operating result and financial management, Wave Group can continue to comply with the conditions of loan agreements.

2. Business Risks

2.1 Restaurant business

With the current economic and competitive of the business market, new entrants are increasingly competing in the market. Together with the eating habits of many groups of people began to change. Causing the company group has to adjust to keep up with the strong change. The company group will focus more on Viral Marketing and focus on the competition in the delivery market that has grown steadily and continuously during the past 1-2 years.

The company group still has to continually improve the store's appearance. Coupled with the develop of food quality and service standards. Be accepted and has consistently won the hearts of general customers especially the quality of food. The company group still emphasizes and gives top priority suitable in terms of quality and quantity, worth the price.

In the year 2019, the company group focused more on branch expansion in the form of franchise in order to expand the customer base by having the franchisee to be the co-investor and the company group provides guidelines and recommendations for doing business, in order to increase market sharing.

2.2 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, having good and appropriate locations, building a strong sales team, organizing up-to-date campaigns which are suitable for target customers and adaptive to current circumstances. Moreover, the Company uses innovative marketing to publicize the brand and to promote the sale through marketing strategy and to continue to focus on the existing customers by providing campaign that has attractive to the target and for encourage the sale volume.

2.3 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.

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, Klongtoey District, Bangkok 10110
Type of business	1. Copyright owner and distributor of Thai drama series of Channel 3 2. 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 510.07 million
Number and type of share	510.07 million ordinary shares with a par value of Baht 1 each
Paid-up capital	Baht 467.95 million
Number and type of share	467.95 million ordinary shares with a par value of Baht 1 each

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

Company	Business Type	Paid-up Shares		
		Type	Number	Par value (Baht)
<u>1.Wave’s subsidiaries</u>				
1. WAVE Pictures Co., Ltd.	The Company has restructured the business for flexibility in management.	Common Shares	1,000,000	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.” for clarity and flexibility in management.	Common Shares	500,000	10
3. WAVE Education Group Co., Ltd.	<ul style="list-style-type: none">• The Company has the rights as Master Franchisee to establish and operate English language centers under the name “ Wall Street English” and license franchisees (sub-franchise right) to investors in Thailand, Kingdom of Cambodia and Lao People's Democratic Republic.• The Company has restructured the business by changing its former name “CVD Organizer Co., Ltd.” for clarity and flexibility in management.	Common Shares	100,000	10

Company	Business Type	Paid-up Shares		
		Type	Number	Par value (Baht)
4. Index Creative Village Plc.	Service business for creation and management of integrated marketing communications	Common Shares	172,000,000	1
2. WAVE Pictures Co., Ltd.'s subsidiary				
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
3.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
4.WAVE Education Group Co., Ltd.'s subsidiary				
1. Wall Street English (Thailand) Co., Ltd.	Private English language school	Common Shares	630,000	10
		Preferred Shares	1,026,600	10
5.Wave's Associated				
1. Thai Solar Energy Pcl.	To produce electricity from solar energy for sale to public and private sectors.	Common Shares	2,117,716,281	1

Note:

1. 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 and associated companies have a registered head office at Maleenont Tower, No. 3199, Rama IV Road, Klongton Sub-district, Klongtoey, District Bangkok 10110, Tel. (02) 665 – 6705, Fax (02) 665 – 6750, except for the following companies:

Name	1. Index Creative Village Plc.
Head Office	545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Road, Prakanong Nua Sub-District, Wattana District, Bangkok 10110 Tel (02) 666 - 9333
Name	2. Thai Solar Energy Pcl.
Head Office	725 Metropolis, 19th floor, Sukhumvit Rd., Klongton Nua Sub-district, Wattana District, Bangkok 10110 Tel (02) 258 – 4530-3, (02) 258 – 4536-8 Fax (02) 258 – 4534

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 Ms. Sakhunna Yamsakul Certified Public Accountant (Thailand) No. 4906 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	Capitalbox Consulting Co., Ltd. 93 Soi Chan 6, Thung Waddon Sub-District, Sathorn District, Bangkok 10120

5. Capital Structure

5.1 Company's Registered and Paid-up Capital

Registered and paid-up capital of the Company as of December 31, 2019:

Registered capital	: Baht 510.07 million divided into 510.07 million ordinary shares with a par value of Baht 1
Paid-up capital	: Baht 467.95 million divided into 467.95 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, 2019) are as follows:

Name	Number of Shares	% of the total number of shares
1. Maleenont Family Group	175,126,924	37.42
1.1 Ms.Cathleen Maleenont	105,106,924	22.46
1.2 BEC World Public Company Limited	58,250,000	12.45
1.3 Ms.Prisana Maleenont	6,910,000	1.48
1.4 Ms.Piyawadee Maleenont	4,860,000	1.04
2. The Mall Group Co., Ltd.	46,750,000	9.99
3. Mr.Nuttapol Jurangkool	44,394,600	9.49
4. Mr.Veerarak Boonyaworamethee	20,502,700	4.38
5. Ms.Nattawan Piyamahachot	16,377,400	3.50
6. Mr.Pinai Jeenapan	15,728,000	3.36
7. Ms.Orayaporn Karnchanachari	15,600,000	3.33
8. Mrs.Suvimol Leesuwana	12,794,600	2.73
9. Mr.Thaweechat Jurangkool	10,267,700	2.19
10. Mr.Phornprasert Karnchanachari	7,658,300	1.64
Others	102,749,776	21.97
Total	467,950,000	100.00

Source: The name list of shareholders of WAVE Entertainment Public Company Limited as of December 30, 2019.

5.3 Issuance of other securities

The Company has convertible securities, namely warrants to purchase the Company's ordinary shares. The Company issued the Warrants to purchase the Company's ordinary shares No.1 (WAVE-W1) ("**Warrants**") in the total number of 42,119,734 units, the details of the right to exercise Warrants (WAVE-W1) are as follows :

Issuance Date:	11 May 2017
Term of the Warrants:	3 years from the issuance date of the warrants (the issuance date is 11 May 2017, the expiration date of the Warrants is 10 May 2020, and the last exercise date is 8 May 2020).
Exercise Period:	The warrant holders shall be entitled to exercise their rights under the Warrants on the last business day of June and of December throughout the term of the Warrants.
Exercise Ratio:	1 unit of Warrant will be entitled to purchase 1 ordinary share
Exercise Price:	Baht 6.00 per 1 ordinary share

As of December 31, 2019, no warrant holders have exercised their rights.

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, 2019, the Company has 10 directors as follows:

Name	Position	Board of Directors meeting	
		Times/ year	Attendance number
1. Mr. Matthew Kichodhan	Chairman and Member of the Nomination and Remuneration Committee	6	6
2. Mr. Prasert Patradhilok	Independent Director and Chairman of the Audit Committee	6	6
3. Mr. Somsak Phayapdacharchai ¹	Independent Director Member of the Audit Committee and Member of the Corporate Governance Committee	6	5
4. M. L. Nalinee Hastintra	Independent Director Member of the Audit Committee and Member of the Nomination and Remuneration Committee	6	6
5. Mr. Chaipranin Visudhipol ¹	Independent Director Chairman of the Corporate Governance Committee and Chairman of the Nomination and Remuneration Committee	6	5
6. Mr. Philipp O. Piaz ¹	Independent Director Member of the Risk Management Committee and Member of the Corporate Governance Committee	6	5
7. Dr. Cathleen Maleenont	Director and Chairman of the Risk Management Committee	6	6
8. Ms. Piyawadee Maleenont ¹	Director	6	5
9. Mr. Tee Seeumpornroj ¹	Director Member of the Nomination and Remuneration Committee and Member of the Risk Management Committee	6	4
10. Ms. Tracy Ann Maleenont ¹	Director	6	5

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 28, 2018, compared with December 30, 2019 is as follows:

Name	Position	Number of shares		
		28 Dec 2018	30 Dec 2019	Changes
1. Mr. Matthew Kichodhan	Chairman and Member of the Nomination and Remuneration Committee	-	-	-
(Spouse and minor children)		-	-	-
2. Mr. Prasert Patradhilok	Independent Director and Chairman of the Audit Committee	-	-	-
(Spouse and minor children)		-	-	-
3. Mr. Somsak Phayapdacharchai	Independent Director Member of the Audit Committee and Member of the Corporate Governance Committee	-	-	-
(Spouse and minor children)		-	-	-
4. M. L. Nalinee Hastintra	Independent Director Member of the Audit Committee and Member of the Nomination and Remuneration Committee	-	-	-
(Spouse and minor children)		-	-	-
5. Mr. Chaipranin Visudhipol	Independent Director Chairman of the Corporate Governance Committee and Chairman of the Nomination and Remuneration Committee	-	-	-
(Spouse and minor children)		-	-	-
6. Mr. Philipp O. Piaz	Independent Director Member of the Risk Management Committee and Member of the Corporate Governance Committee	-	-	-
(Spouse and minor children)		-	-	-
7. Dr. Cathleen Maleenont	Director and Chairman of the Risk Management Committee	105.11 million shares (24.95%)	105.11 million shares (22.46%)	-
(Spouse and minor children)		-	-	-
8. Ms. Piyawadee Maleenont	Director	4.86 million shares (1.15%)	4.86 million shares (1.04%)	-
(Spouse and minor children)		-	-	-
9. Mr. Tee Seeumpornroj	Director Member of the Nomination and Remuneration Committee and Member of the Risk Management Committee	-	-	-
(Spouse and minor children)		-	-	-
10. Ms. Tracy Ann Maleenont	Director	-	-	-
(Spouse and minor children)		-	-	-

Remark

As at December 28, 2018 and December 30, 2019, The Company has registered capital of Baht 510.07 million, divided into 510.07 million ordinary shares with a par value per share of Baht 1 and paid-up capital of Baht 467.95 million, divided into 467.95 million ordinary shares with a par value per share of Baht 1.

In 2019, all senior management (including their spouses and minor children) did not hold shares in the Company.

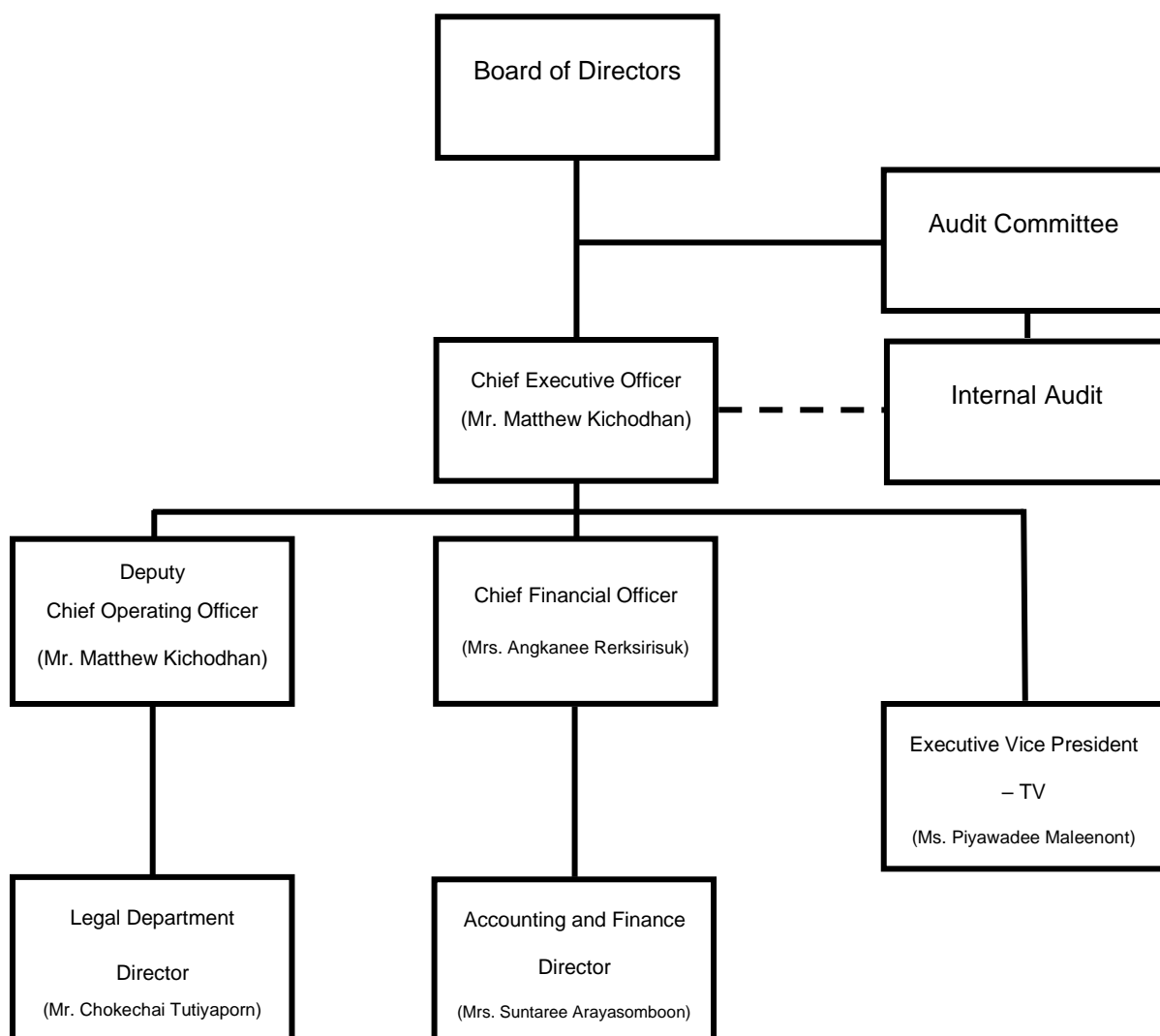
7.2 Management

As of December 31, 2019, the Company has 5 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. Mrs. Suntaree Arayasomboon	Accounting and Finance Director
5. Mr. Choekchai Tutiyaoporn	Legal Department Director

Organization Chart

As of 31 December 2019



7.3 Company Secretary and The person supervising accounting

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, the person taking the highest responsibility in finance and accounting, the person supervising accounting and the Company's secretary Section, Attachment No. 1, Annual Registration Statement (Form 56-1).

And the Company has appointed Mrs. Suntaree Arayasomboon as Accounting and Finance Director and as the person supervising accounting. The qualifications of the person supervising accounting are contained in the details relating directors, management, the person taking the highest responsibility in finance and accounting, the person supervising accounting 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 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 2019, the Company paid remuneration for Directors, 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 and	420,000	30,000	450,000
	Member of the Nomination and Remuneration Committee	120,000	5,000	125,000
2. Mr. Prasert Patradhilok	Independent Director ¹ and	240,000	30,000	270,000
	Chairman of the Audit Committee	300,000	20,000	320,000
3. Mr. Somsak Phayapdacharchai	Independent Director ¹	240,000	25,000	265,000
	Member of the Audit Committee and	180,000	20,000	200,000
	Member of the Corporate Governance Committee	-	5,000	5,000
4. M. L. Naline Hastintra	Independent Director ¹	240,000	30,000	270,000
	Member of the Audit Committee and	180,000	20,000	200,000
	Member of the Nomination and Remuneration Committee	120,000	5,000	125,000

Name	Position	Fix remuneration	Meeting Fee	Total monetary remuneration
5. Mr. Chaipranin Visudhipol	Independent Director ¹	240,000	25,000	265,000
	Chairman of the Corporate Governance Committee and	-	10,000	10,000
	Chairman of the Nomination and Remuneration Committee	180,000	5,000	185,000
6. Mr. Philipp O. Piazz	Independent Director ¹	240,000	25,000	265,000
	Member of the Risk Management Committee and	-	5,000	5,000
	Member of the Corporate Governance Committee	-	5,000	5,000
7. Dr. Cathleen Maleenont	Director and	240,000	30,000	270,000
	Chairman of the Risk Management Committee	-	10,000	10,000
8. Ms. Piyawadee Maleenont	Director	240,000	25,000	265,000
9. Mr. Tee Seeumpornroj	Director	240,000	20,000	260,000
	Member of the Nomination and Remuneration Committee and	120,000	5,000	125,000
	Member of the Risk Management Committee	-	5,000	5,000
10. Ms. Tracy Ann Maleenont	Director	240,000	25,000	265,000
Total		3,780,000	385,000	4,165,000

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

In 2019, the monetary remuneration was paid by the Company and the Company's subsidiaries, consisting of salaries, bonuses and others to the senior management totaling 6 persons in the total amount of Baht 45.23 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

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

(3) The guideline and policy to determine remuneration

- 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. In addition, the Nomination and Remuneration Committee will consider whether such remuneration is appropriate and sufficient to motivate directors to lead the organization to achieve short-term and long-term goals and to maintain the qualified directors.
- 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

The structure of remuneration of Directors and sub-committee for the year 2019 is as follows:

The Board of Directors / sub-committee	Monthly Remuneration (Baht)	Meeting Fee (Baht)
<u>Board of Directors</u>		
• Chairman	35,000	5,000
• Independent Director and Director	20,000	5,000
<u>The Audit Committee</u>		
• Chairman of the Audit Committee	25,000	5,000
• Independent Director	15,000	5,000
<u>The Nomination and Remuneration Committee</u>		
• Chairman of the Nomination and Remuneration Committee	15,000	5,000
• Independent Director and Director	10,000	5,000
<u>The Risk Management Committee</u>		
• Chairman of the Risk Management Committee	-	10,000
• Independent Director and Director	-	5,000
<u>The Corporate Governance Committee</u>		
• Chairman of the Corporate Governance Committee	-	10,000
• Independent Director	-	5,000

- **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 operating performance such as annual profitability and long-term operating performance such as ability to complete the financial objective and goal and revenue growth target whereby the Nomination and Remuneration Committee shall consider appropriate remuneration, sufficient to motivate management to lead the organization to carry out both short-term and long-term goals, comparable with company in similar business and propose to the Board of Directors for consideration and approval.

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, 2019, 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 1,382 employees, divided into 15 of the Company's employees and 1,367 subsidiary's employees. The total amount of remuneration for employees in 2019 was Baht 424.56 million, which included the 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 2019, the employees had enrolled in trainings at the average period of 13 hours per year, calculated based on total of 1,382 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. In addition, the Board of Directors is responsible for monitoring the Company's financial positions, financial management, and ability to service debt so that the group company can comply with covenants under the facility agreements.

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' Meeting No. 1/2020 held on 28 February 2020, has reviewed and audited the compliance to the policy in year 2019, 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 2020 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 2019, 50% 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 2019, the Nomination and Remuneration Committee of the Company consists of independent executive director and non-executive directors. As a result, majority of the Nomination and Remuneration Committee are independent 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.
All directors must attend at least 75% of the total number of board of directors' meeting per year	In 2019, 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.

Guidelines/Good Corporate Governance Policy of IOD	Explanations of the Company
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. Nevertheless, voting of any agenda of the Board of Directors' meetings shall be passed by majority vote in practice.

- 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 Board of Directors considered and approved the latest issue of "Code of Conduct" and 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 2019.

- 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, 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. 1/2020 held on 28 February 2020, 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 2019, 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 2019, 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 2019. The Company was given 91 scores or "Excellent", from the total of 677 listed companies being evaluated in 2019. The average score was 82 scores. The Company was rated "Excellent" same as year 2018 and 2017.

- The Company was evaluated on quality of its annual general meeting in 2019 (Annual General Meeting Checklist). According to letter no. TIA. 356/2019 dated 15 July 2019 of Thai Investors Association, the Company was given 99 scores or "Excellent", from the total of 672 listed company being evaluated in 2019. The average score was 93.70 scores. The Company was rated as "Excellent", same as year 2018, which was less than year 2017 rating of "Excellent (deserve as an example)".
- 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 SETLink 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 2019, 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 2020 shareholder's meeting, nominate potential candidates with capabilities and qualifications to hold the director's office, including submitting questions prior to the 2020 AGM, which encourage shareholders to submit their questions through the Company's website (www.wave-groups.com) from 1 October 2019 to 31 December 2019. 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 Capitalbox Consulting Co., Ltd., legal counsel, to act as intermediary in the annual general meeting 2019 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 2019 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 2018 to 31 December 2018 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 2019 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 views 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 has disclosed accurate, adequate, reliable and timely information. 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 2019, Wave Group 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 2019, 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 SETLink 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, Klongtoey, Bangkok 10110 or Tel. (02) 665-6705 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 2019 consists of 10 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 | 3 directors |

The Board of Directors consists of 5 sub-committees, namely the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and 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)	Refresher DCP (DCP Re)	Anti-Corruption: The practical Guide (ACPG)
1. Mr. Matthew Kichodhan	Class no. 57/2006	Class no. 95/2007		
2. Mr. Prasert Patradhilok		Class no. 20/2002	Class no. 1/2005	Class no. 15/2014
3. Mr. Somsak Phayapdacharchai	Class no. 49/2006			
4. Mr. Chaipranin Visudhipol		Class no. 88/2007		
5. Mr. Philipp O. Piaz	Class no. 146/2018	Class no. 260/2018		
6. Dr. Cathleen Maleenont	Class no. 9/2004	Class no. 150/2011		
7. Ms. Piyawadee Maleenont	Class no. 140/2017			
8. Mr. Tee Seeumpornroj	Class no. 113/2014	Class no. 257/2018		
9. Ms. Tracy Ann Maleenont	Class no. 61/2007			

The Company's policy is to support participation by directors in programs organized for directors. Over 90% 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 2019.

No.	Course	Date
Mr. Prasert Patradhilok		
1.	Story Telling Organized by : BTNC	14 January 2019
2.	Practical Seminar on Cyber Resilience Organized by : The Bank of Thailand	21 August 2019
3.	Study on common audit adjustments proposed by auditors to listed companies in auditing financial statements for the year 2018 ("audit adjustments") Organized by : SEC Office	16 December 2019

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 2019, 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 2019 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 2019 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 2019, performance of the following sub-committees was evaluated: Audit Committee, Nomination and Remuneration Committee, Risk Management 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 2019 can be summarized as follows:

- the performance of the Audit Committee is at average scores of an excellent 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 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 2019, 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 2019 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 including director or high-level executive who is knowledgeable in the business to act as Chief Executive Officer in the event that the Chief Executive Officer is unable to perform his work or such position becomes vacant for continuity of the business.

8.2 Sub-committee

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

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Risk Management Committee
- 4) 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 and efficient internal control system, a risk management system and internal audit 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 2019, 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 2018 to 31 December 2020. 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 presented accurately and fairly with sufficient information disclosure;
2. To review and ensure that the Company and its subsidiaries have adequate, appropriate and efficiency of 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 adequate, appropriate and efficiency 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 2019.

As of 31 December 2019, the Nomination and Remuneration Committee comprises of:

Name	Position	Status
1. Mr. Chaipranin Visudhipol	Chairman of the Nomination and Remuneration Committee	Independent director
2. Mr. Matthew Kichodhan	Member of the Nomination and Remuneration Committee	Executive Director
3. M.L. Nalinee Hastintra	Member of the Nomination and Remuneration Committee	Independent director
4. 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 2019 consists of:

	Name	Position	Status
1.	Dr. Cathleen Maleenont	Chairman of Risk Management Committee	Non-executive director
2.	Mr. Tee Seeumpornroj	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) **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 in 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 2019, Corporate Governance Committee consists of:

Name	Position	Status
1. Mr. Chaipranin Visudhipol	Chairman of the Corporate Governance Committee	Independent Director
2. Mr. Somsak Phayapdacharchai	Member of the Corporate Governance Committee	Independent Director
3. Mr. Philipp O. Piaz	Member of the Corporate Governance Committee	Independent Director
Ms. Anchalee Puttapatimok	¹ Secretary of the Corporate Governance Committee	

Remark:

¹ Appointed as Secretary of the Corporate Governance Committee, effective from March 5, 2019.

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, its parent company, subsidiary company, associate company, major shareholder or controlling person, 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, 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 other director, executive, major shareholder, controlling person or persons to be nominated as director, executive, or controlling person of the company or its subsidiary company
- (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 in a manner that may obstruct the use of independent judgment. Not being or being a significant shareholder or the controlling person of a person who has a business relationship with the company, its parent company, subsidiary company, associate company, major shareholder or controlling person unless the aforementioned relationship has ended for at least 2 years
- (5) neither being nor used to be an auditor of the company its parent company, subsidiary company, associate company, major shareholder or controlling person and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person 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 its parent company, subsidiary company, associate company, major shareholder or controlling person 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 company
- (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. In addition, the Company's policy is to engage professional search firm or consider information from Director Pool as part of selection process of directors. The Company will concentrate on persons who have knowledge, capabilities, experience in various areas (Board Diversity) such as professional skills, expertise, gender, good working background, leadership, vision, moral and ethics, good attitudes to organization, and time to devote for benefits of the Company's business. By having transparent process to build the shareholders' confidence, the Nomination and Remuneration Committee shall consider potential candidates and propose to the Board of Directors for screening and due consideration and then further propose to shareholders for consideration and 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. In addition, the Nomination and Remuneration Committee will consider whether such remuneration is appropriate and sufficient to motivate directors to lead the organization to achieve short-term and long-term goals and to maintain the qualified directors.
- (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

The structure of remuneration of Directors and sub-committee for the year 2019 is as follows:

The Board of Directors / sub-committee	Monthly Remuneration (Baht)	Meeting Fee (Baht)
<u>Board of Directors</u>		
• Chairman	35,000	5,000
• Independent Director and Director	20,000	5,000
<u>Audit Committee</u>		
• Chairman of Audit Committee	25,000	5,000
• Independent Director	15,000	5,000
<u>The Nomination and Remuneration Committee</u>		
• Chairman of the Nomination and Remuneration Committee	15,000	5,000
• Independent Director and Director	10,000	5,000
<u>The Risk Management Committee</u>		
• Chairman of the Risk Management Committee	-	10,000
• Independent Director and Director	-	5,000
<u>Corporate Governance Committee</u>		
• Chairman of Corporate Governance Committee	-	10,000
• Independent Director	-	5,000

- 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 operating performance such as annual profitability and long-term operating performance such as ability to complete the financial objective and goal and revenue growth target whereby the Nomination and Remuneration Committee shall consider appropriate remuneration, sufficient to motivate management to lead the organization to carry out both short-term and long-term goals, comparable with company in similar business and propose 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

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 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 2019, 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. for the period between 1 January 2019 to 31 December 2019 as follows:

1) Audit Fees

	Company Names	Auditors	Audit Fee (Baht)
1.	WAVE Entertainment PCL.	Ms. Sakhunna Yamsakul	590,000
2.	WAVE TV Co., Ltd.	Ms. Sakhunna Yamsakul	375,000
3.	WAVE Pictures Co., Ltd.	Ms. Sakhunna Yamsakul	20,000
4.	WAVE Food Group Co., Ltd.	Ms. Sakhunna Yamsakul	10,000
5.	WAVE Education Group Co., Ltd.	Ms. Sakhunna Yamsakul	30,000
6.	Wall Street English (Thailand) Co., Ltd.	Ms. Sakhunna Yamsakul	910,000
7.	Jeffer Restaurant Co., Ltd	Ms. Sakhunna Yamsakul	1,495,000
Total			3,430,000

2) Non-audit fee

In 2019, 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 entitled to one vote, where the director who has conflict of interest shall not attend the meeting and/or not entitled to vote in such agenda, in case of tie vote, chairman of the meeting shall be entitled to another vote as a casting vote. Each meeting shall take approximately 2-3 hours, which is sufficient for the management to propose agendas, and for the directors to discuss material affairs with due care.

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

(3) Agendas of the meeting

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

(4) Delivery of notice of the meeting

In each meeting, the Company shall deliver supportive documents 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.

During the year 2019, independent directors attended the meetings on a regularly basis to discuss affairs regarding management without the executives being present.

List of directors attending meetings of the Board of Directors and sub-committees in 2019:

(Unit: no. of times)

Name of Director	Board of Directors (10 persons) total of 6 times/year	Audit Committee (3 persons) total of 4 times/year	Nomination and Remuneration Committee (4 persons) total of 1 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 2019 Date 30 April 2019
1. Mr. Matthew Kichodhan	6/6		1/1			1
2. Mr. Prasert Patradhilok	6/6	4/4				1
3. Mr. Somsak Phayapdacharchai	5/6	4/4			1/1	1
4. M. L. Nalinee Hastintra	6/6	4/4	1/1			1
5. Mr. Chaipranin Visudhipol	5/6		1/1		1/1	1
6. Mr. Philipp O. Piaz	5/6			1/1	1/1	1
7. Dr. Cathleen Maleenont	6/6			1/1		1
8. Ms. Piyawadee Maleenont	5/6					1
9. Mr. Tee Seeumpornroj	4/6		1/1	1/1		1
10. Ms. Tracy Ann Maleenont	5/6					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 issue of “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. In 2019, the Company is in the process of joining the private sector's Collective Action Coalition Against Corruption (CAC).

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.

4) Whistleblower Procedures

The Board of Directors has considered and approved the latest issue of “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 were no internal and external complaints regarding material misconduct in 2019.

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 adequate, appropriate and efficiency 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

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. In 2019, the Company is in the process of joining the private sector's Collective Action Coalition Against Corruption (CAC).

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 has 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.

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 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 he 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 2019, 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 2019, Wave Group's executives and employees participated in the following activities for the benefits of society and environment.

Sharing the Happiness to Children Activity

On 18 May 2019, a group of teachers and students from Wall Street English visited children at Pakkred Home For Boys in Nonthaburi Province and donated money and things and organized "Sharing the Happiness to Children Activity" to develop skills and knowledge through games and English language songs. Children gained knowledge and was entertained together with the group of teachers and student from Wall Street English.



Seal It With A Kiss Event

Wall Street English Language School joined with OK Magazine who organized “Seal It With A Kiss” on 20 July 2019 at Central World’s activity court by sealing kiss mark on t-shirt of celebrities and auction them in the event to raise fund for Operation Smile Foundation Thailand who promoted activities to treat cleft lip/cleft palate and craniofacial anomalies in children in Thailand, included surgery, follow up after surgery and speech therapy.



Teaching English with Bangkok Airways Event

From Wall Street English – Big Box Big Boon Event in 2018 by Wall Street English (Thailand) Co., Ltd., students from all branches of Wall Street English had the opportunity to present their work to the community through cooperation with Bangkok Airways organizing Teaching English with Bangkok Airways Event on 21 – 22 November 2019. A team from Wall Street English (Thailand) Co, Ltd. donated things, appliance, learning tools, and sports goods to 250 students in 5 schools in Sukhothai Province. Representatives from Wall Street English organized special English class regarding self-introduction and words for everyday life to develop children’s knowledge and skills in learning English language.



Punyawuthikorn School by The Foundation for the Welfare of the Mentally Retarded of Thailand Under the Royal Patronage of Her Majesty the Queen

On Friday, 11 October 2019, executives and staff of Jeffer Restaurant Co., Ltd. brought food from Jeffer Steak Restaurant for children as lunch and joined activities and donated things to children and staff at Punyawuthikorn School by The Foundation for the Welfare of the Mentally Retarded of Thailand Under the Royal Patronage of Her Majesty the Queen. The representatives also donated money to Punyawuthikorn School by The Foundation for the Welfare of the Mentally Retarded of Thailand Under the Royal Patronage of Her Majesty the Queen.



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. 1/2020 held on February 28, 2020, 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 t 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 2019, 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.

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). In addition shareholders and / or investors can get more information about the company for 3 years from the company's website. having details as follows:

1) Sales of goods and services

Company	Relationship	Related transactions	For the year ended 31 December 2019	Necessary & Reasonable
Sales of goods and services in the total amount of Baht 31.13 million				
WAVE TV Co., Ltd. and BEC World Pcl.	BEC World Pcl., the Company's majority shareholders, holding 12.45% of the registered share capital	Drama production service income, which to be broadcast television Channel 3	Baht 31.13 million	The management considers that the entering into the connected transaction is based on the reasonable ground and supportive reason for smooth and effective operation. Though, the subsidiary had operated drama production to broadcast on Thai TV Color Channel 3, popular and nationwide channel, and also the production service rate could compared to the rate that Channel 3 give to other production houses.

2) Purchases of goods and services

Company	Relationship	Related transactions	For the year ended 31 December 2019	Necessary & Reasonable
<u>Selling and administrative expenses in the total amount of 12.22 million</u>				
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 12.22 million	The Board of directors approved the transaction was reviewed by the Audit committee that entering into such transactions is based on reasonable grounds, allowing for smooth and effective operations of the Company. The rental rate for the lease of Maleenont Tower is at the same market rate as offered in the adjacent area. Also, if compared to the rental rate as proposed by the Property Fund to other lessees in the Building, the said rental rate is better compared to those proposed to other lessees.

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 2019, 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 2019, 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

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include 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 the 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>Refer to note 4.1 and note 16 to the consolidated financial statements for the related disclosures, the Group's goodwill is recognised in two Cash Generating Units (CGUs): "Language institute (Baht 390 million)" and "Restaurant (Baht 409 million) representing 11.5% and 12% of total assets of the consolidated financial statements, respectively.</p> <p>Management is required to test goodwill for impairment at least annually irrespective of whether there is any indication of impairment under Thai Accounting Standard 36, Impairment of assets. Management assessed its recoverable amount by applying the value-in-use (VIU) model and concluded that the carrying amount of goodwill after allowance for impairment provided, is adequate.</p> <p>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 judgments 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 of Directors approved budgets. I found that the budgets used in the value in use calculations were consistent with the Board of Directors approved budgets, and that the key assumptions were oversight by the Board of Directors.</p> <p>I compared the current year (2019) actual results with the prior year (2018) forecast to consider whether forecast included any assumption that, with hindsight, had been reasonable. I found that actual performance was reasonable.</p> <p>I also tested these significant assumptions:</p> <ul style="list-style-type: none"> • management's key assumptions for growth rates in the forecasts by comparing them to historical results and economic and industry forecasts; and • 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>Provision for short-term loan to subsidiaries</p> <p>Refer to note 31.4 to the separate financial statements for the related disclosures on short-term loan to subsidiaries.</p> <p>The Company granted loans to two subsidiaries, which are holding companies of a company under language institute segment, and a company under restaurant segment amounting to Baht 407 million, and Baht 624 million, representing 21%, and 32% of total assets of the separate financial statements, respectively.</p> <p>Management assessed the collectability of these loans to subsidiaries based on the future cashflow forecasts of the relevant segments and concluded that the loan balances will be fully collectible. Accordingly, no provision for loan to subsidiaries was provided.</p> <p>I focused on this area due to the size of the balances and various assumptions used to assess the provision to be provided which involve significant management's judgments. The assumptions include growth rates and discount rate etc.</p>	<p>Since the management assessed the collectability of these loans to subsidiaries based on the future cashflow forecasts of language institute segment, and restaurant segment, I evaluated management's cashflow forecasts by performing the following procedures:</p> <ul style="list-style-type: none"> • comparing the cashflow forecasts to the latest Board of Directors approved budgets. I found that the budgets used in the value in use calculations were consistent with the Board of Directors approved budgets, • comparing the current year (2019) actual results with the prior year (2018) forecast to consider whether forecast included any assumption that, with hindsight, had been reasonable, • evaluating the key assumptions, which are growth rates, and discount rate used in the calculation of the value in use by comparing the growth rates to historical results and economic and industry forecasts, and by assessing discount rate by comparing the cost of capital to the market data of the same industry. <p>Based on our procedures performed above on the future cashflow forecasts, I found that the management's assessment in relation to the provision for loan to subsidiaries was supported by the available evidence.</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 the 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 the 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 the 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 the 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 the 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 the 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.



Sakuna Yamsakul

Certified Public Accountant (Thailand) No. 4906
Bangkok
28 February 2020

Wave Entertainment Public Company Limited
Statements of Financial Position
As at 31 December 2019

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	70,062,868	179,174,164	53,959,088	163,334
Short-term investments	8	2,178,813	5,712,307	2,178,813	2,712,307
Trade and other receivables, net	9	53,769,835	378,568,332	287,105,268	181,007,807
Short-term borrowings to related parties	31.4	-	-	1,157,552,900	992,952,900
Inventories	10	17,214,646	27,138,532	-	-
Television programmes, concerts production, and events in progress		4,156,727	24,506,095	-	-
Other current assets	11	37,425,050	62,056,707	4,279,797	6,261,457
Non-current assets classified as held-for-sale	12.3	1,508,815,027	3,900,000	215,000,000	-
Total current assets		1,693,622,966	681,056,137	1,720,075,866	1,183,097,805
Non-current assets					
Deposits at bank used as collateral		1,500,000	1,250,000	-	-
Investments in subsidiaries	13.1	-	-	-	387,000,000
Investments in associates	13.2	509,428,233	478,922,684	213,671,955	213,671,955
Interests in joint ventures	13.3	-	760,812	-	-
Property, plants and equipment, net	14	117,981,589	705,446,998	7,974,036	8,448,678
Intangible assets, net	15	167,586,414	242,438,284	-	-
Goodwill	16	798,143,184	923,167,963	-	-
Deferred tax assets	17	8,624,312	55,882,513	8,624,312	27,129,999
Other non-current assets	18	83,527,546	182,214,918	1,289,184	1,289,184
Total non-current assets		1,686,791,278	2,590,084,172	231,559,487	637,539,816
Total assets		3,380,414,244	3,271,140,309	1,951,635,353	1,820,637,621

The accompanying notes are an integral part of these consolidated and separate financial statements.

Wave Entertainment Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts		80,990,309	90,608,751	28,109,732	35,413,725
Short-term borrowings from financial institutions	19.1	50,000,000	184,000,000	50,000,000	130,000,000
Trade and other payables	20	98,840,629	284,444,575	4,879	588
Unearned revenue		220,425,191	220,338,618	1,399	1,399
Accrued expenses		56,636,905	136,279,995	7,409,075	7,115,379
Short-term borrowing from third party	19.2	60,000,000	-	60,000,000	-
Short-term borrowings from related parties	31.5	42,500,000	18,500,000	58,500,000	43,500,000
Current portion of finance lease liabilities	19.3	1,129,731	12,606,517	514,765	573,289
Current portion of long-term borrowings from financial institutions	19.4	222,394,287	144,935,402	116,878,127	37,514,777
Current portion of long-term borrowings from related parties	31.6	-	17,455,875	-	-
Accrued income tax		55,406	17,624,139	-	-
Deposit received from sales of investment in a subsidiary	21	120,000,000	-	120,000,000	-
Other current liabilities		25,558,170	70,211,450	11,230,493	7,374,440
Liabilities included with assets classified as held-for-sale	12.3	544,917,910	-	-	-
Total current liabilities		1,523,448,538	1,197,005,322	452,648,470	261,493,597
Non-current liabilities					
Other payables - intangible assets		4,170,554	8,969,070	-	-
Long-term finance lease liabilities	19.3	2,326,756	6,662,991	1,845,200	2,359,965
Long-term borrowings from financial institutions	19.4	269,148,565	494,406,305	188,953,413	308,694,993
Long-term borrowings from related parties	31.6	-	13,614,365	-	-
Employee benefit obligations	22	13,486,126	79,515,278	9,441,769	12,199,491
Deferred tax liabilities	17	25,370,166	43,346,342	-	-
Other non-current liabilities		12,187,591	13,845,541	-	-
Total non-current liabilities		326,689,758	660,359,892	200,240,382	323,254,449
Total liabilities		1,850,138,296	1,857,365,214	652,888,852	584,748,046

The accompanying notes are an integral part of these consolidated and separate financial statements.

Wave Entertainment Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2019

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Notes		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
	23				
Authorised share capital					
Ordinary share, 510,070,000 shares of par Baht 1 each		510,070,000	510,070,000	510,070,000	510,070,000
Issued and paid-up share capital					
Ordinary share, 467,950,000 shares of paid-up Baht 1 each		467,950,000	467,950,000	467,950,000	467,950,000
Share premium		448,802,180	448,802,180	448,802,180	448,802,180
Retained earnings (deficits)					
Appropriated - legal reserve	25	46,795,718	46,795,718	46,795,718	46,795,718
Unappropriated retained earnings (deficits)		(178,795,504)	(120,908,307)	335,198,603	272,341,677
Other components of equity		50,868,651	(3,114,398)	-	-
Equity attributable to owners					
of the parent		835,621,045	839,525,193	1,298,746,501	1,235,889,575
Non-controlling interests		694,654,903	574,249,902	-	-
Total equity		1,530,275,948	1,413,775,095	1,298,746,501	1,235,889,575
Total liabilities and equity		3,380,414,244	3,271,140,309	1,951,635,353	1,820,637,621

The accompanying notes are an integral part of these consolidated and separate financial statements.

Wave Entertainment Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		As restated		2019 Baht	2018 Baht
		2019 Baht	2018 Baht		
Revenues					
Sales		510,042,508	593,524,087	-	4,404
Revenue from rendering of services		577,398,997	529,488,727	-	-
Total revenues		1,087,441,505	1,123,012,814	-	4,404
Costs					
Costs of sales		(182,729,784)	(221,722,032)	-	(1,133)
Costs of rendering of services		(410,011,166)	(441,094,464)	-	-
Total costs		(592,740,950)	(662,816,496)	-	(1,133)
Gross profit		494,700,555	460,196,318	-	3,271
Other income	26	14,454,116	9,888,481	156,847,922	110,618,839
Selling expenses		(374,976,908)	(408,593,073)		-
Administrative expenses		(229,899,503)	(264,459,945)	(52,908,619)	(53,337,955)
Finance cost		(43,002,913)	(45,430,828)	(27,340,320)	(25,941,666)
Share of profit from an associates		74,597,984	16,618,540	-	-
(Loss) profit before income tax expense		(64,126,669)	(231,780,507)	76,598,983	31,342,489
Income tax (expense) income	28	(19,623,913)	27,721,694	(17,552,961)	27,129,999
(Loss) profit for the year					
from continuing operations, net from income tax		(83,750,582)	(204,058,813)	59,046,022	58,472,488
Profit for the year from discontinued operation	12.1	103,876,708	104,532,361	-	-
Profit (loss) for the year		20,126,126	(99,526,452)	59,046,022	58,472,488
Other comprehensive (expense) income:					
- Continuing operations					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	22	10,516,536	-	4,763,630	-
Share of other comprehensive expense of associate accounted for using the equity method	13.2	(260,028)	-	-	-
Income tax on items that will not be reclassified to profit or loss		(952,726)	-	(952,726)	-
Item that will be subsequently reclassified to profit or loss					
Share of other comprehensive expense of associate accounted for using the equity method	13.2	(31,452,404)	(429,734)	-	-
Total comprehensive (expense) income					
for the year from continuing operations		(105,899,204)	(204,488,547)	62,856,926	58,472,488
- Discontinued operation		(12,428,778)	4,228,014	-	-
Total comprehensive income					
for the year from discontinued operation	12.1	91,447,930	108,760,375	-	-
Total comprehensive (expense) income for the year		(14,451,274)	(95,728,172)	62,856,926	58,472,488

The accompanying notes are an integral part of these consolidated and separate financial statements.

Wave Entertainment Public Company Limited
Statements of Comprehensive Income (Cont'd)
For the year ended 31 December 2019

	Consolidated		Separate	
	financial statements		financial statements	
	As restated			
	2019	2018	2019	2018
Note	Baht	Baht	Baht	Baht
(Loss) profit attributable to:				
Owners of the parent				
- Continuing operations	(83,750,582)	(204,058,813)	59,046,022	58,472,488
- Discontinued operation	19,639,757	15,532,371	-	-
Total (loss) profit attributable to owners of the parent	(64,110,825)	(188,526,442)	59,046,022	58,472,488
Non-controlling interests	84,236,951	88,999,990	-	-
	<u>20,126,126</u>	<u>(99,526,452)</u>	<u>59,046,022</u>	<u>58,472,488</u>
Total comprehensive				
(expense) income attributable to:				
Owners to the parent				
- Continuing operations	(105,899,204)	(204,488,544)	62,856,926	58,472,488
- Discontinued operation	16,505,617	17,646,376	-	-
Total comprehensive (expense) income				
attributable to owners of the parent	(89,393,587)	(186,842,168)	62,856,926	58,472,488
Non-controlling interests	74,942,313	91,113,996	-	-
	<u>(14,451,274)</u>	<u>(95,728,172)</u>	<u>62,856,926</u>	<u>58,472,488</u>
(Loss) earnings per share				
29				
Basic and diluted (loss) earnings per share				
- Continuing operations	(0.18)	(0.45)	0.13	0.13
- Discontinued operation	0.04	0.03	-	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

Wave Entertainment Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2019

Consolidated financial statements											
Attributable to owners of the parent											
					Other components of equity						
					Other comprehensive income (expense)						
Retained earnings (deficits)								Change in parent's ownership interest			
Unappropriated								in subsidiaries			
retained								attributable to			
earnings					Share of other			owner			
(deficits)					comprehensive income			of the parent			
					of associates			Non-controlling			
					financial statements			interests			
								Total equity			
								of the parent			
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The accompanying notes are an integral part of these consolidated and separate financial statements.

Wave Entertainment Public Company Limited

Statements of Changes in Equity (Cont'd)

For the year ended 31 December 2019

Separate financial statements					
			Retained earnings		
	Issued and paid-up share capital	Share premium	Appropriated - legal reserve	Unappropriated retained earnings	Total equity
Notes	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2018	421,200,000	315,564,680	43,872,094	216,792,813	997,429,587
Issue of shares	23 46,750,000	133,237,500	-	-	179,987,500
Appropriation of legal reserve	25 -	-	2,923,624	(2,923,624)	-
Total comprehensive income for the year	-	-	-	58,472,488	58,472,488
Closing balance as at 31 December 2018	467,950,000	448,802,180	46,795,718	272,341,677	1,235,889,575
Opening balance as at 1 January 2019	467,950,000	448,802,180	46,795,718	272,341,677	1,235,889,575
Total comprehensive income for the year	-	-	-	62,856,926	62,856,926
Closing balance as at 31 December 2019	467,950,000	448,802,180	46,795,718	335,198,603	1,298,746,501

The accompanying notes are an integral part of these consolidated and separate financial statements.

Wave Entertainment Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
(Loss) profit before income tax expense from continuing operations		(64,126,669)	(231,780,507)	76,598,983	31,342,489
Profit before income tax expense from discontinued operation		126,709,243	138,828,907	-	-
Profit (loss) before income tax expense		62,582,574	(92,951,600)	76,598,983	31,342,489
Adjustments for:					
Depreciation	14	144,347,326	178,122,384	683,040	1,009,797
Amortisation	15	21,281,963	23,721,232	-	-
Interest income		(2,398,520)	(1,350,583)	(51,859,839)	(44,227,701)
Dividends income		(9,228,104)	(5,625,672)	(19,973,611)	(6,634,812)
Unrealised loss on short-term investments	8	533,494	827,169	533,494	827,169
Reversal of allowance for doubtful debt		(862,316)	(22,711,101)	-	-
Reversal of provision for obsolete inventories		(509,287)	(53,476)	(6,732)	(583)
Write-off prepaid withholding tax		686,302	6,604,757	-	-
Allowance for prepaid withholding tax		10,899,336	23,619,518	-	-
Impairment loss from asset held-for-sale		1,400,000	1,450,000	-	-
Gain on disposal of investment in a subsidiary	13.1	-	-	(16,000,000)	(4,000,000)
Gain on disposal of property, plants and equipment, net		(6,016,996)	(7,147,798)	(3,998)	(2,546)
Loss from write-off of property, plants and equipment, net	14	1,673,620	8,240,449	-	-
Loss from write-off of intangible assets, net	15	-	1,097,321	-	-
Loss from write-off interests in joint venture	13.3	198,371	-	-	-
Impairment loss from short-term borrowings to related parties		-	2,700,000	-	-
Finance costs		46,573,789	52,199,444	27,340,320	25,941,666
Loss from remeasurement for other long-term benefit	22	-	3,654,958	-	-
Provision for employee benefit obligations		27,145,738	12,991,234	2,005,908	2,573,102
Share of profit from associates and joint ventures	13.2	(74,465,958)	(16,743,832)	-	-
		223,841,332	168,644,404	19,317,565	6,828,581
Changes in working capital					
- Trade and other receivables		(39,473,720)	11,709,852	(57,375,431)	(50,824,284)
- Inventories		2,695,983	3,633,124	6,732	583
- Television programmes, concerts and events in progress		16,720,707	(14,014,413)	-	-
- Other current assets		32,095,713	46,057,077	214,456	92,186
- Other non-current assets		(25,618,702)	(26,774,718)	-	-
- Trade and other payables		(27,223,457)	11,696,967	4,291	(88,105)
- Unearned revenue		106,107,312	28,265,757	-	-
- Accrued expenses		21,237,403	(60,832)	(225,914)	(3,110,696)
- Other current liabilities		(15,354,773)	22,743,973	3,856,053	3,564,599
- Employee benefit paid		(1,747,036)	(5,296,437)	-	-
- Other non-current liabilities		(1,022,061)	(3,157,134)	-	-
Cash generated from (used in) operations		292,258,701	243,447,620	(34,202,248)	(43,537,136)
Interest paid		(45,775,782)	(48,971,802)	(26,610,869)	(23,731,863)
Income tax paid		(47,267,448)	(47,867,153)	1,767,204	(275,537)
Net cash generated from (used in) operating activities		199,215,471	146,608,665	(59,045,913)	(67,544,536)

The accompanying notes are an integral part of these consolidated and separate financial statements.

Wave Entertainment Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		2,252,270	1,406,133	3,137,809	2,367,874
Dividends received		20,286,608	23,541,477	19,973,611	6,634,812
Proceed from disposals of short-term investments		7,000,000	39,000,000	-	-
Payment for short-term investments		(4,350,348)	(24,000,000)	-	-
Deposits at bank used as collateral		(250,000)	472,975	-	-
Proceed from short-term borrowings to related parties	31.4	37,977,120	50,000	17,900,000	-
Payment for short-term borrowings to related parties	31.4	(38,577,120)	-	(182,500,000)	(152,500,000)
Proceed from disposal of investment in a subsidiary	13.1	-	-	188,000,000	47,000,000
Deposit received from sales of investment in a subsidiary	21	-	-	120,000,000	-
Proceed from disposal of property, plants and equipment		18,610,431	10,579,063	4,000	2,605
Payment for property, plants and equipment		(155,883,850)	(262,391,486)	(208,400)	(942,500)
Payment for intangible assets		(6,011,131)	(10,739,618)	-	-
Net cash (used in) generated from investing activities		(118,946,020)	(222,081,456)	166,307,020	(97,437,209)
Cash flows from financing activities					
Bank overdrafts		(9,618,442)	59,042,176	(7,303,993)	35,316,726
Proceed from short-term borrowings from financial institutions		7,000,000	-	-	-
Repayment to short-term borrowings from financial institutions		(141,000,000)	(80,000,000)	(80,000,000)	(20,000,000)
Proceed from short-term borrowings from related parties	31.5	24,000,000	18,500,000	30,000,000	93,500,000
Repayment to short-term borrowings from related parties	31.5	-	-	(15,000,000)	(62,000,000)
Proceed from short-term borrowings from third party		60,000,000	-	60,000,000	-
Proceed from long-term borrowings from related parties		-	35,000,000	-	-
Repayment to long-term borrowings from related parties	31.6	(17,955,875)	(8,429,760)	-	-
Proceed from long-term borrowings from financial institutions		-	6,000,000	-	-
Repayment to long-term borrowings from financial institutions	19.4	(147,798,855)	(158,922,282)	(40,378,230)	(75,730,762)
Payment on finance lease liabilities	19.3	(14,487,368)	(14,100,074)	(783,130)	(1,776,867)
Proceed from issuance of shares	23	-	179,987,500	-	179,987,500
Proceed from disposal investment in a subsidiary	13.1	188,000,000	47,000,000	-	-
Deposit received from the sales of investment in a subsidiary	21	120,000,000	-	-	-
Liquidation of a subsidiary		-	(273,061)	-	-
Dividend paid to non-controlling interests		(57,047,873)	(30,550,150)	-	-
Net cash generated from (used in) financing activities		11,091,587	53,254,349	(53,465,353)	149,296,597

The accompanying notes are an integral part of these consolidated and separate financial statements.

Wave Entertainment Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2019

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Net increase (decrease) in cash and cash equivalents		91,361,038	(22,218,442)	53,795,754	(15,685,148)
Cash and cash equivalents at the beginning of the year		179,174,164	203,678,455	163,334	15,848,482
Effect of exchange rate changes on translation of financial statements		(108,147)	(2,285,849)	-	-
<u>Less</u> Cash and equivalents of discontinued operation at the end of year	12.3	(200,364,187)	-	-	-
Cash and cash equivalents at the end of the year		70,062,868	179,174,164	53,959,088	163,334

Significant non-cash transactions

Significant non-cash transactions are as follows:

Payable arising from purchase of equipment	37,639,903	23,709,255	-	-
Payable arising from purchase of intangible assets	8,805,451	12,921,891	-	-
Finance lease liabilities arising from purchase of equipment	3,609,312	11,895,910	-	2,852,328

The accompanying notes are an integral part of these consolidated and separate financial statements.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

1 General information

Wave Entertainment Public Company Limited ("the Company") is a public limited company which listed on the Stock Exchange of Thailand. The Company is 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.

The principal business operations of the Company and its subsidiaries (together "the Group") are engaged in the businesses of investment in other companies, production and distribution of television programmes, operations of concerts and events, operations of English language institution, and sales of food and beverage, and marketing activities services.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 28 February 2020.

2 Accounting policies

The principal accounting policies applied 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 Financial Reporting Standards ("TFRS") and the financial reporting requirements issued 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 TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in note 4.

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.

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The adoption of new accounting standard does not have material impact to the Group's accounting treatment. The revenues that has effect from the adoption of TFRS 15 are revenue from sales which is recognised at a point in time and revenue from rendering of services which is recognised over time. The adoption does not change the Group's accounting treatment.

b) Thai Accounting Standard no.28 (revised 2018), Investments in associates and joint ventures

The amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Group's management is currently assessing the impact of initial adoption of these standards.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the statement of financial position as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

The Group's management is currently assessing the impact of initial adoption of these standards.

c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group (Cont'd)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

2.3 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

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

(c) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Group's financial statement line items.

Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

In the separate financial statements, investments in joint ventures are accounted for using cost method.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.3 Principles of consolidation and equity accounting (Cont'd)

(d) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

(e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

(f) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's functional and 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.

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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.4 Foreign currency translation (Cont'd)

(c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

In the statements of financial position, bank overdrafts are shown in current liabilities.

2.6 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

Cost of books and raw materials - foods are determined by the first-in, first- out method. Cost of packaging materials is determined by the weighted average method. Cost of VCD and DVD is determined by the specific method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

2.8 Television programmes and concerts production in progress

Television programmes under production are costs of programmes under production which is prepayment when the production has not been made and will be recognised as cost of rendering of services upon filming. Costs of television programmes comprise costs directly attributable to television programmes 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.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.9 Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

Held-to-maturity investments

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

General investments

General investments are carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

2.10 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

2.11 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group, capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.11 Property, plant and equipment (Cont'd)

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, 5, and 6 years
Computer	3 and 5 years
Vehicles	5 years

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Intangible assets

Acquired intangible assets

Separately acquired intangible assets such as trademark is measured at historical cost.

The assets with infinite useful life are subsequently measured at cost less impairment losses.

The assets with limited life are subsequently carried at cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

2.12.1 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 and 10 years.

2.12.2 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.

2.12.3 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.

2.12.4 License

Expenditure on acquired license is capitalised and amortised using the straight-line method over their useful lives, generally over 9.4 - 15 years.

2.13 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

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

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.14 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.15 Leases

Leases - where a Group is the lessee

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.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

2.16 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

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 removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs

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.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.17 Current and deferred income taxes (Cont'd)

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.18 Employee benefits

(a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid. The contribution will recognise as expense in profit and loss.

(b) Defined contribution plan

The Group pays contributions to a separate 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.

(c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary 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 matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

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

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.18 Employee benefits (Cont'd)

(d) Other long-term benefits

The group gives gold rewards to employees when they have worked for the Group for 5, 7, 10 and 15 years.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

(e) Termination benefits

The Group recognises termination benefits at the earlier of 1) when the Group can no longer withdraw the offer of those benefits; and 2) when the entity recognises costs for the related restructuring. Benefits due more than 12 months 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 measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense

2.20 Share capital

Ordinary shares is classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.21 Revenue recognition

Revenues include all revenues from ordinary business activities. All ancillary income in connection with goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenues are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

Sale of goods

Restaurant

The Group operates restaurant. Revenue from the sale of goods is recognised when the Group sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases food and beverages and takes delivery in store.

Concert and shows equipment

The Group is a distributor for concert and shows equipment. Revenue are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

2 Accounting policies (Cont'd)

2.21 Revenue recognition (Cont'd)

Services

English language institution

The Group recognised service contracts with a continuous service provision as revenue based on a proportion of rendering service over the contract term, regardless of the payment pattern. Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

Production and distribution of television programmes, Operations of concerts and events and Operations of exhibition and museum

The Group recognised service revenues when the Group's production activities create or enhance an asset or work in progress that the customer controls as the asset is created or enhanced, and hence revenue is recognised over time by reference to the progress towards completing the construction works. Under this method, the revenue recognised is based on the latest estimate of the total value of the contract and actual completion rate determined by reference to the actual cost incurred.

Rental income

Revenue from rental income, the Group recognised revenue on a straight line basis over the contract term, regardless of the payment pattern.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Interest income

The Group recognised interest income using the effective interest method.

3 Financial risk management

3.1 Financial risk factors

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The board of directors provides written principles for overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

3.1.1 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.

3.1.2 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 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.

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3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

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. The maximum exposure to credit risk is limited to the book value of receivables as stated in the statement of financial position.

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, the Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Fair value estimation

The following table presents the Group's financial assets that are measured at fair value. See note 8 for disclosures of the trading derivative that are measured at fair value, excluding where its fair value is approximating the carrying amount at 31 December 2019.

	Consolidated and separate financial statements			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
As at 31 December 2019				
Assets				
Financial assets at fair value through profit or loss				
Trading derivatives	2,178,813	-	-	2,178,813
	Consolidated and separate financial statements			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
As at 31 December 2018				
Assets				
Financial assets at fair value through profit or loss				
Trading derivatives	2,712,307	-	-	2,712,307

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

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

The carrying amount of financial instruments, which are cash and cash equivalents, trade and other receivables, borrowings to related parties, trade and other payables, short-term borrowings from third party, borrowings from related parties, finance lease liabilities, and borrowings from financial institutions are considered to approximate their fair value as they are short-term in nature or the interest rate is closed to the market interest rate.

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4 Critical accounting estimates, assumptions and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The result of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) 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.

(b) 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.

(c) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.13. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates on future results of the business and the discount rates as disclosed in note 16.

(d) Provision for short-term borrowings to subsidiaries

The Group assessed the collectability of borrowings to subsidiaries based on the future cashflow forecasts of the subsidiaries. These calculations require the use of estimates by management. The change in the assumption used would impact the receivable amount.

(e) Deferred tax asset

The Group assessed the taxable profit, which is used as consideration to recognise the deferred tax asset. The deferred tax assets are recognised only to the extent that the Group have probable future taxable profit will be available against which the temporary differences can be utilised. The assessment of taxable profit was based on historical experience, management's knowledge of the industry and future market trends.

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4 Critical accounting estimates, assumptions and judgements (Cont'd)

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. (Cont'd)

4.2 Critical judgements in applying the entity's accounting policies

- (a) Consolidation of entities in which the Group holds less than 50%

Management consider that the Group has de facto control of Index Creative Village Public Company Limited even though the Group holds with a 25% equity interest. However, the Group has majority of the voting rights in the board of directors according to the shareholders agreement, and there is no history of other shareholders forming a group to exercise their votes collectively.

- (b) Classification of associate

Management has assessed the level of influence that the Group has on Thai Solar Energy Public Company Limited and determined that it has significant influence even though the share holding is below 20% because of the board representation and contractual terms. Consequently, this investment has been classified as an associate.

5 Capital management

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

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

6 Segment information

Management has determined for the disclosure of segment in business perspective that pursuant to business activities and operating results that are regularly reviewed by Chief Operating Decision Makers for the purposes of allocating resources and assessing performance. Board of Director has responsible to make decision for strategic for the Group and assesses the performance of the operating segments based on measure of gross profit.

The Group's director do not measure segment's asset to assess the performance of the operating segments.

Significant information relating to revenue and profit of the reportable segments are as follows:

	Consolidated financial information			
	Language Institutions Baht	Restaurant Baht	Entertainment Baht	Total Baht
For the year ended 31 December 2019				
Revenues from operation	546,224,195	511,020,045	31,130,598	1,088,374,838
Inter-segment revenue	(933,333)	-	-	(933,333)
Total revenue	<u>545,290,862</u>	<u>511,020,045</u>	<u>31,130,598</u>	<u>1,087,441,505</u>
Timing of revenue recognition:				
At a point in time	-	510,042,508	-	510,042,508
Over time	<u>545,290,862</u>	<u>977,537</u>	<u>31,130,598</u>	<u>577,398,997</u>
	<u>545,290,862</u>	<u>511,020,045</u>	<u>31,130,598</u>	<u>1,087,441,505</u>
Segment result	25,384,690	(18,281,372)	1,379,920	8,483,238
Other income				14,454,116
Unallocated costs				(52,225,589)
Depreciation and amortisation				(66,433,505)
Finance cost				(43,002,913)
Share of profit from an associate				<u>74,597,984</u>
Loss before income tax expense				(64,126,669)
Income tax expense				<u>(19,623,913)</u>
Loss for the year from continuing operations				<u>(83,750,582)</u>

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6 Segment information (Cont'd)

Significant information relating to revenue and profit of the reportable segments are as follows:(Cont'd)

	Consolidated financial information (As restated)			
	Language Institutions Baht	Restaurant Baht	Entertainment Baht	Total Baht
For the year ended 31 December 2018				
Revenues from operation	529,778,796	593,519,683	389,404	1,123,687,883
Inter-segment revenue	(675,069)	-	-	(675,069)
Total revenue	<u>529,103,727</u>	<u>593,519,683</u>	<u>389,404</u>	<u>1,123,012,814</u>
Timing of revenue recognition:				
At a point in time	-	593,519,683	4,404	593,524,087
Over time	<u>529,103,727</u>	<u>-</u>	<u>385,000</u>	<u>529,488,727</u>
	<u>529,103,727</u>	<u>593,519,683</u>	<u>389,404</u>	<u>1,123,012,814</u>
Segment result	(51,957,679)	(18,390,621)	(7,080,034)	(77,428,334)
Other income				9,888,481
Unallocated costs				(61,112,345)
Depreciation and amortisation				(74,316,021)
Finance cost				(45,430,828)
Share of profit from an associate				<u>16,618,540</u>
Loss before income tax income				(231,780,507)
Income tax income				<u>27,721,694</u>
Loss for the year from continuing operations				<u>(204,058,813)</u>

Unallocated costs represent corporate expenses.

Information about major customer

No single customer represents a major customer because the Group has large number of customers.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash at bank and on hand	70,062,868	177,635,942	53,959,088	163,334
Short-term bank deposits	-	1,538,222	-	-
	<u>70,062,868</u>	<u>179,174,164</u>	<u>53,959,088</u>	<u>163,334</u>

As at 31 December 2018 the effective interest rate on short-term bank deposits was 0.20%.

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8 Short-term investments

	Consolidated financial statements			
	2019		2018	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Short-term investments comprise:				
1. Trading securities	8,671,556	2,178,813	8,671,556	2,712,307
2. Held-to-maturity investments due within 1 year	-	-	3,000,000	-
Total	8,671,556	2,178,813	11,671,556	2,712,307
<u>Less</u> Revaluation adjustments	(6,492,743)	-	(5,959,249)	-
Total short-term investments	<u>2,178,813</u>	<u>2,178,813</u>	<u>5,712,307</u>	<u>2,712,307</u>
Separate financial statements				
	2019		2018	
	Cost Baht	Fair value Baht	Cost Baht	Fair value Baht
Short-term investments comprise:				
Trading securities	8,671,556	2,178,813	8,671,556	2,712,307
<u>Less</u> Revaluation adjustments	(6,492,743)	-	(5,959,249)	-
Total short-term investments	<u>2,178,813</u>	<u>2,178,813</u>	<u>2,712,307</u>	<u>2,712,307</u>

During the year, movement of trading securities is as follows:

For the year ended 31 December	Consolidated and separate Financial statements	
	2019 Baht	2018 Baht
Book value - beginning balance	2,712,307	3,539,476
Change in fair value of trading securities	(533,494)	(827,169)
Book value - ending balance	<u>2,178,813</u>	<u>2,712,307</u>

The fair value of investment are based on the closing price by reference to the Stock Exchange of Thailand.
The fair values are within level 1 of the fair value hierarchy.

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9 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts receivable - third parties	16,044,437	214,855,918	-	-
- related parties	-	9,369,451	-	-
Total	16,044,437	224,225,369	-	-
<u>Less</u> Allowance for doubtful accounts	<u>(433,652)</u>	<u>(18,922,322)</u>	<u>-</u>	<u>-</u>
Trade accounts receivable, net	15,610,785	205,303,047	-	-
Prepayments	22,898,004	30,481,650	179,737	132,963
Accrued interest income	167,772	21,522	129,565,655	80,843,625
Other receivables	3,197,984	12,659,550	-	-
Other receivables - related parties (note 31.3)	-	-	157,359,876	100,022,669
Accrued income	3,249,845	123,547,005	-	-
Accrued income - related party (note 31.3)	7,130,598	-	-	-
Advance payment	1,514,847	6,555,558	-	8,550
	<u>53,769,835</u>	<u>378,568,332</u>	<u>287,105,268</u>	<u>181,007,807</u>

Outstanding trade accounts receivables as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts receivable				
Within 3 months	15,676,745	189,767,334	-	-
3 - 6 months	102,047	6,098,192	-	-
6 - 12 months	65,696	5,466,187	-	-
Over 12 months	199,949	22,893,656	-	-
Total trade accounts receivable	16,044,437	224,225,369	-	-
<u>Less</u> Allowance for doubtful accounts	<u>(433,652)</u>	<u>(18,922,322)</u>	<u>-</u>	<u>-</u>
Trade accounts receivable, net	<u>15,610,785</u>	<u>205,303,047</u>	<u>-</u>	<u>-</u>

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Packaging materials	-	9,107,250	-	-
VCD and DVD	47,591	54,323	47,591	54,323
Books	1,796,484	2,563,294	-	-
Raw materials - foods	19,722,570	20,274,951	-	-
<u>Less</u> Allowance for inventories obsolescence	<u>(4,351,999)</u>	<u>(4,861,286)</u>	<u>(47,591)</u>	<u>(54,323)</u>
	<u>17,214,646</u>	<u>27,138,532</u>	<u>-</u>	<u>-</u>

During the year ended 31 December 2019 and 2018, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of sales	169,273,059	206,920,254	-	1,133

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11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Tuition fee pending for bank transfer	10,441,450	10,881,682	-	-
Undue input VAT	9,529,568	21,997,789	24,720	236,675
Withholding tax receivable	14,746,337	21,546,870	4,255,077	6,022,282
Guarantee	1,498,256	-	-	-
Others	1,209,439	7,630,366	-	2,500
	<u>37,425,050</u>	<u>62,056,707</u>	<u>4,279,797</u>	<u>6,261,457</u>

12 Non-current assets classified as held-for-sale

During the year, the Group partially disposed investment in Index Creative Village Public Company Limited, a subsidiary of the Group (note 13.1). Additionally, the Group has a plan to sell the remaining interests in the aforementioned subsidiary within one year. Accordingly, the Group presented the financial statements of Index Group, which were part of the entertainment and marketing segment as a discontinued operation.

Financial information relating to Index Group are presented separately from continuing operations as below. Comparative figures are also adjusted for presentation.

12.1 Financial performance information

	Consolidated financial statements	
	2019 Baht	2018 Baht
Revenue	1,390,669,646	1,331,777,878
Costs	(1,036,175,242)	(938,683,240)
Gross profit	354,494,404	393,094,638
Other income	13,752,542	40,982,949
Selling expenses	(6,094,598)	(21,771,045)
Administrative expenses	(231,740,203)	(266,834,311)
Finance costs	(3,570,876)	(6,768,616)
Share of (loss) profit from associates and joint ventures	(132,026)	125,292
Profit before income tax expense from discontinued operation	126,709,243	138,828,907
Income tax expense	(22,832,535)	(34,296,546)
Profit for the year from discontinued operation	103,876,708	104,532,361
Translation differences of discontinued operations	(108,147)	(2,285,849)
Remeasurements of post-employment benefit obligations	(14,930,800)	8,142,329
Income tax on items that will not be reclassified to profit or loss	2,610,169	(1,628,466)
Other comprehensive income from discontinued operation	91,447,930	108,760,375

12.2 Cash flow information

	Consolidated financial statements	
	2019 Baht	2018 Baht
Operating cash flows	282,320,302	289,851,861
Investing cash flows	(94,784,732)	(211,137,386)
Financing cash flows	(151,405,052)	(75,802,160)
Total cash flows	36,130,518	2,912,315

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12 Non-current assets classified as held-for-sale (Cont'd)

12.3 Assets and liabilities classified as held-for-sale

Index Creative Village Public Company Limited's assets and liabilities were remeasured to the lower of carrying amount and fair value less costs to sell at the date of held-for-sale classification.

The major classes of assets and liabilities of the discontinued operation are as follows:

	Consolidated financial statements
	2019 Baht
Assets of discontinued operation classified as held-for-sale:	
Cash and cash equivalents	200,364,187
Short-term investments	350,348
Trade and other receivables	365,280,783
Short-term borrowings to related parties	600,000
Inventories	7,737,190
Television programmes, concerts production, and events in progress	3,628,661
Other current assets	14,983,644
Non-current assets classified as held-for-sale	2,500,000
Investments in associates	1,751,914
Property, plants and equipment	602,274,838
Intangible assets	55,464,598
Goodwill	125,024,779
Deferred tax assets	22,844,933
Other non-current assets	106,009,152
Total assets of the discontinued operation	1,508,815,027
Liabilities directly associated with assets classified as held-for-sale:	
Trade and other payables	172,993,214
Unearned revenue	106,020,739
Accrued expenses	100,529,369
Current portion of long-term borrowings from related parties	13,114,365
Accrued income tax	4,477,023
Other current liabilities	29,298,507
Finance lease liabilities	6,084,096
Employee benefit obligations	95,842,118
Deferred tax liabilities	15,922,590
Other non-current liabilities	635,889
Total liabilities of the discontinued operation	544,917,910

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13 Investments in subsidiaries, associates and interests in joint ventures

13.1 Investments in subsidiaries

As at 31 December 2019, the Group has subsidiaries included in consolidated financial statement. The subsidiaries have ordinary shares and non-cumulative preferred shares in which the Group directly and indirectly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Name	Country of incorporation and place of business	Nature of business	Nature of relationship	Ownership Interest held by Company		Ownership Interest held by the Group		Ownership Interest held by non-controlling interests	
				2019 (%)	2018 (%)	2019 (%)	2018 (%)	2019 (%)	2018 (%)
Subsidiaries									
Wave Picture Company Limited	Thailand	Investment	Direct	99.99	99.99	-	-	0.01	0.01
Wave Food Group Company Limited	Thailand	Investment	Direct	99.99	99.99	-	-	0.01	0.01
Wave Education Group Company Limited	Thailand	Investment	Direct	99.99	99.99	-	-	0.01	0.01
Index Creative Village Public Company Limited	Thailand	Advisor and organizer	Direct	25.00	45.00	-	-	75.00	55.00
Subsidiary of Wave Food Group Company Limited									
Jeffer Restaurant Company Limited	Thailand	Restaurant	Indirect	-	-	99.99	99.99	0.01	0.01
Subsidiary of Wave Education Group Company Limited									
Wall Street English (Thailand) Company Limited	Thailand	Language Institute	Indirect	-	-	99.99	99.99	0.01	0.01
Subsidiary of Wave Picture Company Limited									
Wave TV Company Limited	Thailand	Television programmes production	Indirect	-	-	99.99	99.99	0.01	0.01
Subsidiaries of Index Creative Village Public Company Limited									
Event Solutions Company Limited	Thailand	Provision of equipment for entertainment events	Indirect	-	-	99.99	99.99	0.01	0.01
TresBien Company Limited	Thailand	In liquidation process	Indirect	-	-	99.99	99.99	0.01	0.01
Media Vision (1994) Company Limited	Thailand	Light and sound system installation services for entertainment events	Indirect	-	-	50.99	50.99	49.01	49.01
Inspire Image Company Limited	Thailand	Preparation, installation and removal of advertising boards	Indirect	-	-	60.00	60.00	40.00	40.00
Index Creative Online (Thailand)	Thailand	In liquidation process	Indirect	-	-	26.51	26.51	73.49	73.49
Enviro (Thailand) Company Limited	Thailand	Provide advisory services, research data analysis and survey of statistic	Indirect	-	-	50.00	50.00	50.00	50.00
Index and M Company Limited	Thailand	Advertising ,event services and public relations services	Indirect	-	-	50.00	50.00	50.00	50.00
Index and V Company Limited	Thailand	Advertising ,event services and public relations services	Indirect	-	-	50.00	50.00	50.00	50.00
Big Events Company Limited	Thailand	Liquidated	Indirect	-	-	-	50.00	-	50.00
ICV EX Company Limited	Thailand	Advisor and organizer	Indirect	-	-	99.99	99.99	0.01	0.01
Blue Media Communications Company Limited	Thailand	Provision of publishing media design, production and distribution services	Indirect	-	-	72.29	58.18	27.71	41.82
I C V Company Limited	The Republic of the Union Myanmar	Advertising, event services and public relations services	Indirect	-	-	99.00	99.00	1.00	1.00

Big Events Company Limited, a subsidiary of the Group, filed a liquidation request with the Ministry of Commerce on 8 December 2017. The aforementioned liquidation was completed on 26 February 2019.

On 14 June 2019, Blue Media Communications Company Limited, a subsidiary of the Group, increased the registered shares. The Group subscribed all of newly issued shares and paid for the subscription, resulting to the increase in shareholdings percentage of the Group in Blue Media Communications Company Limited changed from 58.18% to 72.29%.

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

13.1 Investments in subsidiaries (Cont'd)

Summarised of financial information of the subsidiaries that have material non-controlling interests

Total non-controlling interests is Baht 694,654,903 (2018: Baht 574,249,902) belong to Index Creative Village Public Company Limited.

Details in note 12 summarised the financial information of subsidiary that has non-controlling interests are significant to the Group. The amounts are disclosed for subsidiary is shown by the amount before the inter-company elimination.

See note 30 to the financial statements for transactions with non-controlling interests.

Movements of investments in subsidiaries

	Separate financial statements
	Baht
At 1 January	
Cost	577,997,980
<u>Less</u> Provision for impairment	<u>(190,997,980)</u>
Net book amount	<u>387,000,000</u>
For the year ended 31 December	
Opening net book amount	387,000,000
Disposal during the year	(172,000,000)
Reclassify to non-current assets held-for-sale	<u>(215,000,000)</u>
Closing net book amount	<u>-</u>
At 31 December	
Cost	190,997,980
<u>Less</u> Provision for impairment	<u>(190,997,980)</u>
Net book amount	<u>-</u>

Disposal of investment in a subsidiary

Index Creative Village Public Company limited

During the year, the Company partially disposed investment in Index Creative Village Public Company Limited of 19.74 million shares and 14.66 million shares to the former shareholder of Index Creative Village Public Company Limited and third parties respectively, for total consideration of Baht 188 million. The Company recognised gain from disposal amounting to Baht 16 million as "Other income" in the separate statement of comprehensive income (note 26), and recognised gain of Baht 86.75 million as other component of shareholders' equity in the consolidated statement of financial position (note 30.2). Such disposal resulted in the decrease in the shareholding percentage of the Group in Index Creative Village Public Company Limited from 45% to 25%. However, the Company retains control over Index Creative Village Public Company Limited as explained in note 4.2.

As at 31 December 2019, the Group expected to sell the remaining interests in the aforementioned subsidiary within one year. As a result, investment in Index Creative Village Public Company Limited of Baht 215 million is classified as non-current assets held-for-sale and its result operation classified as discontinued operation according to Thai Financial Reporting Standard No. 5 (note 12).

As at 31 December 2019, the Group's shares of Wall Street English (Thailand) Company Limited, shares of Jeffer Restaurant Company Limited and 43 million shares (2018 : 77.40 million shares) of Index Creative Village Public Company Limited have been pledged as collateral for borrowings (note 19).

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

13.2 Investment in associates

As at 31 December 2019 and 2018, the investments in associates are as follows:

	Business	Nature of relationship	Country of incorporation	% Ownership interest		Measurement method
				2019	2018	
Associate						
Thai Solar Energy Public Company Limited ¹	Generation of electricity from sun radiation, and sale to Government and private states	Direct	Thailand	9.01	10.01	Equity
Associates of Index Creative Village Public Company Limited						
Max Creative Company Limited	Liquidated	Indirect	Thailand	-	22.73	Equity
Happio Company Limited	Application design and production	Indirect	Thailand	33.00	33.00	Equity
Town Branding Company Limited	Advertising	Indirect	Thailand	-	20.00	Equity

¹ The Group has less than 20% of shareholding percentage and voting rights, the Group has significant influence over Thai Solar Energy Public Company Limited since the Group has contractual right to appoint 2 directors out of 9 directors of Thai Solar Energy Public Company Limited as explained in note 4.2.

On 28 December 2018, Max Creative Company Limited, an associate of the Group, filed a liquidation request with the Revenue Department. Such liquidation was completed on 11 January 2019.

On 5 February 2019, Index Creative Village Public Company Limited, a subsidiary of the Group, disposed all of investment in Town Branding Company Limited, an associate of the Group, of 10,000 shares to Mr. Philips Chayarak, a shareholder of the associate for the consideration of Baht 10,000 and recognised gain from disposal amounting to Baht 10,000 as "Other income" in consolidated statement of comprehensive income.

On 22 October 2019, Thai Solar Energy Public Company Limited, an associate of the Group issued and registered new ordinary shares from the exercise of Transferable Subscription Rights (TSR) offered to exist common shareholders totalling to 211,966,701 shares with the par value of Baht 1 each. The new shares were exercise at the value of Baht 2.50 per share totalling Baht 529.92 million. As a result, the registered and fully paid-up share capital increase to 2,117,716,281 shares. The Group did not subscribe the newly issued shares. After the aforementioned increase registered share subscription, the shareholding percentage of the Group in Thai Solar Energy Public Company Limited decrease from 10.01% to 9.01%.

The movements in investment in associates are as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2019		
Opening net book amount	478,922,684	213,671,955
Dividends received from associate	(10,496,063)	-
Share of profit	74,465,958	-
Share of other comprehensive expense from remeasurement post-employment benefit obligation	(260,028)	-
Share of other comprehensive expense	(31,452,404)	-
Reclassify to non-current assets held-for-sale (note 12)	(1,751,914)	-
Closing net book amount	509,428,233	213,671,955

There are no contingent liabilities in respect of the Group's interest in the associates.

Summarised financial information for associates

Set out below are the summarised financial information for the associate, that is material to the Group, namely, Thai Solar Energy Public Company Limited. The information disclosed reflects the amounting presented in the financial statements of the relevant associates (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy.

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

13.2 Investment in associates (Cont'd)

Summarised statement of financial position (audited)

	Thai Solar Energy Public Company Limited	
	31 December 2019 Baht	31 December 2018 Baht
Current assets		
Cash and cash equivalents	643,594,118	561,020,761
Other current assets (excluding cash)	997,880,353	901,139,681
Total current assets	1,641,474,471	1,462,160,442
Non-current Assets	14,228,516,486	13,235,745,847
Total assets	15,869,990,957	14,697,906,289
Current liabilities		
Financial liabilities (excluding trade payables)	1,793,221,842	2,587,185,618
Other current liabilities (including trade payables)	232,130,748	295,280,188
Total current liabilities	2,025,352,590	2,882,465,806
Non-current liabilities		
Financial liabilities	8,094,739,838	6,879,679,552
Other liabilities	117,574,171	21,139,625
Total non-current liabilities	8,212,314,009	6,900,819,177
Total liabilities	10,237,666,599	9,783,284,983
Net assets	5,632,324,358	4,914,621,306
<u>Less</u> Non-controlling interests	4,323,789	144,233,867
Net assets attributable to owners of the parent	5,628,000,569	4,770,387,439

Summarised statements of comprehensive income (audited)

For the year ended 31 December	Thai Solar Energy Public Company Limited	
	2019 Baht	2018 Baht
Revenue	1,348,891,101	561,368,080
Cost of sales and services	(911,358,079)	(435,172,853)
Interest income	1,756,685	23,090,909
Interest expense	(147,191,521)	(123,240,033)
Share of profit from joint venture	659,517,685	610,188,427
Profit or loss from continuing operations	803,815,620	266,644,730
Income tax expense	(5,073,121)	(83,576,890)
Post-tax profit from continuing operations	798,742,499	183,067,840
Other comprehensive expense	(331,542,313)	(4,177,322)
Total comprehensive income	467,200,186	178,890,518
Dividends received from associate	10,496,063	1,009,139

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

13.2 Investment in associates (Cont'd)

Reconciliation of summarised financial information

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

	Thai Solar Energy Public Company Limited	
	2019 Baht	2018 Baht
Opening net assets 1 January	4,770,387,439	4,618,590,768
Issue of shares	529,916,753	-
Dividend stock	-	90,749,580
Dividends	(104,813,889)	(100,840,969)
Profit for the year	761,175,101	166,185,396
Other comprehensive expense foreign exchange differences	(328,664,835)	(4,297,336)
Closing net assets as at 31 December	5,628,000,569	4,770,387,439
Interest in associates	19.05%	10.01%
Carrying value	509,428,233	477,038,744

¹ The interest in an associate is average from changing shareholding interest during the year.

As at 31 December 2019, the fair value of the Group's interest in Thai Solar Energy Public Company Limited, which is a listed company in Thailand, was Baht 561.06 million (2018: Baht 396.84 million).

As at 31 December 2019, 190.79 million shares (2018: 190.79 million shares) of Thai Solar Energy Public Company Limited totalling Baht 213.67 million has been pledged as collateral for borrowing and borrowing facilities from financial institutions (note 19).

Individually immaterial associates (included in "Non-current assets classified as held-for-sale")

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

	2019 Baht	2018 Baht
Aggregate carrying amount of individually immaterial associates	1,751,914	1,883,940
Aggregate amounts of the reporting entity's share of:		
Profit from continuing activities	(132,026)	563,856
Total comprehensive income	(132,026)	563,856

As at 31 December 2019, the Group expected to sell the remaining interests in Index Creative Village Public Company Limited within one year. As a result, investment in associates under Index Creative Village Public Company Limited of Baht 1.75 million is classified as non-current assets held-for-sale and its result operation classified as discontinued operation according to Thai Financial Reporting Standard No. 5 (note 12).

Happio Company Limited is a private company and there is no quoted market price available for its shares.

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

13.3 Investments in joint ventures

As at 31 December 2019 and 2018, the investments in joint ventures are as follows:

Company	Business	Nature of relationship	Country of incorporation	% Ownership interest		Measurement method
				2019	2018	
Joint ventures of Index Creative Village Public Company Limited						
ID 2	Construction Design and Management of Thai exhibition building	Indirect	Thailand	67.00	67.00	Equity
Index D63	Design and Management of exhibition building in CP-Meiji Visitor Center	Indirect	Thailand	63.00	63.00	Equity
Index Design 103	Liquidated	Indirect	Thailand	-	90.00	Equity
Index A-7	Liquidated	Indirect	Thailand	-	45.00	Equity

On 14 January 2019, Index Design 103, a joint venture of the Group, completed a liquidation request with the Revenue Department.

On 24 September 2019, Index A-7, a joint venture of the Group, completed a liquidation request with the Revenue Department.

Movement of investments in joint ventures

	Consolidated financial statements
	Baht
For the year ended 31 December 2019	
Opening net book amount	760,812
Profit sharing receive from joint ventures	(562,441)
Write-off	(198,371)
Closing net book amount	-

On 19 September 2019, Index A-7 Joint Venture, a joint venture of the Group, approved a profit sharing payment to the shareholders. The Group received cash profit sharing of Baht 0.56 million.

There are no contingent liabilities in respect of the Group's interest in joint ventures.

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14 Property, plants and equipment, net

	Consolidated financial statements					
	Land Baht	Building Baht	Furniture, fixture and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2018						
Cost	131,102,925	253,913,431	1,493,251,231	74,037,843	17,693,446	1,969,998,876
<u>Less</u> Accumulated depreciation	-	(128,572,441)	(1,157,917,029)	(53,621,665)	-	(1,340,111,135)
Provision for impairment	-	-	-	-	(15,325,440)	(15,325,440)
Net book value	<u>131,102,925</u>	<u>125,340,990</u>	<u>335,334,202</u>	<u>20,416,178</u>	<u>2,368,006</u>	<u>614,562,301</u>
For the year ended 31 December 2018						
Opening net book value	131,102,925	125,340,990	335,334,202	20,416,178	2,368,006	614,562,301
Additions	-	-	244,318,368	17,946,310	18,414,117	280,678,795
Disposals, net	-	-	(2,827,027)	(604,238)	-	(3,431,265)
Write off, net	-	(1)	(8,077,553)	-	(162,895)	(8,240,449)
Transfer in (out)	-	-	17,785,730	-	(17,785,730)	-
Depreciation charge	-	(11,666,450)	(158,076,436)	(8,379,498)	-	(178,122,384)
Closing net book value	<u>131,102,925</u>	<u>113,674,539</u>	<u>428,457,284</u>	<u>29,378,752</u>	<u>2,833,498</u>	<u>705,446,998</u>
At 31 December 2018						
Cost	131,102,925	252,708,776	1,677,619,639	81,062,195	2,833,498	2,145,327,033
<u>Less</u> Accumulated depreciation	-	(139,034,237)	(1,249,162,355)	(51,683,443)	-	(1,439,880,035)
Net book value	<u>131,102,925</u>	<u>113,674,539</u>	<u>428,457,284</u>	<u>29,378,752</u>	<u>2,833,498</u>	<u>705,446,998</u>
For the year ended 31 December 2019						
Opening net book value	131,102,925	113,674,539	428,457,284	29,378,752	2,833,498	705,446,998
Additions	-	-	155,371,682	6,227,213	11,824,915	173,423,810
Disposals, net	-	-	(12,593,427)	(8)	-	(12,593,435)
Write off, net	-	-	(1,602,052)	-	(71,568)	(1,673,620)
Transfer in (out)	-	-	8,306,980	-	(8,306,980)	-
Depreciation charge	-	(8,721,741)	(129,577,584)	(6,048,001)	-	(144,347,326)
Reclassify to non-current assets held-for-sale (note 12)	(131,102,925)	(104,952,798)	(346,682,644)	(19,536,471)	-	(602,274,838)
Closing net book value	<u>-</u>	<u>-</u>	<u>101,680,239</u>	<u>10,021,485</u>	<u>6,279,865</u>	<u>117,981,589</u>
At 31 December 2019						
Cost	-	-	452,772,841	24,290,646	6,279,865	483,343,352
<u>Less</u> Accumulated depreciation	-	-	(351,092,602)	(14,269,161)	-	(365,361,763)
Net book value	<u>-</u>	<u>-</u>	<u>101,680,239</u>	<u>10,021,485</u>	<u>6,279,865</u>	<u>117,981,589</u>

Additions include Baht 3,609,312 (2018: Baht 11,895,910) assets leased under finance leases (where the Group is the lessee).

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14 Property, plants and equipment, net (Cont'd)

	Separate financial statements		
	Furniture, fixture and office equipment Baht	Vehicles Baht	Total Baht
At 1 January 2018			
Cost	2,861,685	9,402,146	12,263,831
<u>Less</u> Accumulated depreciation	(2,656,055)	(3,944,068)	(6,600,123)
Net book value	205,630	5,458,078	5,663,708
For the year ended 31 December 2018			
Opening net book value	205,630	5,458,078	5,663,708
Additions	-	3,794,826	3,794,826
Disposal, net	(59)	-	(59)
Depreciation charge	(50,416)	(959,381)	(1,009,797)
Closing net book value	155,155	8,293,523	8,448,678
At 31 December 2018			
Cost	2,837,010	13,196,972	16,033,982
<u>Less</u> Accumulated depreciation	(2,681,855)	(4,903,449)	(7,585,304)
Net book value	155,155	8,293,523	8,448,678
For the year ended 31 December 2019			
Opening net book value	155,155	8,293,523	8,448,678
Additions	208,400	-	208,400
Disposal, net	(2)	-	(2)
Depreciation charge	(108,246)	(574,794)	(683,040)
Closing net book value	255,307	7,718,729	7,974,036
At 31 December 2019			
Cost	3,026,409	13,196,972	16,223,382
<u>Less</u> Accumulated depreciation	(2,771,102)	(5,478,243)	(8,249,346)
Net book value	255,307	7,718,729	7,974,036

There are no additions include in assets under finance leases (where the Company is the lessee) (2018: there are additions include in assets under finance leases (where the Company is the lessee) of Baht 2,852,328).

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost - capitalised finance leases	12,843,828	72,469,107	3,794,828	13,196,974
<u>Less</u> Accumulated depreciation	(7,324,532)	(42,354,987)	(578,280)	(4,903,449)
Net book amount	5,519,296	30,114,120	3,216,548	8,293,525

As at 31 December 2019, leased assets under financial leases of Index Creative Village Public Company Limited of Baht 12.76 million is classified as non-current assets held-for-sale.

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14 Property, plants and equipment, net (Cont'd)

Land, building, furniture and fixtures with the carrying value of Baht 110.91 million (2018: Baht 232.17 million) has been pledged as collateral for borrowings and borrowings facilities from financial institutions (note 19).

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Depreciation has been charged into the following categories of expenses:				
Cost of sales	9,393,622	9,686,897	-	-
Cost of services	87,707,232	112,349,691	-	-
Selling expenses	24,456,166	24,929,312	-	-
Administrative expenses	22,790,306	31,156,484	683,040	1,009,797
	<u>144,347,326</u>	<u>178,122,384</u>	<u>683,040</u>	<u>1,009,797</u>

Depreciation include above of Baht 91.24 million (2018: Baht 117 million) belong to Index Creative Village Public Company Limited, charged to cost of service and administrative expense of Baht 74.03 and 17.21 million respectively in discontinued operation.

15 Intangible assets, net

	Consolidated financial statements					
	License Baht	Computer software Baht	Customer relation Baht	Trademark Baht	Intangible asset under installation Baht	Total Baht
At 1 January 2018						
Cost	39,867,564	38,270,976	123,937,000	152,221,000	141,775	354,438,315
<u>Less</u> Accumulated amortisation	<u>(27,670,047)</u>	<u>(11,496,592)</u>	<u>(56,454,584)</u>	<u>(15,221,764)</u>	-	<u>(110,842,987)</u>
Net book amount	<u>12,197,517</u>	<u>26,774,384</u>	<u>67,482,416</u>	<u>136,999,236</u>	<u>141,775</u>	<u>243,595,328</u>
For the year ended 31 December 2018						
Opening net book amount	12,197,517	26,774,384	67,482,416	136,999,236	141,775	243,595,328
Addition	19,565,140	3,954,594	-	-	141,775	23,661,509
Write-off, net	-	(1,097,321)	-	-	-	(1,097,321)
Transfer in (out)	-	283,550	-	-	(283,550)	-
Amortisation charge	<u>(3,724,110)</u>	<u>(5,925,390)</u>	<u>(8,997,700)</u>	<u>(5,074,032)</u>	-	<u>(23,721,232)</u>
Closing net book amount	<u>28,038,547</u>	<u>23,989,817</u>	<u>58,484,716</u>	<u>131,925,204</u>	-	<u>242,438,284</u>
At 31 December 2018						
Cost	59,432,704	75,387,562	123,937,000	152,221,000	-	410,978,266
<u>Less</u> Accumulated amortisation	<u>(31,394,157)</u>	<u>(51,397,745)</u>	<u>(65,452,284)</u>	<u>(20,295,796)</u>	-	<u>(168,539,982)</u>
Net book amount	<u>28,038,547</u>	<u>23,989,817</u>	<u>58,484,716</u>	<u>131,925,204</u>	-	<u>242,438,284</u>
For the year ended 31 December 2019						
Opening net book amount	28,038,547	23,989,817	58,484,716	131,925,204	-	242,438,284
Addition	928,488	966,203	-	-	-	1,894,691
Amortisation charge	<u>(4,148,072)</u>	<u>(5,311,917)</u>	<u>(6,747,941)</u>	<u>(5,074,033)</u>	-	<u>(21,281,963)</u>
Reclassify to non-current assets held-for-sale (note 12)	-	(3,727,823)	(51,736,775)	-	-	(55,464,598)
Closing net book amount	<u>24,818,963</u>	<u>15,916,280</u>	-	<u>126,851,171</u>	-	<u>167,586,414</u>
At 31 December 2019						
Cost	60,361,192	45,089,856	33,960,000	152,221,000	-	291,632,048
<u>Less</u> Accumulated amortisation	<u>(35,542,229)</u>	<u>(29,173,576)</u>	<u>(33,960,000)</u>	<u>(25,369,829)</u>	-	<u>(124,045,634)</u>
Net book amount	<u>24,818,963</u>	<u>15,916,280</u>	-	<u>126,851,171</u>	-	<u>167,586,414</u>

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15 Intangible assets, net (Cont'd)

	Consolidated financial statements	
	2019 Baht	2018 Baht
Amortisation recognised in profit and loss that are related to intangible assets are as follows:		
Cost of services	6,154,412	5,660,634
Administrative expenses	15,127,551	18,060,598
	<u>21,281,963</u>	<u>23,721,232</u>

Amortisation include above of Baht 7.96 million (2018: Baht 10.42 million) belong to Index Creative Village Public Company Limited and has been charged to administrative expense of Baht 7.96 million in discontinued operation.

16 Goodwill

	Consolidated financial statements	
	2019 Baht	2018 Baht
At 1 January		
Cost	1,259,698,551	1,259,698,551
<u>Less</u> Provision for impairment	<u>(336,530,588)</u>	<u>(336,530,588)</u>
Net book amount	<u>923,167,963</u>	<u>923,167,963</u>
For the year ended 31 December		
Opening net book amount	923,167,963	923,167,963
Reclassify to non-current assets held-for-sale (note 12)	(125,024,779)	-
Closing net book amount	<u>798,143,184</u>	<u>923,167,963</u>
At 31 December		
Cost	1,134,673,772	1,259,698,551
<u>Less</u> Provision for impairment	<u>(336,530,588)</u>	<u>(336,530,588)</u>
Net book amount	<u>798,143,184</u>	<u>923,167,963</u>

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

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

	Consolidated financial statements	
	2019 Baht	2018 Baht
Goodwill allocation		
Language Institute	389,548,884	389,548,884
Restaurant	408,594,300	408,594,300
Marketing activities	-	125,024,779
	<u>798,143,184</u>	<u>923,167,963</u>

The recoverable amount of CGU, Language Institute and Restaurant, are 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.

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16 Goodwill (Cont'd)

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

	Language Institute	Restaurant
Growth rate ¹	1 %	1%
Discount rate ²	11 %	10%

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.

The sensitivity analysis for each unobservable inputs as at 31 December 2019 disclosed are as follows:

Language Institute	Change in assumption	Relationship of unobservable inputs to fair value	
		Increase in assumption	Decrease in assumption
Growth rate	1%	Increase by 8%	Decrease by 7%
Discount rate	1%	Decrease by 4%	Increase by 5%

Restaurant	Change in assumption	Relationship of unobservable inputs to fair value	
		Increase in assumption	Decrease in assumption
Growth rate	1%	Increase by 11%	Decrease by 9%
Discount rate	1%	Decrease by 12%	Increase by 16%

Goodwill of marketing activities amount of Baht 125,024,779 was reclassified to non-current assets classified as held-for-sale (note 12). The recoverable amount of a Marketing Activities CGU is determined based on fair value less cost to sale. These calculations use expected share price projections based on financial budget approved by management.

The following table presents the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value 2019 Baht	Unobservable inputs	Range of inputs (probability - weighted average)
Expected consideration received from disposal of investment in a subsidiary	470,000,000	Discount rate	11%-13% (12%)
		Expected profit	18% -20% (19%)
		Price to equity ratio	18 - 20 (19)

The sensitivity analysis for each unobservable inputs as at 31 December 2019 disclosed are as follows:

	Change in assumption	Relationship of unobservable inputs to fair value	
		Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 0.90%	Increase by 0.90%
Expected profit	1%	Increase by 1.00%	Increase by 1.00%
Price to equity	1	Increase by 5.26%	Decrease by 5.26%

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17 Deferred income taxes

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	2,620,000	5,253,200	2,620,000	5,253,200
Deferred tax assets to be recovered after 12 months	6,175,629	52,856,347	6,175,629	21,876,799
	<u>8,795,629</u>	<u>58,109,547</u>	<u>8,795,629</u>	<u>27,129,999</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	1,026,812	2,399,844	12,006	-
Deferred tax liabilities to be settled after 12 months	24,514,671	43,173,532	159,311	-
	<u>25,541,483</u>	<u>45,573,376</u>	<u>171,317</u>	<u>-</u>
Deferred income tax, net	<u>(16,745,854)</u>	<u>12,536,171</u>	<u>8,624,312</u>	<u>27,129,999</u>

The gross movement of deferred income tax accounts is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	12,536,171	(15,327,874)	27,129,999	-
(Credited) charged to profit or loss (note 28)	(24,017,125)	29,492,512	(17,552,961)	27,129,999
Charged (credited) to other comprehensive income	1,657,443	(1,628,467)	(952,726)	-
Reclassify to non-current assets held-for-sale (note 12)	(22,844,933)	-	-	-
Reclassify to liabilities included with assets classified as held-for-sale (note 12)	15,922,590	-	-	-
At 31 December	<u>(16,745,854)</u>	<u>12,536,171</u>	<u>8,624,312</u>	<u>27,129,999</u>

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17 Deferred income taxes (Cont'd)

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

	Consolidated financial statements				At 31 December 2019 Baht
	At 1 January 2019 Baht	Charged/ (credited) to the statement of income Baht	Charged to the other comprehensive income Baht	Reclassify to non-current assets held- for-sale Baht	
Deferred tax assets					
Allowance for doubtful accounts	800,229	905,762	-	(1,705,991)	-
Allowance for doubtful accounts - withholding tax receivable	3,483,000	-	-	(3,483,000)	-
Provision for employee benefit obligations	10,277,498	4,680,015	1,657,443	(15,679,328)	935,628
Allowance for inventory obsolescence	467,940	(467,940)	-	-	-
Decommissioning costs	3,236,387	(3,236,387)	-	-	-
Tax losses	39,844,493	(30,007,878)	-	(1,976,614)	7,860,001
	<u>58,109,547</u>	<u>(28,126,428)</u>	<u>1,657,443</u>	<u>(22,844,933)</u>	<u>8,795,629</u>
Deferred tax liabilities					
Assets under finance leases, net	-	(171,317)	-	-	(171,317)
Property plants and equipment	(5,418,880)	2,227,033	-	3,191,847	-
Trademark	(26,384,973)	1,014,807	-	-	(25,370,166)
Customer relation	(13,769,523)	1,038,780	-	12,730,743	-
	<u>(45,573,376)</u>	<u>4,109,303</u>	<u>-</u>	<u>15,922,590</u>	<u>(25,541,483)</u>

	Consolidated financial statements				At 31 December 2018 Baht
	At 1 January 2018 Baht	Charged/ (credited) to the statement of income Baht	Credited to the other comprehensive income Baht		
Deferred tax assets					
Allowance for doubtful accounts	4,021,444	(3,221,215)	-	-	800,229
Allowance for doubtful accounts - withholding tax receivable	3,483,000	-	-	-	3,483,000
Provision for employee benefit obligations	10,279,177	1,626,788	(1,628,467)	-	10,277,498
Allowance for inventory obsolescence	467,940	-	-	-	467,940
Decommissioning costs	3,236,387	-	-	-	3,236,387
Tax losses	11,157,397	28,687,096	-	-	39,844,493
	<u>32,645,345</u>	<u>27,092,669</u>	<u>(1,628,467)</u>		<u>58,109,547</u>
Deferred tax liabilities					
Property plants and equipment	(5,418,880)	-	-	-	(5,418,880)
Trademark	(27,399,780)	1,014,807	-	-	(26,384,973)
Customer relation	(15,154,559)	1,385,036	-	-	(13,769,523)
	<u>(47,973,219)</u>	<u>2,399,843</u>	<u>-</u>		<u>(45,573,376)</u>

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17 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities during the period is as follows: (Cont'd)

	Separate financial statements		
	At 1 January 2019 Baht	Charged/ (credited) to the statement of income Baht	Credited to the other comprehensive income Baht
Deferred tax assets			
Provision for employee benefit obligations	-	1,888,354	(952,726)
Tax losses	27,129,999	(19,269,998)	-
	<u>27,129,999</u>	<u>(17,381,644)</u>	<u>(952,726)</u>
			<u>8,795,629</u>

	Separate financial statements		
	At 1 January 2019 Baht	Credited to the statement of income Baht	Credited to the other comprehensive income Baht
Deferred tax liabilities			
Assets under finance leases, net	-	(171,317)	-
	<u>-</u>	<u>(171,317)</u>	<u>(171,317)</u>

	Separate financial statements		
	At 1 January 2018 Baht	Charged to the statement of income Baht	Credited to the other comprehensive income Baht
Deferred tax assets			
Tax losses	-	27,129,999	-
	<u>-</u>	<u>27,129,999</u>	<u>27,129,999</u>

Presentation in the statements of financial position as at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets	8,624,312	55,882,513	8,624,312	27,129,999
Deferred tax liabilities	(25,370,166)	(43,346,342)	-	-
Deferred income tax, net	<u>(16,745,854)</u>	<u>12,536,171</u>	<u>8,624,312</u>	<u>27,129,999</u>

Deferred 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 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 72.56 million (2018: Baht 77.46 million). These tax losses will expire in 2024 and 2023 respectively.

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18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deposits	29,371,149	33,388,372	-	-
Guarantee	54,073,026	58,299,355	1,289,184	1,289,184
Withholding tax deducted at sources - net	-	90,443,820	-	-
Others	83,371	83,371	-	-
	<u>83,527,546</u>	<u>182,214,918</u>	<u>1,289,184</u>	<u>1,289,184</u>

19 Borrowings

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current				
Bank overdrafts	80,990,309	90,608,751	28,109,732	35,413,725
Short-term borrowings from financial institutions	50,000,000	184,000,000	50,000,000	130,000,000
Short-term borrowing from third party	60,000,000	-	60,000,000	-
Short-term borrowings from related parties (note 31.5)	42,500,000	18,500,000	58,500,000	43,500,000
Current portion of finance lease	1,129,731	12,606,517	514,765	573,289
Current portion of long-term borrowings from financial institutions	222,394,287	144,935,402	116,878,127	37,514,777
Current portion of long-term borrowings from related parties (note 31.6)	-	17,455,875	-	-
	<u>457,014,327</u>	<u>468,106,545</u>	<u>314,002,624</u>	<u>247,001,791</u>
Non-current				
Long-term finance lease liabilities	2,326,756	6,662,991	1,845,200	2,359,965
Long-term borrowings from financial institutions	269,148,565	494,406,305	188,953,413	308,694,993
Long-term borrowings from related parties (note 31.6)	-	13,614,365	-	-
	<u>271,475,321</u>	<u>514,683,661</u>	<u>190,798,613</u>	<u>311,054,958</u>
	<u>728,489,648</u>	<u>982,790,206</u>	<u>504,801,237</u>	<u>558,056,749</u>

19.1 Short-term borrowings from financial institutions

Short-term borrowings from financial institutions of Baht 50 million is collateralised by pledge of 63.50 million shares of Thai Solar Energy Public Company Limited (2018: 63.50 million shares) (note 13.2) and 35.68 million shares of Index Creative Village Public Company Limited (2018: 77.40 million shares) (note 13.1).

19.2 Short-term borrowing from third party

Short-term borrowing from third party, denominated in Thai Baht, bearing interest rate of 4% per annum, is collateralised by pledge of 7.32 million shares (2018:nil) of Index Creative Village Public Company Limited and due at call (note 13.1).

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19 Borrowings (Cont'd)

19.3 Finance lease liabilities

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Minimum lease payments of finance lease liabilities:				
Within one year	1,358,258	13,693,723	702,710	783,636
Later than 1 year but not later than 5 years	2,598,608	7,529,807	2,106,612	2,808,816
<u>Less</u> Future finance charges on finance leases	<u>(500,379)</u>	<u>(1,954,022)</u>	<u>(449,357)</u>	<u>(659,198)</u>
Present value of finance lease liabilities	<u>3,456,487</u>	<u>19,269,508</u>	<u>2,359,965</u>	<u>2,933,254</u>
Present value of finance lease liabilities:				
Within one year	1,129,731	12,606,517	514,765	573,289
Later than 1 year but not later than 5 years	2,326,756	6,662,991	1,845,200	2,359,965
	<u>3,456,487</u>	<u>19,269,508</u>	<u>2,359,965</u>	<u>2,933,254</u>

The movement in finance lease liabilities can be analysed as follows:

	Consolidated financial statements		
	Finance lease payables	Deferred interest	Finance lease liabilities
At 1 January 2018	21,312,241	(1,350,155)	19,962,086
Non-cash changes:			
Additions	14,011,363	(2,115,453)	11,895,910
Amortised deferred interest	-	1,511,586	1,511,586
Cash outflows:			
Repayment	<u>(14,100,074)</u>	-	<u>(14,100,074)</u>
At 31 December 2018	<u>21,223,530</u>	<u>(1,954,022)</u>	<u>19,269,508</u>
At 1 January 2019	21,223,530	(1,954,022)	19,269,508
Non-cash changes:			
Additions	3,810,912	(201,600)	3,609,312
Amortised deferred interest	-	1,149,131	1,149,131
Cash outflows:			
Repayment	<u>(14,487,368)</u>	-	<u>(14,487,368)</u>
Reclassify to liabilities included with assets classified as held-for-sale (note 12)	<u>(6,590,208)</u>	<u>506,112</u>	<u>(6,084,096)</u>
At 31 December 2019	<u>3,956,866</u>	<u>(500,379)</u>	<u>3,456,487</u>

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19 Borrowings (Cont'd)

19.3 Finance lease liabilities (Cont'd)

The movement in finance lease liabilities can be analysed as follows: (Cont'd)

	Separate financial statements		
	Finance lease payables	Deferred interest	Finance lease liabilities
At 1 January 2018	1,858,299	(45,372)	1,812,927
Non-cash changes:			
Additions	3,511,020	(658,692)	2,852,328
Amortised deferred interest	-	44,866	44,866
Cash outflows:			
Repayment	(1,776,867)	-	(1,776,867)
At 31 December 2018	3,592,452	(659,198)	2,933,254
At 1 January 2019	3,592,452	(659,198)	2,933,254
Non-cash changes:			
Amortised deferred interest	-	209,841	209,841
Cash outflows:			
Repayment	(783,130)	-	(783,130)
At 31 December 2019	2,809,322	(449,357)	2,359,965

19.4 Long-term borrowings from financial institutions

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Maturity of long-term borrowings:				
Between 1 year and 2 years	222,394,287	144,935,402	116,878,127	37,514,777
Between 2 years and 5 years	269,148,565	494,406,305	188,953,413	308,694,993
	491,542,852	639,341,707	305,831,540	346,209,770

Movements in long-term borrowings are analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2019		
Opening amount as at 1 January 2019	639,341,707	346,209,770
Repayment during the year	(147,798,855)	(40,378,230)
Closing amount as at 31 December 2019	491,542,852	305,831,540

Long-term borrowings from financial institutions of Baht 486.63 million is collateralised by pledge of shares of Wall Street English (Thailand) Company Limited, shares of Jeffer Restaurant Company Limited, 90 million shares of Wave Entertainment Public Company Limited, and 116.48 million shares (2018: 116.48 million shares) of Thai Solar Energy Public Company Limited (note 13).

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19 Borrowings (Cont'd)

19.4 Long-term borrowings from financial institutions (Cont'd)

On 24 September 2018, Wall Street English (Thailand) Company Limited a subsidiary of the Group, entered into 3-year sales and leaseback contracts with a financial institution on furniture and fixtures. At the end of the lease term, the subsidiary has options to purchase such assets at pre-determined price of return to the lessor and has an obligation to compensate the amount between the pre-determined price and the price sold to a third party. The substances of the transactions are borrowings from a financial institution. The carrying amount of Baht 4.91 million (2018: Baht 10.33 million) is secured by furniture and fixtures with the carrying value of Baht 9.25 million (2018: Baht 13.71 million) (note 14). The borrowings are guaranteed by Wave Entertainment Public Company Limited.

Under the loan agreement, the Group has to comply with loan covenants such as maintaining the debt to equity ratio, debt service coverage ratio and percentage holding in a subsidiary company.

As at 31 December 2019, one of the Group's subsidiaries was not able to maintain the debt to equity ratio and debt service coverage ratio as stipulated in the borrowing contracts. However, the subsidiary received a written waiver letter of forced repayment from the financial institution.

The fair values of current borrowings are equal to their carrying amounts, as the impact of discounting is not material. The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.25 - 5.53% (31 December 2018: 4.25 - 5.53%) and are within the level 2 of the fair value hierarchy.

19.5 Interest rate

The interest rate exposure on the borrowings and finance lease liabilities of the Group is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowings:				
- at fixed rates	155,956,487	193,171,686	154,859,965	81,433,254
- at floating rates	572,533,161	789,618,520	349,941,272	476,623,495
Total borrowings	<u>728,489,648</u>	<u>982,790,206</u>	<u>504,801,237</u>	<u>558,056,749</u>

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

	Consolidated financial statements			
	2019 %	2018 %	2019 Baht	2018 Baht
Bank overdrafts	MOR, MOR - 1	MOR, MOR - 1	80,990,309	90,608,751
Short-term borrowings from financial institutions	4.63	MLR + 1.60, 3.85 - 5.25	50,000,000	184,000,000
Short-term borrowing from third party	4.00	-	60,000,000	-
Short-term borrowings from related parties	2.50	4.00	42,500,000	18,500,000
Long-term borrowings from financial institutions	MLR - 1, MLR - 2.50	MLR - 1, MLR - 2.50	491,542,852	639,341,707
Long-term borrowings from related parties	-	4.25, 6.75	-	31,070,240
Finance lease liabilities	5.01 - 8.88	1.19 - 8.88	3,456,487	19,269,508

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19 Borrowings (Cont'd)

19.5 Interest rate (Cont'd)

	Separate financial statements			
	2019 %	2018 %	2019 Baht	2018 Baht
Bank overdrafts	MOR, MOR - 1	MOR, MOR - 1	28,109,732	35,413,725
Short-term borrowings from financial institutions	4.63	MLR + 1.60, 3.85	50,000,000	130,000,000
Short-term borrowing from third party	4.00	-	60,000,000	-
Short-term borrowings from related party	MOR + 0.25, 2.50	MOR + 0.25, 4.00	58,500,000	43,500,000
Long-term borrowings from financial institutions	MLR - 2.50	MLR - 2.50	305,831,540	346,209,770
Finance lease liabilities	8.88	4.37, 8.88	2,359,965	2,933,254

19.6 Borrowing facilities

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Float rate				
- expiring within one year	168,509,691	181,391,249	11,890,268	4,586,275

The facilities expiring within one year are annual facilities subject to review at various dates during the year, which have been arranged to finance the operations of the Group and the Company.

Borrowing facilities of Baht 20 million is collateralised by pledge of shares of 10.81 million shares (2018: 10.81 million shares) of Thai Solar Energy Public Company Limited (note 13.2).

Borrowing facilities of Baht 132 million is collateralised by pledge of land and building with the carrying value of Baht 101.66 million (2018: Baht 218.46 million) (note 14).

Borrowing facilities of Baht 30 million is collateralised by pledge of shares of 15 million shares (2018 : nil) of Wave Entertainment Public Company Limited

20 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade payables - others	56,033,742	217,869,388	-	-
Trade payables - related parties	16,860	3,255,077	4,879	588
Other payable - intangible assets	4,170,554	4,484,535	-	-
Other payables	38,619,473	58,835,575	-	-
	<u>98,840,629</u>	<u>284,444,575</u>	<u>4,879</u>	<u>588</u>

21 Deposit received from the sales of investment in a subsidiary

On 19 December 2019, the Group entered into agreement to dispose all remaining interests, 43 million shares, in Index Creative Village Public Company Limited within one year and the Group has already received the consideration amounting to Baht 120 million for 21.95 million shares on 24 December 2019. However, the remaining shares will be transferred only when the Group receive all consideration from the buyer. According to the agreement, the Group has the right to cancel the aforementioned shares disposal if the buyer is unable to pay additional consideration for the remaining shares, 21.04 million shares, within agreed timeline. Accordingly, such transaction classified as current liabilities.

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22 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Statements of financial position:				
Retirement benefits	13,486,126	72,642,032	9,441,769	12,199,491
Other employee benefits	-	6,873,246	-	-
Liability in the statements of financial position	<u>13,486,126</u>	<u>79,515,278</u>	<u>9,441,769</u>	<u>12,199,491</u>
Profit or loss charge included in operating profit for:				
Retirement benefits	26,323,911	12,308,337	2,005,908	2,573,102
Other employee benefits	821,827	682,897	-	-
Reclassify to discontinued operation	(23,567,578)	(7,928,725)	-	-
	<u>3,578,160</u>	<u>5,062,509</u>	<u>2,005,908</u>	<u>2,573,102</u>
Remeasurement recognised in profit or loss:				
Other employee benefits	-	3,654,958	-	-
Reclassify to discontinued operation	-	(3,654,958)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Remeasurement recognised in other comprehensive income:				
Retirement benefits	4,414,264	(8,142,329)	(4,763,630)	-
Reclassify to discontinued operation (note 12)	(14,930,800)	8,142,329	-	-
	<u>(10,516,536)</u>	<u>-</u>	<u>(4,763,630)</u>	<u>-</u>

Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on member's length of service and their salary in the final years leading up to retirement.

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	72,642,032	72,389,031	12,199,491	9,626,389
Current service cost	11,290,189	10,291,577	1,727,682	2,289,130
Past service cost	13,700,742	-	90,078	-
Interest cost	1,332,980	2,016,760	188,148	283,972
Remeasurements:				
(Gain)/loss from change in demographic assumptions	(1,803,486)	(8,142,329)	204,805	-
Loss/(gain) from change in financial assumptions	14,603,087	-	(453,467)	-
Experience gain	(8,385,337)	-	(4,514,968)	-
Benefits payment	(1,732,696)	(3,913,007)	-	-
Reclassify to liabilities included with assets classified as held-for-sale (note 12)	(88,161,385)	-	-	-
At 31 December	<u>13,486,126</u>	<u>72,642,032</u>	<u>9,441,769</u>	<u>12,199,491</u>

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment were recognised as past service cost during the year.

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22 Employee benefit obligations (Cont'd)

Other employee benefits

Other employee benefits are benefit plans which provide fixed benefits to members. The level of benefits provided depends on service years before retirement.

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	6,873,246	3,918,821	-	-
Current service cost	686,127	577,947	-	-
Interest cost	135,700	104,950	-	-
Remeasurements:				
Loss from change in demographic assumptions	-	3,654,958	-	-
Benefits payment	(14,340)	(1,383,430)	-	-
Reclassify to liabilities included with assets classified as held-for-sale (note 12)	(7,680,733)	-	-	-
At 31 December	-	6,873,246	-	-

The significant actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2019 %	2018 %	2019 %	2018 %
Discount rate	2.23 - 3.13	2.70 - 3.32	2.50	2.95
Salary increases rate	4.00 - 7.05	5.00 - 7.05	4.00	5.00

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

	Consolidated financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
Discount rate	1%	1%	Decrease by 6%	Decrease by 5%	Increase by 7%	Increase by 5%
Salary increase rate	1%	1%	Increase by 5%	Increase by 6%	Decrease by 4%	Decrease by 5%
	Separate financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
Discount rate	1%	1%	Decrease by 7%	Decrease by 9%	Increase by 8%	Increase by 11%
Salary increase rate	1%	1%	Increase by 8%	Increase by 13%	Decrease by 9%	Decrease by 12%

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 has been applied as when calculating the retirement benefits 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.

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22 Employee benefit obligations (Cont'd)

Through its defined benefit retirement benefit plans and other long-term benefits 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. Although this will be partially offset by an increase in the value of the plans' bond holdings.

The weighted average duration of the defined benefit obligation is 12 years (2018: 16 years).

Expected maturity analysis of undiscounted retirement and other long-term benefits:

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 2019					
Retirement benefits	7,077,365	2,220,523	16,544,958	298,045,767	323,888,613
Other long-term benefits	1,654,698	763,675	2,517,910	3,325,909	8,262,192
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 2018					
Retirement benefits	8,763,172	355,219	10,520,134	338,917,182	358,555,707
Other long-term benefits	500,000	1,169,038	2,841,250	3,766,244	8,276,532
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 2019					
Retirement benefits	-	-	392,845	24,232,538	24,625,383
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 2018					
Retirement benefits	-	-	-	58,805,363	58,805,363

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23 Share capital

	Authorised number of shares Shares	Issued and fully paid-up		
		Number of issued ordinary shares Shares	Share Premium Baht	Total Baht
At 1 January 2018	463,320,000	421,200,000	315,564,680	736,764,680
Issue and paid-up of shares	46,750,000	46,750,000	133,237,500	179,987,500
At 31 December 2018	510,070,000	467,950,000	448,802,180	916,752,180
Issue and paid-up of shares	-	-	-	-
At 31 December 2019	510,070,000	467,950,000	448,802,180	916,752,180

The total authorised number of ordinary shares is 510,070,000 shares (2018: 510,070,000 shares) with a par value of Baht 1 each (2018: Baht 1 each). The issued and fully paid-up ordinary shares is 467,950,000 shares (2018: 467,950,000 shares).

2018

On 29 March 2018, the Company received share subscription for 46,750,000 shares, with the par value of Baht 1 per share, at the value of Baht 3.85 per share, totaling Baht 179.99 million from The Mall Group Company Limited. As a result, the registered and fully paid-up share capital increase to 467,950,000 shares. The Company registered the share subscription with the Ministry of Commerce on 7 April 2018.

24 Warrants

At the Annual General Meeting of Shareholders held on 18 April 2017, the shareholders have passed the resolution to issue warrants to purchase of ordinary shares, issued in a named certificate and transferable ('WAVE-W1') by allocating to existing shareholders in proportion to their shares before the capital increase at proportion of 10 ordinary shares to 1 warrant. Total number of warrants to be allotted not exceeding 42,120,000 warrants and the exercise price is of Baht 6 per share. The exercise right is 1 warrant per 1 ordinary share. The warrant has the period of 3 years from the date of issuance and offering.

	Issued	Exercise date	At 31 December 2018	Change during the year	At 31 December 2019
			Outstanding warrants Unit		Outstanding warrants Unit
WAVE-W1	11 May 2017	29 December 2017	42,119,734	-	42,119,734
			42,119,734	-	42,119,734

25 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	46,795,718	43,872,094	46,795,718	43,872,094
Appropriation during the year	-	2,923,624	-	2,923,624
At 31 December	46,795,718	46,795,718	46,795,718	46,795,718

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% of the registered capital. The legal reserve is non-distributable.

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26 Other income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest income	108,462	452,302	51,859,839	44,227,701
Rental income	603,513	220,067	5,032,608	2,225,217
Dividends income	124,722	125,672	19,973,611	6,634,812
Management fee income	-	-	57,600,000	51,600,000
Gains on disposal of investment in a subsidiary (note 13.1)	-	-	16,000,000	4,000,000
Gain on disposal of transferable of subscription rights (TSR)	4,235,812	-	4,235,812	-
Gain on exchange rate	2,892,759	-	-	-
Gain on disposal of property, plants and equipment	389,351	-	3,998	2,546
Write-off long outstanding overpaid from customer	3,125,174	3,821,351	-	-
Other income	2,974,323	5,269,089	2,142,054	1,928,563
Total	14,454,116	9,888,481	156,847,922	110,618,839

On 23 August 2019, Thai Solar Energy Public Company Limited, an associate of the Group issued rights offering ("Transferable Subscription Rights: TSR") to the existing shareholders in proportion to their respective shareholdings without any consideration. The TSR is name-specified and transferable. The Group received TSR of 38,167,500 units and totally disposed such rights to new shareholders at the consideration of Baht 4,235,812 and recognised gain on disposal of TRS as other income.

27 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Expense included in continuing operations:				
Changes in inventories of finished goods	169,273,059	206,920,254	-	1,133
Depreciation	53,110,989	61,014,547	683,040	1,009,797
Amortisation of intangible assets	13,322,516	13,301,474	-	-
Staff expense	434,919,028	449,126,194	37,833,259	37,757,451
Rental and service	205,583,504	237,071,031	5,120,736	5,120,736
Utilities expense	55,099,776	65,011,907	113,851	276,846

28 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Income tax expense from continuing operations				
Current tax:				
Current tax on profits for the year	113,051	91,111	-	-
Deferred tax:				
Increase in deferred tax assets	20,354,352	(26,797,999)	17,381,644	(27,129,999)
Decrease in deferred tax liabilities	(843,490)	(1,014,806)	171,317	-
Total deferred tax	19,510,862	(27,812,805)	17,552,961	(27,129,999)
Income tax expense for continuing operations	19,623,913	(27,721,694)	17,552,961	(27,129,999)

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28 Income tax expense (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Income tax expense from discontinued operation:				
Current tax:				
Current tax on profits for the year	18,196,962	35,976,253	-	-
Adjustments in respect of prior year	129,310	-	-	-
	<u>18,326,272</u>	<u>35,976,253</u>	<u>-</u>	<u>-</u>
Deferred tax:				
Increase in deferred tax assets	5,545,042	(294,670)	-	-
Decrease in deferred tax liabilities	(1,038,779)	(1,385,037)	-	-
Total deferred tax	<u>4,506,263</u>	<u>(1,679,707)</u>	<u>-</u>	<u>-</u>
Income tax expense for discontinued operation (note 12.1)	<u>22,832,535</u>	<u>34,296,546</u>	<u>-</u>	<u>-</u>

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Loss (profit) before tax from continuing operations	(64,126,669)	(231,780,507)	76,598,983	31,342,489
Profit before tax from discontinued operation (note 12.1)	<u>126,709,243</u>	<u>138,828,907</u>	<u>-</u>	<u>-</u>
Profit (loss) before tax	<u>62,582,574</u>	<u>(92,951,600)</u>	<u>76,598,983</u>	<u>31,342,489</u>
Tax calculated at a tax rate of 20% (2018: 20%)	12,516,515	(18,590,320)	15,319,797	6,268,498
Tax effect of:				
Share of profit from associates and joint ventures, net of tax	(14,946,001)	(3,348,766)	-	-
Income not subject to tax	(13,306,876)	(5,547,323)	(3,874,159)	(1,752,205)
Loss not subject to tax	9,791,265	18,566,913	-	-
Expenses not deductible for tax purpose	12,436,853	21,827,449	618,707	846,993
Expenses deductible for tax purpose at greater amount	(3,124,100)	(2,992,558)	(110,751)	(110,086)
Deferred tax expense relating to the origination and reversal of temporary differences	8,572,075	368,880	5,599,367	-
Recognition of previously unrecognised deferred income taxes	-	(27,129,999)	-	(27,129,999)
Utilisation of previously unrecognised tax losses	(2,147,198)	(8,319,120)	-	(5,253,200)
Tax losses for which no deferred income tax asset was recognised	32,793,225	31,739,696	-	-
Adjustment in respect of prior year	(129,310)	-	-	-
Reclassify to discontinued operation (note 12.1)	<u>(22,832,535)</u>	<u>(34,296,546)</u>	<u>-</u>	<u>-</u>
Tax charge for continuing operations	<u>19,623,913</u>	<u>(27,721,694)</u>	<u>17,552,961</u>	<u>(27,129,999)</u>

The weighted average applicable tax rate was 30.60% (2018: -11.96%).

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29 (Loss) earnings per share

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net (loss) profit attributable to ordinary shareholders (Baht) :				
from continuing operations	(83,750,582)	(204,058,813)	59,046,022	58,472,488
from discontinued operation	19,639,757	15,532,371	-	-
	<u>(64,110,825)</u>	<u>(188,526,442)</u>	<u>59,046,022</u>	<u>58,472,488</u>
Weighted average number of ordinary shares in issue during the year (shares)	467,950,000	456,806,849	467,950,000	456,806,849
Weighted average number of ordinary shares to be issued for warrants WAVE-W1, (shares) (note 24)	-	-	-	-
Total weighted average number of ordinary shares (shares)	467,950,000	456,806,849	467,950,000	456,806,849
Basics and diluted (loss) earnings per share (Baht per share)				
from continuing operations	(0.18)	(0.45)	0.13	0.13
from discontinued operation	0.04	0.03	-	-

Warrants does not have impact on diluted (loss) earnings per share as the exercise price of the warrants is higher than the weighted average share price during the year.

30 Transaction with non-controlling interest

30.1 Acquisition of additional interest in a subsidiary

On 14 June 2019, Blue Media Communications Company Limited, a subsidiary of the Group, increased the registered shares from Baht 13.75 million to Baht 20.75 million, by increasing of 280,000 shares with par value of Baht 25 each. The Group subscribed all of newly issued shares in Blue Media Communications Company Limited and paid for the subscription amounting to Baht 7 million on 7 June 2019. After the increase in aforementioned investment, the shareholdings percentage of the Group in Blue Media Communications Company Limited changed from 58.18% to 72.29%, resulting in the decrease in the Group's ownership by Baht 1.26 million and increase in the non-controlling interest by Baht 1.26 million.

On 29 November 2018, Index Creative Village Public Company Limited, a subsidiary of the Group, acquired the ordinary shares of I C V Company Limited of 495 shares with a par value of USD 100 per share, totalling USD 49,500 or equivalent to Baht 1,664,190 from a subsidiary of the Group. This resulted in an increase in equity attributable to owners of the parent of Baht 1.48 million which recognised as other component of shareholders' equity in the consolidated statement of financial position. After the aforementioned acquisition, the percentage of Index Creative Village Public Company Limited in I C V Company Limited changed to 99.99%.

The effect of change in the ownership interest on the equity attributable to owners of the Company during the year is summarised as follows:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Carrying amount of non-controlling interests acquired	5,736,033	2,312,402
Consideration paid to non-controlling interests	<u>(7,000,000)</u>	<u>(832,095)</u>
Exceed of consideration paid recognised in parent's equity	<u>(1,263,967)</u>	<u>1,480,307</u>

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

30.2 Disposal of interest in a subsidiary without loss control

During the year, the Group disposed 20% interest held in Index Creative Village Public Company Limited at a consideration of Baht 188 million. The carrying amount of the non-controlling interests in Index Creative Village Public Company Limited on the date of disposal was Baht 101.25 million (representing 20% interest). This resulted in an increase in non-controlling interests of Baht 101.25 million and an increase in equity attributable to owners of the parent of Baht 86.75 million.

On 24 December 2018, the Group disposed 10% interest out of the 50% interest held in Index Creative Village Public Company Limited at a consideration of Baht 47 million. The carrying amount of the non-controlling interests in Index Creative Village Public Company Limited on the date of disposal was Baht 40.69 million (representing 5% interest). This resulted in an increase in non-controlling interests of Baht 40.69 million and an increase in equity attributable to owners of the parent of Baht 6.31 million.

The effect of changes in the ownership interest of Index Creative Village Public Company Limited on the equity attributable to owner of the Company during the year is summarised as follows:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Carrying amount of non-controlling interests disposed of	(101,246,594)	(40,691,255)
Consideration received from non-controlling interests	188,000,000	47,000,000
Increase in parent's equity	86,753,406	6,308,745

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

	Consolidated financial statements	
	2019 Baht	2018 Baht
Changes in equity attributable to shareholders of the company arising from:		
Acquisition of additional interest in a subsidiary	1,263,967	(1,480,307)
Disposal of interests in a subsidiary without loss of control	101,246,594	40,691,255
Net effect on parent's equity	102,510,561	39,210,948

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31 Related party transactions

31.1 Parent entities

The major shareholders of the Company are Maleenont family, BEC World Public Company Limited (incorporated in Thailand), and The Mall Group Company Limited (incorporated in Thailand), which owns 24.98%, 12.45%, and 9.99% of the Company's shares, respectively. The remaining 52.58% of the shares are widely held. Details of subsidiaries, associates and joint ventures are set out in note 13.

The following material transactions were carried out with related parties:

31.2 Transactions with related parties

Transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Sales of goods and services				
Major shareholder	31,130,598	-	-	-
Purchase of goods from:				
Related companies	4,560	550	4,560	550
Cost of rendering of services				
Associates	650,238	5,628,996	-	-
Other income				
Subsidiaries	-	-	64,702,585	55,559,736
Associates	144,000	314,245	-	-
Joint venture	-	1,490,631	-	-
	144,000	1,804,876	64,702,585	55,559,736
Interest income				
Subsidiaries	-	-	51,852,374	44,052,989
Associates	26,027	191,959	-	-
Related companies	1,015,992	-	-	-
	1,042,019	191,959	51,852,374	44,052,989
Dividend income				
Subsidiary	-	-	9,352,826	5,502,641
Associate	-	-	10,496,063	1,010,530
	-	-	19,848,889	6,513,171
Selling and administrative expenses				
Associates	-	110,398	-	-
Related companies	12,508,962	7,555,097	6,549,982	6,340,097
	12,508,962	7,665,495	6,549,982	6,340,097
Interest expenses				
Subsidiaries	-	-	1,494,224	1,243,825
Key management	648,459	536,258	648,459	536,258
	648,459	536,258	2,142,683	1,780,083

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31 Related party transactions (Cont'd)

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

The outstanding balances at the end of the period ended in relation to transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts receivable (Included in non-current assets classified as held-for-sale (note 12.3))				
Associates	25,680	1,863,420	-	-
Joint venture	7,506,032	7,506,031	-	-
	<u>7,531,712</u>	<u>9,369,451</u>	<u>-</u>	<u>-</u>
Other receivables (note 9)				
Subsidiaries	-	-	157,359,876	100,022,669
Accrued interest income				
Subsidiaries	-	-	129,565,655	80,843,625
Related companies	1,015,992	-	-	-
	<u>1,015,992</u>	<u>-</u>	<u>129,565,655</u>	<u>80,843,625</u>
Accrued income (note 9)				
Major shareholder	<u>7,130,598</u>	<u>-</u>	<u>-</u>	<u>-</u>
Trade and other payables				
Associates	-	2,568,040	-	-
Related companies	691,328	687,037	4,879	588
	<u>691,328</u>	<u>3,255,077</u>	<u>4,879</u>	<u>588</u>
Accrued expenses				
Related companies	<u>707,162</u>	<u>709,470</u>	<u>705,701</u>	<u>709,470</u>
Accrued interest expenses				
Subsidiaries	-	-	2,556,022	1,061,798
Key management	814,706	536,258	814,706	536,258
	<u>814,706</u>	<u>536,258</u>	<u>3,370,728</u>	<u>1,598,056</u>

31.4 Short-term borrowings to related parties

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Short-term borrowings to:				
Subsidiaries	-	-	1,157,552,900	992,952,900
Associates	-	2,700,000	-	-
<u>Less allowance for impairment</u>	<u>-</u>	<u>(2,700,000)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>1,157,552,900</u>	<u>992,952,900</u>

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31 Related party transactions (Cont'd)

31.4 Short-term borrowings to related parties (Cont'd)

The movements in short-term borrowings to related parties are analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2019		
Opening amount as at 1 January 2019	-	992,952,900
Addition during the year	38,577,120	182,500,000
Loan repayment during the year	(37,977,120)	(17,900,000)
Reclassify to non-current assets held-for-sale (note 12)	(600,000)	-
	<u>-</u>	<u>1,157,552,900</u>
Closing amount as at 31 December 2019	<u>-</u>	<u>1,157,552,900</u>

The borrowings to subsidiaries were made on commercial terms and conditions. The borrowings have interest of MLR rate less 2.25% per annum and 7.13 - 7.38% per annum and due at call. No allowance has been required in 2019 and 2018 for the borrowing made to subsidiaries.

The borrowings to associates were made on commercial terms and conditions. The borrowings are repayable in February 2020 and interest at 6.25%. During the year, the Group write-off borrowing to associate which had been set allowance for impairment since 2018. No allowance has been required in 2019 for the borrowings made to associates.

Due to the borrowings are short-term so the fair value is equal to the book value since the effect of the discount rate is insignificant.

31.5 Short-term borrowings from related parties

	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowing from:				
Subsidiary	-	-	16,000,000	25,000,000
Key Management	42,500,000	18,500,000	42,500,000	18,500,000
	<u>42,500,000</u>	<u>18,500,000</u>	<u>58,500,000</u>	<u>43,500,000</u>

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

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the years ended 31 December 2019		
Opening amount as at 1 January 2019	18,500,000	43,500,000
Addition during the year	24,000,000	30,000,000
Loan repayment during the year	-	(15,000,000)
	<u>42,500,000</u>	<u>58,500,000</u>
Closing amount as at 31 December 2019	<u>42,500,000</u>	<u>58,500,000</u>

The borrowings from Wave TV Company Limited a subsidiary of the Group, were provided interest rate of MOR rate plus 0.25% per annum, and there was due at call.

The borrowings from key management were provided interest rate of 2.5% per annum, and there was due at call.

Borrowings are short-term so the fair value is equal to the book value since the effect of the discount rate is insignificant.

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31 Related party transactions (Cont'd)

31.6 Long-term borrowings from related parties

	Consolidated financial statements	
	2019 Baht	2018 Baht
Long-term borrowings from:		
Current portion of long-term borrowings from related parties (note 19)	-	17,455,875
Long-term borrowings from related parties payable between 1 to 5 years (note 19)	-	13,614,365
	-	31,070,240

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

	Consolidated financial statements Baht
For the year ended 31 December 2019	
Opening amount as at 1 January 2019	31,070,240
Repayment during the year	(17,955,875)
Long-term borrowing from related parties classified as held-for-sale (note 12)	(13,114,365)
Closing amount as at 31 December 2019	-

31.7 Key management compensation

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Short-term employee benefits	70,134,202	65,196,965	32,822,952	32,174,747
Post-employment benefits	4,981,678	3,354,128	1,554,291	2,160,688
	75,115,880	68,551,093	34,377,243	34,335,435

32 Commitments and contingencies

32.1 Guarantee

As at 31 December 2019, the Company provided guarantee on behalf of its subsidiary for sales and leaseback contracts amounting to Baht 4.91 million (2018: Baht 10.33 million) (note 19.4).

32.2 Bank Guarantee

As at 31 December 2019, there are outstanding bank guarantee given on behalf of the Group to the third parties in respect of construction contracts and business operation amounting to Baht 58.30 million (2018: Baht 56.20 million) and amounting to Baht 1.50 million (2018: Baht 1.25 million) respectively.

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32 Commitments and contingencies (Cont'd)

32.3 Commitment for franchise fees

As at 31 December 2019, the Group has the following commitments to pay on-going fees for operations of language institutions;

32.3.1 On-going fee at fixed rate of the gross revenue of its language institution

32.3.2 On-going fee at fixed rate of the gross revenue of its language institution's franchisee.

32.4 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	162,638,398	186,004,363	5,965,589	5,120,736
Later than 1 year but not later than 5 years	139,122,104	138,227,012	11,784,920	234,012
	<u>301,760,502</u>	<u>324,231,375</u>	<u>17,750,509</u>	<u>5,354,748</u>

33 Event occurs after the reporting date

- 33.1 At the Extraordinary General Meeting of shareholders of Media Vision (1994) Company Limited, a subsidiary of the Group, held on 15 January 2020, the meeting approved dividends in respect of the operating results for 2019 at Baht 24.46 per share, totalling Baht 9.50 million. The dividend was paid to the shareholders on 16 January 2020.
- 33.2 At the Board of Directors on 28 February 2020, the meeting approved share issuance of Baht 568 million from Right Offering and Private Placement amounting to Baht 468 and 100 million, respectively. The aforementioned increase in share capital will be proposed for approval by Annual General Meeting of shareholders in April 2020.

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

13.1 Management Discussion, Analysis of Financial Positions and Operating Results

Operating Results

In 2019, the Group had total revenues of THB 1,087.44 million, a decrease of THB 35.57 million. Cost of sales and rendering of services was THB 592.74 million, a decrease of THB 70.08 million. Gross margin was THB 494.70 million or 45% of total revenues. Selling and administrative expenses decreased by THB 68.18 million, financial costs slightly decreased by THB 2.43 million and share of profit from associates increased by THB 57.98 million, compared to the previous year. As a result, the Group had net profit for the year of THB 20.13 million. The net profit included depreciation and amortization of intangible assets, which are non – cash items, of THB 165.63 million and share of profit from associates and joint ventures of THB 74.47 million. If finance cost of THB 43 million and tax expense of THB 19.62 million were excluded, the Company's earnings before interest, taxes, depreciation and amortization (EBITDA) would be equivalent to THB 173.91 million in the year 2019.

- **Sale and service revenues**

In 2019, the Group had total revenues of THB 1,087.44 million, a decrease of THB 35.57 million or 3% decrease year-on-year. The breakdown of total revenues by business units are as set out below.

1. English language school business in the amount of THB 545.29 million

The Group operates English language school under the name “Wall Street English”. The revenues from English language school is recognized according to the international accounting standard which recognizes revenue gradually according to contracts period entered into between students and the Group. Since overall economic conditions in the year 2019 have not improved and private sector, retails, and consumers are cautious on their spending, cash sales of the English language school business remained constant. The Group opened 1 new branch, namely Central Plaza Chaengwattana branch, in May 2019 and plans to open 1 more branch on an area not exceeding 300 square meters in Rayong Province by early 2020. To decrease high costs and expenses, the Group relocated its branches with high lease expense to a more suitable location, area and with reasonable lease expense. The re-located branches are Major Cineplex Pinklao branch which was moved to Central Plaza Pinklao in March 2019 and Silom branch which was moved to United Center in January 2019. As at the end of 2019, the Group has 15 branches for services which are all operated by the Group's management.

Since the Group was granted the exclusive right as master franchisee of English language school business under the name “Wall Street English” in Thailand, Kingdom of Cambodia and Lao People's Democratic Republic, many investors have expressed interest in the business. The Group has officially opened its first franchisee branch in Khon Kaen Province in November and has a plan to open not less than 5 franchisee branches outside Bangkok, Kingdom of Cambodia and Lao People's Democratic Republic within the next 1-2 years.

2. Restaurant business in the amount of THB 511.02 million

The Group operates restaurants under the name “Jeffer Steak and Seafood”. At present, there are 61 restaurants nationwide with 24 restaurants in Bangkok and 37 restaurants in other provinces. Since the overall economic conditions have not improved, revenues from the business did not achieve the targets and expiry of lease agreements, the Group closed down those branches which are not profitable during the past 1 – 2 years. As a result, revenues from the business in the year 2019 was THB 511.02 million, a decrease of THB 82.50 million or 14% compared to the previous year. In addition, the Group has started selling franchise restaurant under the name “Jeffer Steak and Seafood” to potential investors. At present, the Group is in the process of expanding franchise restaurant and has opened 1 franchise restaurant in November in Chumphon Province and expect to open a few more branches in the year 2020 in Thailand and neighboring countries.

3. Entertainment business in the amount of THB 31.13 million

In 2019, revenues from entertainment business was THB 31.13 million, an increase of THB 30.74 million year-on-year. This was due to the Group gradually recognizing revenues from production of 1 television series, which was expected to delivered and on-air in the middle of the year 2020.

Since the Group is in the process of disposal of shares in one of its subsidiaries which creative and marketing communication management service business within 1 year, the Group had to classify it as a non-current asset held for sale and operating performance of such company is treated as discontinued operations. This is in accordance with IFRS 5 relating to non-current assets held for sale and discontinued operations.

- **Cost of sales and rendering of services**

In 2019, the Group had total costs of THB 592.74 million with a decrease of THB 70.08 million or 11% decrease year-on-year. This was due to its effort to control costs and achieve operational efficiency in all business units. As a result, the Group had gross profit of THB 494.70 million (45% of the total revenues, an increase of 5% year-on-year), an increase of THB 34.50 million or 7% increase year-on-year.

- **Overall expenses**

The selling and administrative expenses was THB 604.88 million, a decrease of THB 68.18 million or 10% decrease year-on-year from continuous efforts of the Group to control and reduce costs in all business units. The Group targets to control and reduce costs every year in order to improve its performance. In addition, the Group had financial costs of THB 43 million, a decrease of THB 2.43 million or 5% decrease compared to last year due to partial repayment of loan in the year 2019.

- **Share of profit from associates**

In 2019, the Group recorded share of profit from associates of THB 74.60 million, an increase of THB 57.98 million compared to the previous year due to increase in recognition of share of profit from investment in TSE.

Financial Positions

- **Assets**

The financial positions of the Group as of 31 December 2019 included total assets of THB 3,380.41 million with an increase of THB 109.27 million or 3% increase year-on-year. 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 72.24 million or 2% of total assets, a decrease of THB 112.64 million year-on-year.

- **Trade and other receivables – net**

In 2019, the Company had net trade and other receivables of THB 53.77 million or 2% of total assets, a decrease of THB 324.80 million year-on-year due to trade receivables and accrued income from creative and marketing communication management service business in the previous year.

- **Inventories**

The Group had managed its remaining inventories well. At the end of 2019, the Group had remaining inventories of THB 17.21 million or 1% of the total assets, a decrease of THB 9.92 million compared to the last year due to decrease of packaging used for restaurant business.

○ Television programs, concerts, programs under production

The Group had television programs under production at the end of 2019 in the amount of THB 4.16 million, a decrease of 83% compared to THB 24.51 million in the previous year due to partial revenue recognition in the year 2019.

○ Other current assets

The Group had other current assets at the end of 2019 in the amount of THB 37.43 million, a decrease of THB 24.63 million or 40% decrease year-on-year due to decrease in undue input VAT and withholding tax.

○ Non-current asset held for sale

Non-current asset held for sale consists of the creative and marketing communication management service business in the amount of THB 1,508.82 million. The is in line with IFRS 5 which requires the Group to classify such item as non-current asset held for sale and operating performance of such company is treated as discontinued operations.

○ Investment in associates

Investment in associates was THB 509.43 million or 15% of the total assets, an increase of THB 30.51 million or 6% increase due to increase in recognition of revenue from such investment.

○ Property, plant and equipment

Property, plant and equipment was THB 117.98 million or 3% of the total assets, a decrease of THB 587.47 million compared to that of the previous year of THB 705.45 million. The decrease was due to classification of the creative and marketing communication management service business as non-current asset held for sale in the amount of THB 602.27 million.

○ Goodwill

Goodwill is the value expected to be returned to the Company from its acquired business. At the end of 2019, the Group had goodwill of THB 798.14 million or 24% of the total assets, consisting of English language school business of THB 389.55 million and restaurant business of THB 408.59 million. Goodwill decreased by THB 125.02 million due to classification of the creative and marketing communication management service business as non-current asset held for sale. 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 2019, the Group had intangible assets of THB 167.59 million or 5% of the total assets, a decrease of THB 74.85 million due to classification of the creative and marketing communication management service business as non-current asset held for sale.

○ Deferred tax assets

Deferred tax assets was THB 8.62 million, a decrease of THB 47.26 million year-on-year due to classification of the creative and marketing communication management service business as non-current asset held for sale.

○ Other non-current assets

Other non-current assets was THB 83.53 million, a decrease of THB 98.69 million. This was mainly due to decrease in withholding tax in the amount of THB 90.44 million as a result of classification of the creative and marketing communication management service business as non-current asset held for sale.

• **Liabilities**

As at 31 December 2019, the Group had total liabilities of THB 1,850.14 million, a slight decrease of THB 7.23 million compared to the previous year. The current liabilities was THB 1,523.45 million, an increase of THB 326.44 million compared to the previous year. The current liabilities consisted of liabilities directly relating to non-current asset held for sale in the amount of THB 544.92 million. The non-current liabilities was THB 326.69 million, a decrease of THB 333.67 million compared to the previous year. Decrease mainly from long-term loan from financial institutions of THB 225.26 million compared to the previous year.

• **Shareholders' Equity**

As at 31 December 2019, shareholders' equity of the Group was THB 1,530.28 million and equity attributable to owners of the parent was THB 835.62 million, a slight decrease of THB 3.90 million compared to that of the year 2018.

The capital structure of the Group is as follows:

- Shareholders' equity of THB 1,530.28 million or 45% of the total assets;
- Equity attributable to owners of the parent (exclusive of non-controlling interests) of THB 835.62 million or 25% of the total assets;
- Total liabilities of THB 1,850.14 million or 55% of the total assets

Key financial ratios are as follows:

- Debt to equity (inclusive of non-controlling interests) ratio of 1.21 times, a decrease compared to the previous year ratio of 1.31 times;
- Debt to equity attributable to owners of the parent (exclusive of non-controlling interests) of 2.21 times, similar to the previous year;
- Interest-bearing debt to shareholders' equity (exclusive of non-controlling interests) of 0.87 times, a decrease compared to the previous year ratio of 1.17 times;
- Book value of net assets is THB 3.27 per share, an increase from the previous year value which was equivalent to THB 3.02 per share and book value of net assets (exclusive of non-controlling interests) is THB 1.79 per share, similar to the previous year;
- Basic loss per share from continuing operations of THB 0.18, a decrease from the last year basic earnings per share from continuing operations of THB 0.45.

Cashflows

In 2019, the Company and its subsidiaries had cash and cash equivalents of THB 70.06 million, a decrease of THB 109.11 million compared to the previous year. Details of cash spent on each business activity are as follows:

- o In respect of operating activities, the Group had net cash flows generated from operating activities of THB 199.22 million or an increase of THB 52.61 million compared to the previous year. This was due to increase in revenue from operation.
- o In respect of investing activities, the Group had net cash flows used in investing activities of THB 118.95 million or a decrease of THB 103.14 million due to decrease in investment for opening new branches and purchase of land, property and equipment.
- o In respect of financing activities, the Group had net cash flows generated from financing activities of THB 11.09 million as the Group received proceeds from sale of partial investment and repayment of loan due in the year 2019.

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

None