



H A P P I N E S S I S A L L I N O N E



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H A P P I N E S S I S A L L I N O N E



H A P P I N E S S I S A L L I N O N E



29+ GREAT YEARS

M O R E T H A N

300

ARTISTS
SINGERS
SONGWRITERS
DJs AND
PRODUCERS





M O R E T H A N

40,000

S O N G S I N L I B R A R Y

MORE THAN 1,000 TRACKS RELEASED EACH YEAR

LEADER IN TOTAL

MUSIC

BUSINESS IN THAILAND





HAPPINESS IS ALL IN ONE

ON

A pair of over-ear headphones with black leather-like padding and silver-colored metal frames. The headphones are positioned diagonally across the frame. The background is a vibrant, out-of-focus bokeh of purple, pink, and blue light spots. The text "HAPPINESS IS ALL IN ONE" is centered horizontally across the middle of the image.

H A P P I N E S S I S A L L I N O N E



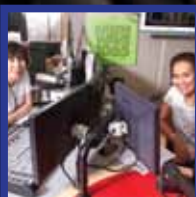
**TOP CONTENT
PROVIDER FOR FREE TV**

TOP RATING RADIO STATIONS
6 LIFESTYLE MAGAZINES

**MORE
THAN**

30

TV PROGRAMS A YEARS





7 FEATURE FILMS
HIT 100 MILLION BAHT
BOX OFFICE REVENUE

TOP 2012
BOX OFFICE
REVENUE
BEST 15
DIRECTORS





H A P P I N E S S I S A L L I N O N E



H A P P I N E S S I S A L L I N O N E

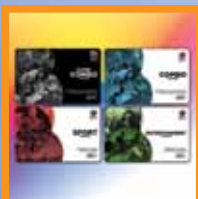


**BOI FAIR,
WORLD EXPO
YEOSU 2012
KOREA AND
OTHER GREAT
EVENTS**

**1,782
MILLION
BAHT
REVENUE
IN 2012**

RANK
7
ON THE WORLD'S
T O P
50
EVENT COMPANIES



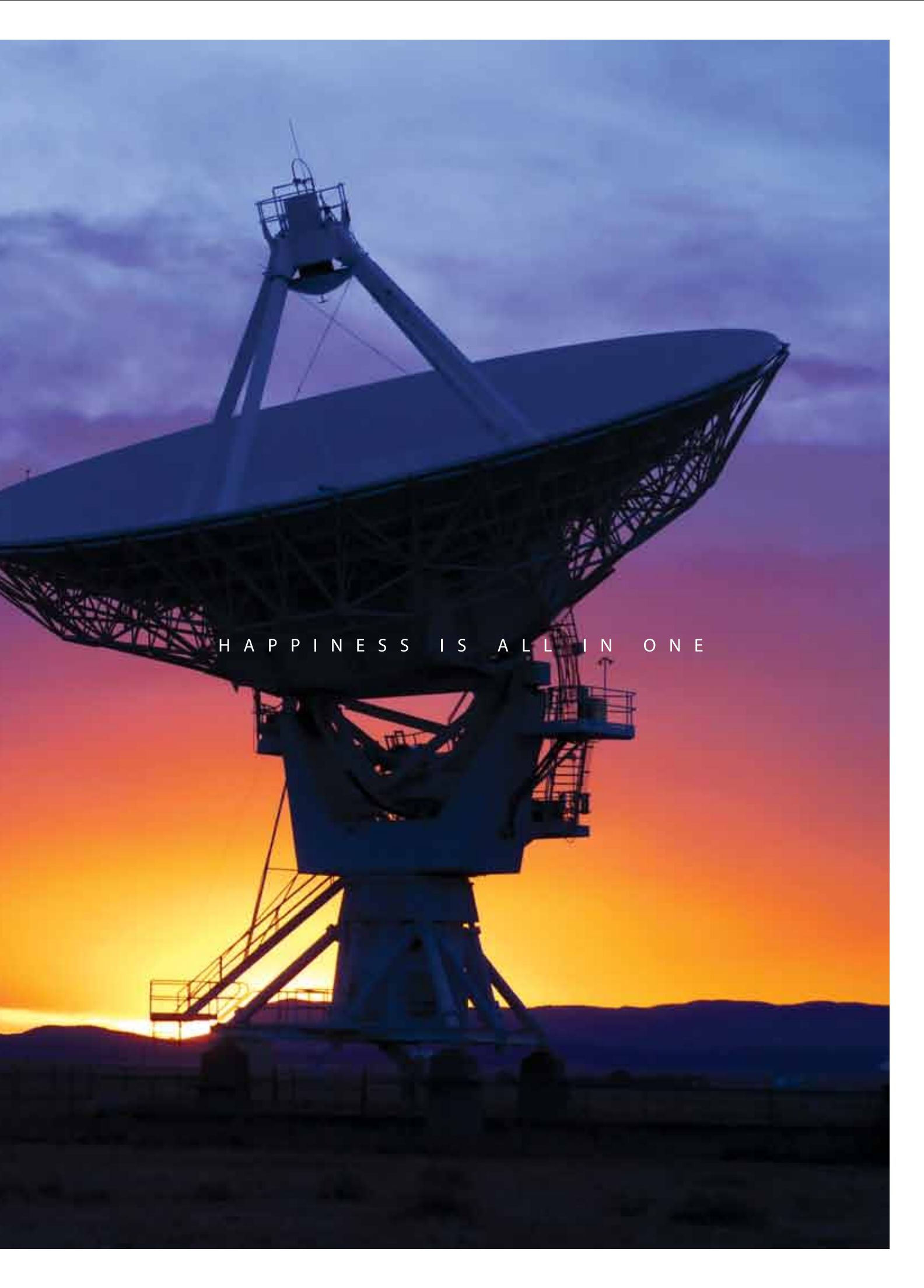


1,500,000
SET-TOP BOXES SOLD

GREAT QUALITY
OF ENTERTAINMENT & SPORT CONTENTS

266%
GROWTH IN BRODCASTING





H A P P I N E S S I S A L L I N O N E



H A P P I N E S S I S A L L I N O N E



M O R E T H A N

1,000

S C H O O L S

23 MORE THAN
100
AWARDS PHILANTHROPY





Message from Chairman and Group Chief Executive Officer

Dear Shareholders,

The past year 2012 marked important change in the satellite television industry. The National Broadcasting and Telecommunications Commission (NBTC) has issued licenses to entrepreneurs, including distributors of satellite television set top boxes, satellite television platform service providers, and satellite television channel service providers. Besides, the number of viewers of television through satellite dishes keeps rising. With more channels and better image brightness and contrast than the antenna, satellite television attracts more ad spending. GMM Grammy Group Public Company Limited, a major content producer of the country, has prepared for opportunities for business expansion in a systematic manner, by starting satellite television channel service, which is popular among viewers, and expanding to distribution of satellite dishes and satellite television set-top boxes and provision of satellite television platform service.

Throughout the past year, GMM Grammy Public Company Limited has been committed to developing its organization for advancement and solidity and operated business attentively for sustainable growth. With accumulated experiences and operations of 29 years, GMM Grammy has become one of the country's leading quality content producers, with solid and quality content for long-term use. In response to changes in broadcasting business, the Group has reformed its business structure and divided the Group's business into two groups, i.e., conventional business which comprises music business, digital business, media business, movie business, creativity and marketing event management business, and animation business; and new business which comprises home shopping business, satellite television business, and digital television business which will be launched in the near future. In total, there are nine business categories. The two groups of businesses are supportive to each other and can generate revenues for the Company to sustain growth in the long run.

Music business, which comprises distribution of song products and show organizing, in 2012 continued to grow from the previous year. Although the number of song albums issued was lower, the revenue grew, due to the organized concerts and shows, reflecting a strong growth potential of music business, in contrast to the declining sales of song products in the world market.

Digital content business: Although this year's revenue dropped due to consumer behavior change with technology, Thailand in 2013 will provide a full-fledged 3G technology service, for which the Company has plans to develop digital content business to be part of its core business, to grow revenue with over-the-top technology (OTT) through 3G service, which can provide services in both image and sound to consumers through all platforms, namely television, tablet, computer and mobile telephone. Currently, the service is being developed in cooperation with foreign business partners. Besides, the Company has a plan to provide exclusive services for fan club members through MVNO system. In all, it is expected that the service will generate strong revenue in mid-2013 onwards.

Media business, which comprises the production of television programs, radio, and print media, continued to grow with overall ad spending in the industry. While television business registered the highest growth rate, radio business continued growing, with interactive activities with listeners being organized regularly to build and maintain the listener base. However, the Company in 2012 reduced the number of radio stations by one station in line with change in the target group of youth. It is expected that radio business will be able to register a higher profit from the change of activities and cost reduction. For print media business, the Company has developed closer to new media through the production of magazines in the form of E-Magazine.

Movie business: A total of three movies were screened, with "ATM Errak Error" or ATM Official Trailer" fetching up to Baht 150 million in revenue, the highest for Thai movies in 2012. If the revenues from the three movies are combined, the Company will be the movie producer that generates the highest box office revenue of the country for 2012. That was quite a success for a movie business leader.

Creativity and marketing event management business in 2012 grew by 34% as a result of a few major events organized in the country and overseas. The Company has expanded the business into neighboring countries and other Asian countries to gain revenues on a continued basis, while preparing for entering into Asean Economic Community (AEC) in a couple of years ahead.

Animation business: “Byrdland ... Land of Miracles,” a 3-dimension animation aired on free TV, featuring educational content suitable for all genders and ages, was well received in the country and overseas. Besides, related products have been produced for distribution as a source of revenue for the Company, while the copyrights thereof have been managed for distribution in foreign countries in the future.

Home shopping business: After operating this business for only six months, the Company has earned revenue on a continued basis. With business partners’ long-standing experiences and the Company’s strong media business, the Company is confident that home shopping business will grow and generate profits for the Company in the future.

Broadcasting business or satellite television business is a new business of the Company. The Company has envisioned the importance of building “GMM Z” platform in support of the Company’s three core businesses: platform business, satellite television business and pay TV business, for which NBTC has issued entrepreneur licenses to the Company, for satellite dish and satellite TV set-top box distributor, satellite television platform service provider and satellite television service provider, enabling the Company to operate full-fledged broadcasting business.

From being committed to building the Company’s own platform, the result was a great success. The Company has expanded GMM Z satellite television platform’s viewer base in 2012 to 1.5 million boxes. As GMM Z satellite television set-top boxes are able to decode satellite television signals, the viewers can access to both free satellite TV and pay TV channels. The Company has set a target to expand the customer base at least at the same rate as that of the past year as it constitutes an important customer base for the Company to operate pay TV business in the future.

Besides, there were contributions from satellite television channels currently operated by the Company, totaling eight stations. The business had strong growth, with ad revenue from satellite television channels rising by 40% in the past year. It is expected that the channels that operate at loss will be able to register profits in 2013. Moreover, in 2012, the Company opened GMM ONE channel with variety of programs suitable for all genders and ages, including news, sitcom, cartoons, and entertainment programs.

Besides, in order to provide comprehensive satellite television services, the Company has already prepared for providing TV subscription service or pay TV service; consumers can choose to view quality programs under entertainment and sport categories in eight channels around the clock. The Company can push ahead with this business, especially pay TV business, which will help the Company generate strong revenue, while consumers can access to quality content of all categories.

For digital terrestrial television business which will be operated in the near future, despite NBTC’s uncertainty on criteria or rules or bidding terms, the Company believes that NBTC will open bidding for license to operate digital television service within 2013. This will be a business opportunity for the Company to generate more revenue. The Company has prepared for this business, with plans to participate in bidding for both high definition (HD) and standard definition (SD) channels, namely, children program channel, news program channel and variety program channels. With long-standing experience in comprehensive entertainment business, the Company believes that it will be able to become a leading digital television service provider of Thailand in the near future.

By adhering to the principle of transparency and ethics in management, the Company in 2012 was given corporate governance awards as follows: (1) Top Corporate Governance Report Award for 2012 under SET Awards 2012 Project organized by the Stock Exchange of Thailand and Money & Banking Magazine, (2) Evaluation of Corporate Governance of Thai Listed Companies in 2012 at “Excellent” level (5 stars) from the Thai Institute of Investors (IOD) for two consecutive years, (3) Evaluation of Shareholders’ Meeting Quality at “Very Good” level, with full score of 100 points, from Thai Investors Association, in 2012.

Besides, the Company is well aware that it is necessary to operate business with responsibility to society. The Company therefore has implemented activities for society, community and the environment, such as a project to honor Their Majesties the King and the Queen by presenting a 3D TV animation series “Byrdland ... Land of Miracles” under a special version “Follow the King’s Footsteps,” a project to honor Her Majesty the Queen on the occasion of her 80th birthday anniversary on August 12, 2012.

Sunlight Road Project is a project implemented by the Company in cooperation with the public sector and government agencies to promote good quality of life in society with various activities such as Green Charity Activity, Blood Donation Activity, Songs for Society Activity, Charity Concert Activity, Assistance to the Disabled Project, Assistance to Needy Children and Youth Project, World Aids Day Project, End Violence to Children and Women Project, Relief Assistance Project under the Thai Red Cross Society’s operations, etc.

With continued assistance to the Thai Red Cross Society, the Company was given Diamond Commerce Award from the Ministry of Commerce for being an entrepreneur with good images and outstanding performance in commerce at national and international levels. The Company was awarded Red Cross Medal of Appreciation, First Class, by H.R.H. Princess Sirindhorn.

Besides, the Company was given outstanding awards for promoting energy conservation and alternative energy (mass media) for the third year in “Thailand Energy Awards 2012” Contest organized by the Department of Alternative Energy Development and Efficiency, Ministry of Energy. All the awards are considered as prizes of success for the Company’s endeavors in operating business.

However, all the past achievements were attributed to strong support from the shareholders, management, business partners, financial institutions, government agencies, advertising agencies, and customers as well as all artists and employees of the Company for their hard work, in a concerted manner throughout the past year. On behalf of the Board of Directors, I would like to thank everyone and assure everyone that GMM Grammy Public Company Limited has prepared to be number one in comprehensive entertainment business, by developing business strategies in line with technological change at all times. With personnel’s potential and accumulated experience of 29 years, the Company will be able to sustainable growth and development and generate profitable returns for all the shareholders.



Mr. Paiboon Damrongchaitham
Chairman of the Board of Directors



Ms. Boosba Daorueng
Group Chief Executive Officer

A dramatic scene featuring a central figure with arms raised in a bright spotlight, surrounded by several winged figures in the foreground. The background is dark, and the overall atmosphere is one of triumph or achievement.

Shareholding Structure and Management

Shareholding Structure and Management

Shareholding Structure :

1. The Company's Security

As of 31 December 2012, the Company has registered capital of Baht 530,556,100, (the Company increased capital on October 10, 2008), consisting of 530,556,100 common shares with a par value of Baht 1 each. The Company paid-up capital is Baht 530,264,947.

2. Major Shareholders

2.1 Top shareholders according to the share registration on December 20, 2012 are:

Rank	Shareholders	Number of Shares	% Holding
1.	Mr. Paiboon Damrongchaitham*	289,201,630	54.54%
2.	CHASE NOMINEES LIMITED 42	47,186,400	8.90%
3.	Mr. Taweechat Chulangkoon	42,148,200	7.95%
4.	Mr. Natthaphon Chulangkoon	22,383,600	4.22%
5.	CREDIT SUISSE AG, SINGAPORE BRANCH	20,777,100	3.92%
6.	Geurt Fah Co., Ltd.	9,894,800	1.87%
7.	NORTRUST NOMINEES LTD.	7,250,954	1.37%
8.	Mr. Takonkiet Viravan	5,775,700	1.09%
9.	STATE STREET BANK EUROPE LIMITED	5,140,179	1.51%
10.	HSBC (SINGAPORE) NOMINEES PTE LTD	4,153,400	0.78%
11.	Thailand Securities Depository Co., Ltd. for Depositors	3,502,800	0.66%
12.	Mr. Kitichai Taechangamlert	2,930,000	0.55%
	Total	460,344,763	86.81%

* Mr. Paiboon Damrongchaitham Group consists of Mr. Paiboon Damrongchaitham, holding 289,201,630 shares (equivalent to 54.54%) and Geurt Fah Co., Ltd., holding 9,894,800 shares, (equivalent to 1.87%)

The free float of minority shareholders on March 14, 2012 (the last day of the registration book referred to by the Company for reporting the "Distribution of Ordinary Shares Report Form" to the SET) amounted to 2,070 shareholders, equivalent to 26.98% of the Company's paid-up capital

Distribution of Shareholders by Nationality

The distribution of shareholders according to their nationality, as of the latest book registration closing date on December 20, 2012, is as follows:

Shareholders	Grand Total			Corporations			Individuals		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Thai Shareholders	3,229	426,924,001	80.51	11	14,052,717	2.65	3,218	412,871,284	77.86
Foreign shareholders	49	103,340,946	19.49	35	103,304,146	19.48	14	36,800	0.01
Total	3,278	530,264,947	100	46	117,356,863	22.13	3,232	412,908,084	77.87

2.2 The major shareholder that has a significant influence on the management policies or the operation of the Company is Paiboon Damrongchaitham Group.

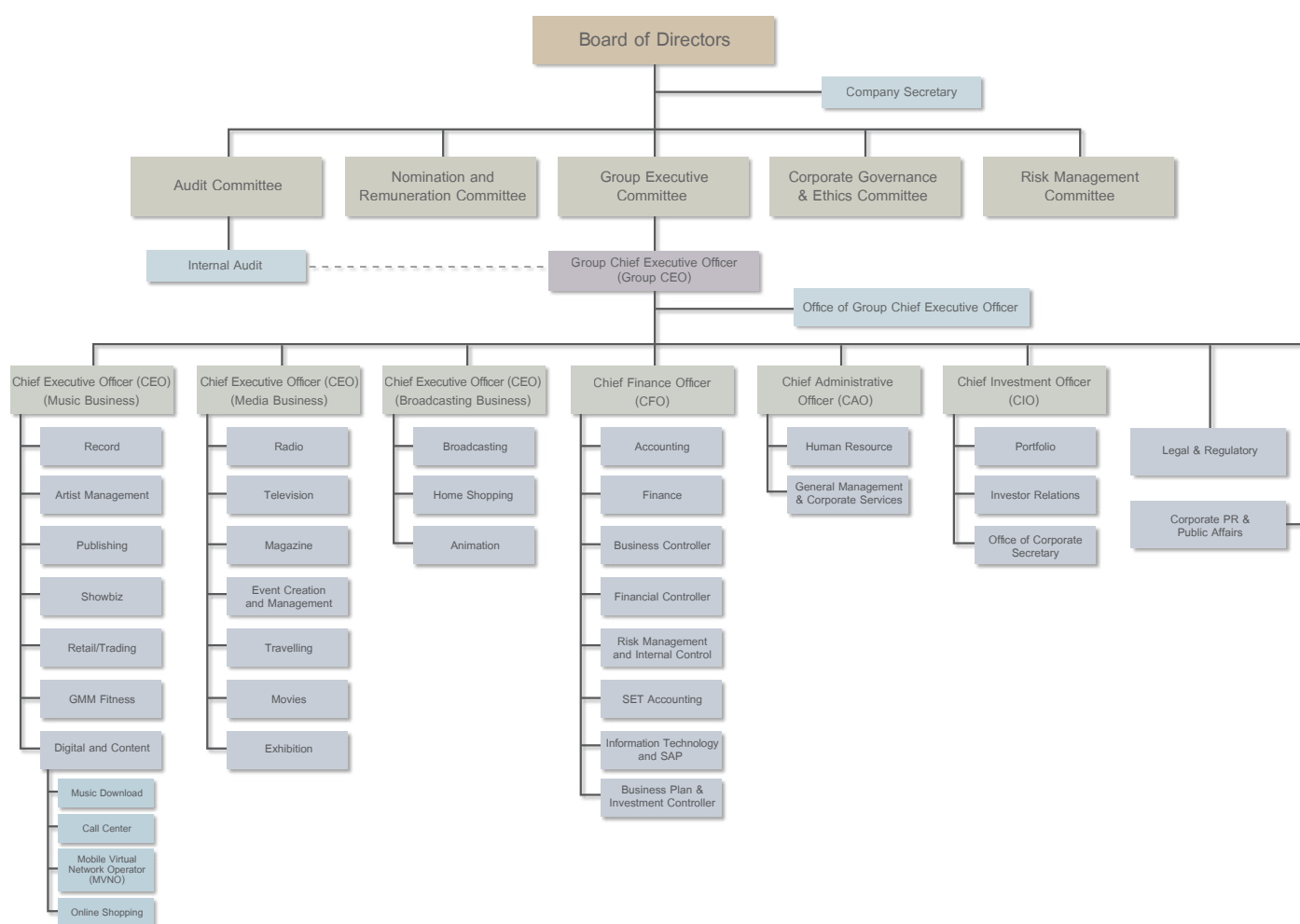
3. Dividend Policy

The Company and its affiliates have a policy of paying dividends to shareholders at a rate not less than 40% of the net profit after corporate income tax and regulatory reserve each year, based upon the Company financial statements, subject to the economic conditions and future operations.

Management

1. Management Structure

The Company's management structure as of December 31, 2012 comprises Board of Directors and other five committees appointed by the Board of Directors comprising (1) Group Executive Committee¹, (2) Audit Committee, (3) Nomination and Remuneration Committee, (4) Risk Management Committee, and (5) Corporate Governance and Ethics Committee, including Management Team (as defined by Office of the Securities and Exchange Commission ["SEC"] and the Stock Exchange of Thailand ["SET"]). Details of the Company organization are shown below:



¹ The Board of Directors' Meeting No.3/2012 resolved to restructure the Executive Committee by appointing Group Executive Committee, effective on May 11, 2012.

(A) Board of Directors

As of December 31, 2012, the Board of Directors consisted of 12 distinguished directors, 8 members were from management team, and 4 members were independent directors (equivalent to one-third of the total number of directors) who were non-management. Head of the Office of Corporate Secretary serves as the Company Secretary.

Each year, one-third of total numbers of directors due to retire by rotation (according to the Company's Articles of Association). In 2012, the Board of Directors held 4 ordinary meetings and 4 extraordinary meetings, or 8 meetings in total over the past year.

Names of the Company's directors, terms of the positions and their meeting attendance throughout the year are shown below:

Name	Title	Term	Meeting Attendance (times)	No. of years for Directorship
1. Mr. Paiboon Damrongchaitham	Director/ Chairman	Apr. 2011 - 2014 Annual General Meeting (AGM)	8/8	18
2. Mr. Chai Nasyolvanta	Independent Director	Apr. 2010 - 2013 AGM	8/8	13
3. Mr. Dej Bulsuk	Independent Director	Apr. 2010 - 2013 AGM	8/8	10
4. Mr. Weerawong Chittmittrapap	Independent Director	Apr. 2010 - 2013 AGM	8/8	6
5. Ms. Suvabha Charoenying	Independent Director	Apr. 2012 - 2015 AGM	8/8	2
6. Ms. Boosaba Daorueng	Director/Vice-Chairman	Apr. 2010 - 2013 AGM	7/8	18
7. Mrs. Saithip Montrikul Na Audhaya	Director	Apr. 2012 - 2015 AGM	8/8	10
8. Mr. Krij Thomas	Director	Apr. 2011 - 2014 AGM	8/8	4
9. Mr. Takonkiet Viravan	Director	Apr. 2012 - 2015 AGM	4/8	3
10. Mr. Kriengkarn Kanchanapokin	Director	Apr. 2011 - 2014 AGM	7/8	3
11. Mr. Sataporn Panichraksapong	Director	Apr. 2011 - 2014 AGM	8/8	3
12. Ms. Suwimon Chungjotikapisit ¹	Director	Apr. 2012 - 2015 AGM	7/8	2
Ms. Patchararat Patcharaput ²	Company Secretary	Effective as of June 22, 2012	8/8	-

Note: Additional information and changes during the year 2012

¹ Ms. Suwimon Chungjotikapisit was appointed the Company's advisor, according to the resolution passed at the Board of Directors' Meeting No.3/2008 held on July 31, 2008 which the term was ended on December 31, 2012. However, her employment contract to serve as the Company's advisor was approved to be extended by the Group Executive Committee at the Meeting No. 5/2012 held on November 5, 2012.

² Miss Patchararat Patcharaput was appointed a Company Secretary by resolution passed at the Board of Directors Meeting No. 4/2012, effective as of June 22, 2012. This appointment was made to replace the departure of M.L.Kornkasiwat Kasemsri who resigned from his positions effective on April 10, 2012.

For each of the Board of Directors' Meeting, the Office of Corporate Secretary was responsible to send out the meeting notice including all agendas to the directors 7 days prior to the meeting date. All matters discussed in the meetings had been duly recorded in detail and minutes of the meetings were adopted by the Board of Directors in readiness for inspection by any directors and related parties.

Directors with signing authority on behalf of the Company

Ms. Boosaba Daorueng or Ms. Suwimon Chungjotikapisit has to co-sign with one of the following Directors: Mrs. Saithip Montrikul Na Audhaya or Mr. Krij Thomas or Mr. Takonkiet Viravan or Mr. Kreingkarn Kanchanapokin, or Mr. Sataporn Panichraksapong, on the document with a Company's seal.

Duties and Responsibilities of the Board of Directors

The Board of Directors is accountable to shareholders and also plays an important role in supervision of Management Team to operate the business according to the Company's objective and Articles of Association, related laws, and resolution of the Shareholders' Meeting, as well as to performs their duties in good faith, with due diligence and care and fairly treatment, for the best interest of the Company and all shareholders. Those of which could be summarized as follows:

1. To perform all duties using their knowledge, abilities and experience for the best benefit of the Company in accordance with the law, the Company's objectives and Articles of Association, Corporate Governance and Business Ethics Handbook, and resolution of the Shareholders' Meeting with honesty, integrity and prudence, to protect the Company's interests.
2. To set the corporate vision, mission and Corporate Governance and Business Ethics Handbook, and to approve strategies, policies, business plans and budgets, and to supervise the management to make sure that they follow the established policies effectively and efficiently to increase economic value of the Company and maximize shareholders' wealth.
3. To clearly delineate and set forth the duties, responsibilities and authority of the Board of Directors, Sub-committees, and management team as specified in the Company's Corporate Authorization Index (CAI).

4. To approve or give consent to submit significant transactions to the Shareholders Meeting for approval such as new investments, acquiring or disposing assets, in accordance with SEC and SET rules and regulations, and the Company's Corporate Authorization Index.
5. To approve or give consent to submit to the Shareholders Meeting for approval any connected transactions and transactions which may lead to potential conflicts of interest of the Company and subsidiaries, so as to be in compliance with SEC and SET rules and regulations, and the Company's Corporate Authorization Index.
6. To ensure that the Company has reliable accounting systems, financial reports, and accounting audits.
7. To ensure that the Company has sufficient and effective internal controls and risk management systems, monitored by an internal audit department that collaborates with the Audit Committee on significant risks.
8. To be honest and loyal, and to possess integrity and ethics in running the business; having a genuine interest in the Company and focusing on sustainable business operation.
9. To constantly aware of responsibility to shareholders, and operate the business in the interest of shareholders, and transparently disclose accurate and complete information to investors under high standard.
10. To be responsible for the management team's performance and operations by ensuring that the team is well dedicated and cautious in operating the business.
11. To be responsible for financial reports by preparing a report of the Board of Directors' financial accountability in the annual report, together with the auditor's report.

Definition of Independent Director

At the Board of Directors Meeting No.7/2011, the Board acknowledged and gave consent for the disclosure of revised qualifications of Independent Directors to match the requirements stipulated by SEC and SET. The Company's Independent Directors are qualified and independent as required, in the following ways:

1. Holding shares of not exceeding 1% of total voting shares of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, including shares held by related parties.
2. Not being or have not ever been an executive director, employee, staff, corporate advisor receiving a regular salary, or a controlling person of the Company, its parent company, its subsidiaries, its associated companies, its same-level subsidiaries, its major shareholders, or its controlling persons unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director. Such prohibitions exclude government officer or advisor to any government agency who is major shareholder or controlling person of the Company.
3. Not being a person related by blood or by law in terms of father, mother, spouse, sibling and child, including spouse of the children, of other directors, management, major shareholders, controlling persons, or persons to be nominated as directors, management or controlling persons of the Company or its subsidiaries.
4. Not being or have not ever been an auditor of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, and is not a significant shareholder, a controlling person, or a partner of an audit firm which employs auditors of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons unless the foregoing relationship has ended for more than 2 years prior to being appointed as Independent Director.
5. Not being or have not had a business relationship with the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, in the manner that may interfere with his/her independent judgement, or is not or has not ever been a significant shareholder or a controlling person of any person having business relationship with the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons unless the foregoing relationship has ended for more than 2 years prior to being appointed as Independent Director. The term "business relationship" aforementioned includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower.

6. Not being or have not ever been any professional advisor including legal or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, and is not a significant shareholder, a controlling person, or a partner of the professional advisor unless the foregoing relationship has ended for more than 2 years prior to being appointed as Independent Director.

Any person being appointed as Independent Director of the Company may be a person who has or has had a business relationship, or may be a professional advisor receiving amount exceeding those specified in item 5 or 6 in case the Board of Directors has duly considered that relationship will not affect the ability to perform duties and express independent opinions.

7. Not being a director representing Board member of the Company's, its major shareholders, or a shareholder who is related to the Company's major shareholders.
8. Does not own/run any business similar to or material competing with the Company or its subsidiaries, or not being a significant partner in any partnership, executive director, employee, staff, advisor receiving regular salary, or holds more than 1% of total voting shares of the company similar to or material competing with the Company or its subsidiaries.
9. Have no any other characteristic which make him/her incapable of expressing independent opinions with regard to the Company's business.
10. After being appointed, Independent Director may be authorized by the Board of Directors to make a collective decision to execute business of the Company, its parent company, its subsidiaries, its associated companies, its same-level subsidiaries, its major shareholders, or its controlling persons.

Company Secretary

The Board of Directors Meeting No. 4/2012 held on June 22, 2012, resolved to appoint Miss Patchararat Patcharaput, Head of Office of Corporate Secretary, as the Company Secretary, effective as of June 22, 2012. This person is considered well qualified with great capabilities, possesses many years of useful experience, and being able to carry out the duties of the Company Secretary so that the Company adheres to related laws and Good Corporate Governance regulations.

Duties and Responsibilities of the Company Secretary

1. Being a Secretary to the Board of Directors by coordinating with all parties in organizing Board of Directors Meetings and Shareholders Meetings so that they adhere to principles of Good Corporate Governance and related regulations, the Company's Articles of Associations and best practices, and related laws such as the Securities and Exchange Act and the Public Limited Company Act B.E. 2535.
2. Being responsible for disclosing the Company's information in line with SET's and SEC's regulations, and other regulatory bodies.
3. Providing basic advice to the Board of Directors and Management who have to follow the Company's Articles of Association, rules of SEC and SET, and any new regulations that may be relevant to the Company.
4. Preparing and storing important documents such as the registration of the Company's directors, the invitation letter and minutes of the Board of Directors Meeting, the invitation letter and minutes of the Shareholders Meeting, the Annual Report, shares holding report of directors and management team, and reports of conflicts of interest filed by directors and the management.
5. Supervising various activities and events performed by the Board of Directors to ensure the efficiency and effectiveness of their works, and the greatest benefits to the Company.
6. Coordinating with related parties to ensure that the resolutions from the Board of Directors Meetings and the Shareholders Meetings are carried out.
7. Executing additional duties as assigned by the Board of Directors.

Profile of the Company Secretary

Name : Ms. Patchararat Patcharaput

Education

1993 - 1997 : Master's degree, Faculty of Political Science, Thammasat University (Major : Public Administration)

1987 - 1991 : Bachelor's degree, Faculty of Arts, Chulalongkorn University (Major : Japanese Minor : English)

1977 - 1987 : Mater Dei School

1975 - 1977 : St.John's Wood School, London, England

Work Experience

June 22, 2012 - Present Company Secretary, Head of Office of Corporate Secretary
GMM Grammy Public Company Limited

November 2011 - June 2012 Head of Office of Corporate Secretary
GMM Grammy Public Company Limited

January - October 2011 Head of Marketing Communication
TT&T Public Company Limited

2005 - 2010 - Head of Corporate Secretary Division
- Assistant Secretary to the Audit Committee
TT&T Public Company Limited

2000 - 2004 - Senior Officer, Corporate Affairs Division
- Assistant Secretary to the Audit Committee
TT&T Public Company Limited

1996 - 2000 Assistant Manager, Executive Secretary to the President
TT&T Public Company Limited

1991 - 1996 Executive Secretary to the Managing Director
Thai Engineering Products Co., Ltd., Siam Cement Group

Trainings

Thai Institute of Directors (IOD)

2013 Directors Certification Program (DCP168)

2012 Company Reporting Program (CRP3)

2008 Directors Certification Program Refresher Course

2005 - Director Accreditation Program (DAP46)

- Company Secretary Program (CSP9)

2001 Board Reporting Program

Thai Investors Association

2013 Investors' Right Protection Volunteer Program

(B) Audit Committee

As of December 31, 2012, the Audit Committee comprised 4 independent directors who possessed qualifications as required by SET and SEC. Membership of the Audit Committee has a three years term. In addition, a Director of the Internal Audit Department serves as Secretary to the Audit Committee.

In 2012, the Audit Committee held a total of 4 normal meetings. The names of each Committee Member, appointment term, and meeting attendance are as follows:

Name	Title	Term	Meeting Attendance (Times)
1. Mr. Chai Nasyolvanta ¹	Chairman of the Audit Committee	Jun.10, 2010 - Jun.9, 2013	4/4
2. Mr. Dej Bulsuk	Member of the Audit Committee	Jun.10, 2010 - Jun.9, 2013	4/4
3. Mr. Weerawong Chittmittrapap	Member of the Audit Committee	Jun.10, 2010 - Jun.9, 2013	3/4
4. Ms. Suvabha Charoenying ^{1, 2}	Member of the Audit Committee	Apr.27, 2012 - Apr.26, 2015	4/4
Mr. Wichai Santadanuwat	Secretary to the Audit Committee		

Note: Additional information and changes during the year 2012

¹ Two members of the Audit Committee, namely Mr. Chai Nasyolvanta and Ms. Suvabha Charoenying, are the members with sufficient knowledge and experience to conduct financial audits.

² The Board of Directors Meeting No.1/2555 on February 27, 2012 resolved to appoint Ms. Suvabha Charoenying as Audit Committee for another term, after Ms. Suvabha Charoenying was appointed to be Independent Director from the 2012 Annual General Meeting of Shareholders.

The Audit Committee had performed its duty knowledgeably and to the best of its ability, within its scope of authority in accordance with the Audit Committee Charter and good corporate governance for Audit Committees. The meeting minutes have been duly recorded and endorsed by the members of the Committee, in readiness for inspection by any member of the Committee and related personnel. In 2012, the Audit Committee met the external Auditors once, without the presence of the Management.

Duties and Responsibilities of the Audit Committee

1. Ensuring the accuracy, completeness, and reliability of the financial statements and that sufficient information is disclosed.
2. Ensuring that the Company has sufficient, appropriate and effective internal controls, risk management, and internal audit systems.
3. Ensuring that the Company appropriately and effectively abides by the Good Corporate Governance Policy and Code of Ethics.
4. Ensuring that the Company abides by all relevant SEC and SET rules and regulations, and other regulations and laws related to the Company's businesses.
5. Selecting and propose the Company's auditors and determine their compensation.
6. Evaluating connected transactions so they comply with the law and regulations stipulated by SET, and that the transactions are reasonable and benefit the Company.
7. Supervising the Internal Audit Unit policies and operations so that they are aligned with the Internal Audit Charter, by evaluating the independence of its audits, the scope of work and audit schedules.
8. Evaluating and appoint, transfer, and terminate the head of Internal Audit Department, as well as assess the performance of the head of Internal Audit Department and approve compensation for the Internal Audit Department, as initially appraised by the Group Chief Executive Officer.
9. Reviewing both the external and internal audit and recommendations conducted by the external Auditor and the Internal Audit Department, as well as monitor the management team to ensure that recommendations have been sufficiently followed and effective action has been taken within an appropriate timeframe.
10. The Audit Committee can request that any member of the management or any employee to report or present information, attend meetings or deliver documents as deemed relevant and necessary.
11. The Audit Committee can request assistance from external advisors or experts related to the Audit, at the Company's expense, in accordance with the Company's Articles of Association, as necessary.
12. Considering and amending the Audit Committee Charter at least once a year or as necessary, so it is up-to-date and appropriate to the Company's environment, and to present the results to the Board of Directors for approval.
13. Preparing an Audit Committee's Report, attached in the Company's annual report, signed by the Chairman of the Audit Committee.
14. Executing other tasks as assigned by the Board of Directors, as agreed to by the Audit Committee.

Profile of Secretary to the Audit Committee

Name : Mr. Wichai Santadanuwat

Education

2000 - 2001 : Master of Business Administration (MBA), Bangkok University

1992 - 1996 : Bachelor of Accounting, Bangkok University

Work Experience

January 2007 - Present Internal Audit Director/ Secretary of Audit Committee

GMM Grammy Public Company Limited

January 2005 - December 2006 Internal Audit Department Manager

GMM Grammy Public Company Limited

January 2004 - December 2004	Internal Audit Division Manager GMM Grammy Public Company Limited
May 2001 - December 2003	Internal Audit Supervisor GMM Grammy Public Company Limited
March 1997 - April 2001	Internal Audit Staff Internal Audit & System Development, Charoen Pokkaphan Food PCL.
June 1996 - March 1997	Internal Audit Staff Internal Audit Department, Bara winsor Company Limited

Trainings

2012	IT Audit for Non IT Audit: NSTDA Academy
2009	Risk Management Conference: Thai Listed Companies Association (TLCA) Cyber Defense Initiative Conference (CDIC): ACIS Professional Center
2008	Handling Conflict of Interest: What the Board Should Do?: Thai Institute of Director (IOD)
2007	Fundamental SAP R3 Auditing: The Institute of Certified Accountants and Auditors of Thailand (ICAAT)
2006	Fin900 R3 for Auditors: SAP
2005	Risk Assessment for better Audit Planning: The Institute of Certified Accountants and Auditors of Thailand (ICAAT) Introductory To Computer Assisted in Auditing: The Institute of Certified Accountants and Auditors of Thailand (ICAAT)
2004	Risk Assessment for Better Audit Planning: The Institute of Certified Accountants and Auditors of Thailand (ICAAT) New COSO Enterprise Risk Management: Price Waterhouse Coopers Risk Management: Price Waterhouse Coopers (In house Training)
2003	Introductory to Computer Assisted in Auditing: The Institute of Certified Accountants and Auditors of Thailand (ICAAT)

(C) Group Executive Committee

The Board of Directors at the meeting no. 3/2012 held on May 11, 2012 resolved to restructure the Executive Committee so as to efficiently and effectively support the operations in accordance with the policies and direction of the Board of Directors, by terminating the existing Executive Committee and appointing Group Executive Committee of which the structure comprising (1) Group Chief Executive Officer (2) Chief Executive Officer-Media Business (3) Chief Executive Officer-Music Business (4) Chief Executive Officer-Broadcasting Business (5) Chief Finance Officer (6) Chief Investment Officer and (7) Chief Administrative Officer. Ms. Patchararat Patcharaput was appointed Secretary to the Group Executive Committee, effective as of May 11, 2012.

As of May 11, 2012 till December 31, 2012, the Group Executive Committee comprised 6 members who were knowledgeable and experienced in various business lines. In 2012, the Group Executive Committee Meeting met a total of 7 times (monthly meeting is a normal practice). The names and meeting attendance of each member in 2012 are noted as follows:

Name	Title	Meeting Attendance (Times)
1. Ms. Boosaba Daorueng	Chairman	6/7
2. Mrs. Saithip Montrikul Na Audhaya	Member	5/7
3. Mr. Krij Thomas	Member	7/7
4. Mr. Thana Tienachariya	Member	6/7
5. Mr. Premon Pinskul	Member	7/7
6. Mrs. Jiraporn Rungsrithong ¹	Member	6/6
Ms. Patchararat Patcharaput	Secretary to the Group Executive Committee	7/7
Mr. Vichate Tantiwanich ²	Executive Director	4/4
M.L. Kornkasiwat Kasemsri ³	Executive Director	4/4
Mr. Suwat Damrongchaitham ³	Executive Director	4/4
Mr. Takonkiet Viravan ³	Executive Director	3/4
Mr. Kamron Pramoj Na Ayutthaya ³	Executive Director	3/4
Mr. Sataporn Panichraksapong ³	Executive Director	4/4
Mr. Kreingkarn Kanjanapokin ³	Executive Director	3/4

Note: Additional information and changes during the year 2012

¹ Mrs. Jiraporn Rungsrithong was appointed as Chief Investment Officer, effective on July 1, 2012, and also be appointed as Acting Chief Administrative Officer, effective on July 23, 2012.

² Mr. Vichate Tantiwanich resigned from the position, effective as of April 30, 2012.

³ Executive Committee membership ended as of May 10, 2012 (during the year), by the resolution of the Board of Directors Meeting No.3/2012 held on May 11, 2012, to revise the Executive Committee Structure, effective as of May 11, 2012.

For each of the Group Executive Committee Meeting, the Office of Corporate Secretary was responsible to send out the meeting notice including all agendas to the committee members 7 days prior to the meeting date. All matters discussed in the meetings had been duly recorded in detail and minutes of the meetings were endorsed by the Executive Committee in readiness for inspection by any committee members and related parties.

The Board of Directors Meeting No.4/25012 held on June 22, 2012 passed the resolution to approve the roles and responsibilities of the Group Executive Committee as follows:

Roles and Responsibilities of the Group Executive Committee

1. Setting and preparation of the Company's business strategies, policies, business plans and budgets to the Board of Directors for approval.
2. Performing through decision making, instruction relay and assignment execution determined by the Board of Directors, in accordance with the Company's Authorization and Procedure Manual as being approved by the Board of Directors.
3. Operating and managing business according to the policies and directions issued by the Board of Directors.
4. Monitoring of the management under supervision of the Group Chief Executive Officer, and carry out duties as determined by the Board of Directors.
5. Being responsible for other assignments periodically delegated by the Board of Directors.
6. Carrying out the Shareholders' and the Board of Directors' resolutions, abiding by laws with honesty and integrity for the benefits of the Company, and in accordance with related laws, and the Company's objectives and Articles of Association.

The above duties and responsibilities do not give the Group Executive Committee the authority to approve transactions in which they or any related persons that may have any potential conflicts of interest (as defined by SEC or SET) with the Company or subsidiaries. All transactions must comply with SET announcement regarding related matters.

(D) Nomination and Remuneration Committee

As of December 31, 2012, the Nomination and Remuneration Committee's 3 reputable members comprised 1 Director and 2 Independent Directors. In 2012, the Nomination and Remuneration Committee Meeting met a total of 2 times. Members of the committee and their attendance at the meeting in 2012 are as follows:

Name	Title	Meeting Attendance (times)
1. Mr. Dej Bulsuk	Chairman	2/2
2. Mr. Chai Nasylvanta	Member	2/2
3. Mr. Paiboon Damrongchaitham	Member	2/2
Mrs. Jiraporn Rungsrithong ¹	Secretary to the Nomination and Remuneration Committee (Effective as of December 21, 2012)	1/1

Note: Additional information and changes during the year 2012

¹ Mrs. Jiraporn Rungsrithong was appointed Secretary to the Nomination and Remuneration Committee according to the resolution passed at the Nomination and Remuneration Committee Meeting No.2/2012 held on December 20, 2012, effective as of December 21, 2012 in replacing M.L.Kornkasiwat Kasemsri who resigned from the office, effective since April 10, 2012.

All matters discussed in the Nomination and Remuneration Committee Meetings had been duly recorded in detail and minutes of the meetings were endorsed by the Nomination and Remuneration Committee in readiness for inspection by any committee members and related parties.

Duties and Responsibilities of the Nomination and Remuneration Committee

Nomination

1. Setting guidelines and policies in nominating Board of Directors and other Committee members by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders Meeting as appropriate.
2. Searching, selecting and proposing appropriate persons to assume the position of the Company's directors whose terms have expired or became vacant, including newly appointed director.
3. Executing other tasks related to nominations as assigned by the Board of Directors.
4. Evaluating the performance of Group Chief Executive Officer and reporting to the Board of Directors for their consent.

Remuneration

1. Preparing guidelines and policies in determining the Board of Directors and other committees' remuneration, and proposing it to the Board of Directors and/or Shareholders Meeting for approval as appropriate.
2. Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors each year, by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.
3. Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders Meeting.
4. Reporting policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.
5. Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors.

(E) Risk Management Committee

As of December 31, 2012, the Risk Management Committee comprised 11 members whose terms last 3 years according to the Corporate Governance and Business Ethics Handbook of the Company. In 2012, there were 2 meetings held on February 16, 2012 and July 6, 2012. Members of the committee and their attendance at the meeting in 2012 are as follows:

Name	Position	Term	Meeting Attendance (Times)
1. Ms. Boosaba Daorueng	Chairman	Jul.13, 2011 - Jul.12, 2014	2/2
2. Mrs. Saithip Montrikul Na Ayudhaya	Member	Jul.13, 2011 - Jul.12, 2014	0/2
3. Mr. Krij Thomas	Member	Jul.13, 2011 - Jul.12, 2014	2/2
4. Mr. Thana Thienachariya ¹	Member	Mar.23, 2012 - Jul.12, 2014	0/1
5. Mr. Premon Pinskiul	Member	Jul.13, 2011 - Jul.12, 2014	1/1
6. Mrs. Jiraporn Rungsrithong ²	Member	Aug.10, 2012 - Jul.12, 2014	0/0
7. Mr. Suwat Damrongchaitham	Member	Jul.13, 2011 - Jul.12, 2014	1/2
8. Mr. Sataporn Panichraksapong	Member	Jul.13, 2011 - Jul.12, 2014	1/2
9. Mr. Dew Woratangtagoon	Member	Jul.13, 2011 - Jul.12, 2014	1/2
10. Ms. Chitralada Hengyotmark ³	Member	Dec.9, 2011 - Jul.12, 2014	2/2
11. Mr. Fahmai Damrongchaitham	Member	Dec.9, 2011 - Jul.12, 2014	2/2
Mr. Vichat Tantiwanich ⁴	Member	Ended on Apr.29, 2012	1/1
M.L. Kornkasiwat Kasemsri ⁵	Member	Ended on Apr.9, 2012	1/1
Mr. Wallapat Kaewumpai ⁶	Secretary	Ended on Oct.6, 2012	2/2

Note: Additional information and changes during the year 2012

- ^{/1} Mr. Thana Thienachariya was appointed as member of Risk Management Committee by the resolution of the Board of Directors' Meeting No. 2/2012, held on March 23, 2012. His term was defined to end in accordance with other members to facilitate the term management.
- ^{/2} Mrs. Jiraporn Rungsrithong was appointed as member of Risk Management Committee by the resolution of the Board of Directors' Meeting No. 6/2012, held on August 10, 2012. Her term was defined to end in accordance with other members to facilitate the term management.
- ^{/3} The Board of Directors Meeting No.2/2012 held on 23 March 2012 resolved to revise the membership term of Mrs. Chitralada Hengyotmark from ending on December 8, 2014 to ending on July 12, 2014.
- ^{/4} Mr. Vichat Tantiwanich resigned from the Committee member, effective on April 30, 2012.
- ^{/5} M.L. Kornkasiwat Kasemsri resigned his post as an employee of the Company and the Committee member, effective on April 10, 2012.
- ^{/6} Mr. Wallapat Kaewumpai resigned his post as an employee of the Company and the Committee Secretary, effective on October 7, 2012. The Committee has not yet appointed any person as the Committee Secretary to replace Mr. Wallapat.

Duties and Responsibilities of the Risk Management Committee

1. Assessing and presenting policies, set risk management policy and framework and propose to the Board of Directors for approval.
2. Examining and agreeing on acceptable risk levels, approve risk management plans, and present to the Board of Directors.
3. Continuously monitoring, develop and comply with policies and the risk management framework so the GRAMMY Group will have a risk management system that is uniformly effective throughout the organization to ensure that policies continue to be observed.
4. Assessing risk identification and assessment procedures, report on significant risk management activities and enforce procedures to ensure that the organization has sufficient and appropriate risk management systems in place.
5. Coordinating with the Audit Committee about significant risk factors and appoint an internal risk assessment team to ensure that the GRAMMY Group's risk management system is appropriate to the exposure, adapted as needed and adopted throughout the organization.
6. Continually reporting to the Board of Directors on significant risks and risk management solutions.
7. Recommending and advising the Risk Management Committee and/or departments and/or the relevant working committees about significant risks about risk management, as well as evaluate the appropriate means to improve various databases that are related to the development of risk management solutions.
8. Appointing Sub-Committees and/or additional related personnel, or replacements in the Risk Management Committee and/or the Department and/or the working team that is related to managing risks as necessary, as well as determine their roles and responsibilities in order to achieve the objectives.
9. Executing other activities that pertain to managing risks as assigned by the Board of Directors.

(F) Corporate Governance and Ethics Committee

The Board of Directors Meeting No. 2/2012 held on March 23, 2012 resolved to reorganize the structure of the Corporate Governance and Ethics Committee ("CG&Ethics Committee") so as to be in conjunction with additional Principles of Good Corporate Governance and Ethics issued by the Thai Institute of Directors : IOD), as well as, the Corporate Governance and Business Ethics Handbook, Revised Version 4, 2012 by terminating the CG&Ethics Committee and appointed new CG&Ethics Committee comprising 4 directors and appointed Mrs. Sunetra Saengratanakul, Director of Internal Audit Department (GMM Media) as Secretary to the committee, effective as of April 2, 2012.

As of December 31, 2012, the CG&Ethics Committee had 4 qualified members, comprising 2 independent directors and 2 directors from management team) with a 3-year term according to the Company's Corporate Governance and Business Ethics Handbook. There were a total of 3 meetings in 2012, held on February 22, March 20, and November 9, 2012 respectively. Members of the committee and their attendance are as follows.

	Name	Title	Term	Meeting Attendance (Times)
1.	Mr. Weerawong Chittmittrapap	Chairman	Apr.2, 2012 - Apr.1, 2015	1/1
2.	Ms. Suvabha Charoenying	Member	Apr.2, 2012 - Apr.1, 2015	1/1
3.	Mr. Krij Thomas	Member	Apr.2, 2012 - Apr.1, 2015	1/1
4.	Mr. Sataporn Panichraksapong	Member	Apr.2, 2012 - Apr.1, 2015	1/1
	Ms. Sunetra Saengratanakul ¹¹	Secretary	Ended Dec.17,2012	1/1
	Mr. Vichate Tantiwanich ¹²	Member	Ended on Apr.1, 2012	1/2
	Mr. Premon Pinskul ¹²	Member	Ended on Apr.1, 2012	1/2
	M.L. Kornkasiwat Kasemsri ¹²	Member	Ended on Apr.1, 2012	2/2
	Mr. Fahmai Damrongchaitham ¹²	Member	Ended on Apr.1, 2012	1/2
	Ms. Chitralada Hengyotmark ¹²	Member	Ended on Apr.1, 2012	1/2
	Mrs. Montana Thawaranon ¹²	Member	Ended on Apr.1, 2012	2/2
	Ms. Prapawadee Thanirananon ¹²	Member	Ended on Apr.1, 2012	1/2
	Mr. Chavit Sangudomlert ¹²	Member	Ended on Apr.1, 2012	2/2
	Ms. Sunetra Saengratanakul ¹²	Member	Ended on Apr.1, 2012	2/2
	Mr. Wichai Santadanuwat ¹²	Member	Ended on Apr.1, 2012	2/2
	Mr. Somrak Wonghathaipaisa ¹³	Member	Ended on Feb.29, 2012	1/1

Note: Additional information and changes during the year 2012.

¹¹ Ms. Sunetra Saengratanakul resigned from Secretary of the CG&Ethics Committee, effective on December 17, 2012. The Committee has not yet appointed any person as the Committee Secretary to replace Ms. Sunetra.

¹² CG&Ethics Committee membership ended on April 1, 2012 (during the year), by the resolution of the Board of Directors Meeting No.2/2012 held on March 23, 2012, to revise the CG&Ethics Committee Structure, effective on April 2, 2012.

¹³ Mr. Somrak Wonghathaipaisa resigned from the Company, effective on March 1, 2012.

Duties and Responsibilities of the Corporate Governance and Ethics Committee

1. Proposing Corporate Governance Policies and a Code of Ethics of the Group to the Board of Directors for approval.
2. Monitoring and supervising the Group to ensure that corporate governance policies and business ethics specified by the Company are complied with.
3. Continuously assessing the Group's corporate governance policies and code of ethics to ensure that they comply with international standards and/or recommendations from related government organizations, and propose these findings for approval from the Board of Directors.
4. Evaluating and proposing a Code of Best Practices to the Board of Directors and/or smaller committees in the Group.
5. Encouraging the dissemination of the good corporate governance culture across the organization and ensure that it is actually practiced.
6. Evaluating appointing and outlining the working team's roles in supporting the monitoring and supervision of business operations and ethics, as appropriate.
7. Performing other duties as assigned by the Board of Directors.

(G) Management Team ('Management' as defined by SEC and SET)

As of December 31, 2012, the Company's management team ('Management' in this instance refers to the top four most senior members of the management team ranked below the Group Chief Executive Officer or Group CEO, irrespective of their positions, including senior management in the Accounts and Finance Departments, or the position equivalent to the Chief Finance Officer or CFO) comprised 7 qualified members as follows:

Name	Title
1. Mr. Paiboon Damrongchaitham ¹¹	Chairman of the Company Advisory Board
2. Ms. Boosaba Daorueng ¹²	Group Chief Executive Officer
3. Mrs. Saithip Montrikul Na Audhaya ¹²	Chief Executive Officer-Media
4. Mr. Krit Thomas ¹²	Chief Executive Officer-Music
5. Mr. Thana Thienachariya ¹²	Chief Executive Officer-Broadcasting
6. Mr. Premon Pinskul	Chief Finance Officer
7. Mrs. Jiraporn Rungsrithong ¹³	Chief Investment Officer/Acting Chief Administrative Officer
Mr. Kittisak Chuang-a-roon ¹⁴	Senior Executive Vice President, Group CEO Office
Mr. Wichian Rerkpaisarn ¹⁴	Managing Director (Music Business, Genie Records)
Mr. Santisuk Chongmankhong ¹⁴	Managing Director (GMM Live Division)
Mr. Suwat Damrongchaitham ¹⁴	Managing Director (Digital Business Division)
M.L. Kornkasiwat Kasemsri ¹⁵	Chief Operation Officer

Note: Additional information and changes during the year 2012

¹¹ Mr. Paiboon Damrongchaitham was appointed Chairman of the Company Advisory Board, effective as of August 1, 2008, according to the resolution passed at the Board of Directors Meeting No. 3/2008 held on July 31, 2008 and his contract has been extended at the Board of Directors Meeting No.1/2013 held on February 28, 2013. The roles and responsibilities of this position will be to focus on determining strategies, providing advice, and selecting staff in three areas, namely business operations, investments management, and corporate administrative issues under a management framework where the Advisory Chairman is to report directly to the Board of Directors. Moreover, Mr. Paiboon is not considered a member of the Management Team, as defined by the SEC, but is able to access to the Company's information and policies setting.

¹² Have been appointed as the above mentioned positions according to the organization restructuring approved by the Board of Directors Meeting No. 1/2012 held on February 27, 2012.

¹³ Mrs. Jiraporn Rungsrithong was appointed as Chief Investment Officer, effective on July 1, 2012, and also be appointed as Acting Chief Administrative Officer, effective on July 23, 2012.

¹⁴ Retired from "Management" as defined by SEC and SET, due to the management restructuring according to the Board of Directors Meeting No. 1/2012 held on February 27, 2012.

¹⁵ M.L. Kornkasiwat Kasemsri resigned from his post as an employee of the Company, effective on April 10, 2012.

Roles, Responsibilities, and Operational Authority of Group Chief Executive Officer (Group CEO)

Group Chief Executive Officer (Group CEO) have the authority and responsibilities to manage the Company and all the companies in the Group in strict adherence to plans or budgets approved by the Board of Directors. The Group CEO is expected to perform the roles with loyalty, integrity, prudence, while maintaining the interests of the Company and all stakeholders. The Group CEO's scope of authority extends to various matters or businesses as follows:

1. Implementing vision and mission of the Company and its subsidiaries through specific strategies to achieve maximum benefit.
2. Managing the business of the GRAMMY Group under appropriate cooperation and mutual support in music business, media business, broadcasting business, and related business lines.
3. Managing and supervising overall business operation of the Company according to purposes, policies, rules, regulations, Article of Association, Corporate Governance and Business Ethics Handbook, and Authorization and Procedure Manual of the GRAMMY Group by reporting to the Board of Directors regularly.
4. Setting policy on personnel management and supporting operations in all departments for sustainable development with full potential.
5. Providing advice, recommendation, or working experience, guidelines for business strategies to the management team and employees for the best benefit of the GRAMMY Group.
6. Being responsible for effective financial and budgetary management.
7. Performing other duties as assigned by the Board of Directors, and/or Shareholders Meeting, according to the purposes, Articles of Association of the Company, and related laws.

The authority of the Group CEO as outlined above shall be in compliance with the business lines under control and cannot be wielded in circumstances where the Group CEO has any conflicts of interest or vested interest in any way with the Company or its subsidiaries, unless it has been approved at a Board of Directors Meeting in the presence of Independent Directors.

Changes to GRAMMY Shares Held by Directors and Management

The Company reports on changes in GRAMMY's shareholding status of all directors and the Management at the Board of Directors Meeting every 6 months, summarizing shares held by the Board of Directors, members of the Group Executive Committee, and Management Team (as defined by the SEC). These figures include the number of shares held by related parties, according to Section 59 of the Securities and Exchange Act. As of December 31, 2012, the figures of individual shares holding compared to 2011, were as follows:

Name	Title	Shares held (%)	Number of GRAMMY shares held		
			As at Dec 31, 2012	As at Dec 31, 2011	Increase/Decrease
1. Mr. Paiboon Damrongchaitham	A	54.54%	289,201,630	289,061,630	140,000
2. Mr. Chai Nasyolvanta	A	-	-	-	-
3. Mr. Dej Bulsuk	A	-	-	-	-
4. Mr. Weerawong Chittmittrapap	A	-	-	-	-
5. Ms. Suvabha Charoenying	A	-	-	-	-
6. Ms. Boosaba Daorueng	A, B, C	0.28%	1,500,200	1,500,200	-
7. Mrs. Saithip Montrikul Na Audhaya	A, B, C	0%	100	100	-
8. Mr. Krij Thomas	A, B, C	0.25%	1,327,200	1,320,000	7,200
9. Ms. Suwimon Chungjotikapisit	A	-	-	-	-
10. Mr. Takonkiet Viravan	A	1.09%	5,775,700	5,775,700	-
11. Mr. Kreingkarn Kanjanapokin	A	0.35%	1,866,200	1,866,200	-
12. Mr. Sataporn Panichraksapong	A	-	-	200,000	(200,000)
13. Mr. Thana Thienachariya	B, C	-	-	-	-
14. Mr. Premon Pinskiul	B, C	-	-	-	-
15. Mrs. Jiraporn Rungsithong	B, C	0.00%	5,000	-	5,000

Meaning of each title A = A member of the Board of Directors
 B = A member of the Group Executive Committee
 C = A member of the Management Team (as defined by SEC and SET)

Remuneration of Director, Group Executive Committee Member, and Management

1) Monetary Remuneration

a. Director and Audit Committee Member

Monetary remuneration for members of the Board of Directors consists of meeting allowances and annual gratuity, which varies with the Company's annual performance. Allocating remuneration to the Board of Directors depends upon each individual attendance at the Board of Directors Meetings. In addition, the Chairman of the Nomination and Remuneration Committee will allocate these funds (within the budget approved by the Annual General Meeting of Shareholders). In 2012, remuneration for 12 directors of the Board, including 4 members of the Audit Committee, is amounting to 1,317,000 baht in total, with details as follows:

Name	Title	Allowance for Attending the Board Meetings in 2012 (Baht)	Annual Bonus for Board of Directors 2012 (Baht)***	Remuneration for the Audit Committee (Baht)	Total Remuneration in 2012 (Baht/Year)
1. Mr. Paiboon Damrongchaitham	Chairman	104,000	-	-	104,000
2. Mr. Chai Nasyolvanta	Independent Director/ Chairman of Audit Committee	104,000	-	200,000	304,000
3. Mr. Dej Bulsuk	Independent Director/ Member of Audit Committee	104,000	-	150,000	254,000
4. Mr. Weerawong Chittmittrapap	Independent Director/ Member of Audit Committee	104,000	-	150,000	254,000

Name	Title	Allowance for Attending the Board Meetings in 2012 (Baht)	Annual Bonus for Board of Directors 2012 (Baht)***	Remuneration for the Audit Committee (Baht)	Total Remuneration in 2012 (Baht/Year)
5. Ms. Suvabha Charoenying	Independent Director/ Member of Audit Committee	104,000	-	150,000	254,000
6. Ms. Boosaba Daorueng	Director	21,000	-	-	21,000
7. Mrs. Saithip Montrikul Na Audhaya	Director	24,000	-	-	24,000
8. Mr. Krij Thomas	Director	24,000	-	-	24,000
9. Mr. Takonkiet Viravan	Director	12,000	-	-	12,000
10. Mr. Kreingkarn Kanjanapokin	Director	21,000	-	-	21,000
11. Mr. Sataporn Panichraksapong	Director	24,000	-	-	24,000
12. Ms. Suwimon Chungjotikapisit	Director	21,000	-	-	21,000
Total Amount		667,000	-	650,000	1,317,000

Note :

*** According to the 2012 performance, the Company recorded no profit, the Board of Directors therefore resolved to propose the bonus payment for the Board of Directors for approval at the Shareholding Meeting to be held on April 26, 2013.

b. Group Executive Committee Member and Management Team

- **Group Executive Committee Member:** Group Executive Committee Member does not receive monetary remuneration for their position.
- **Management Team[^] (as defined by SEC and SET):** Monetary remuneration for the Management Team is in the form of salary, bonus and other benefits such as company cars, car allowances in lieu of company cars, and mobile phones for 6 members of the management team (including 1 resigned executive during the year and 4 executives terminated from Management Team as defined by SEC and SET, excluding the Advisory Chairman). In 2012, the total amount was 83.65 million baht.

[^] "Management" in this instance refers to the top four of the management team ranked below the Group CEO, irrespective of their positions, including those equivalent to the fourth rank management, and also covers the executive in Accounts or Finance Department, or the position equivalent to the Chief Finance Officer.

2) Other Remuneration

None

Board of Directors

as of 31 December 2012



Mr. Paiboon Damrongchaitham

Chairman of the Company Advisor, Chairman of the Board,
Member of the Nomination and Remuneration Committee

Education Background:

- Bachelor of Arts (Mass Communications) (Honors),
Chulalongkorn University
- Doctoral of Business Administration (Honorary),
Christian University

Experience:

GMM Grammy Plc.

Jul 2011 - Present	Member of the Nomination and Remuneration Committee
2008 - Present	Chairman of the Company Advisor
1998 - Present	Chairman of the Board
2005 - Jul 2011	Chairman of the Nomination and Remuneration Committee
1998 - 2008	Advisor to the Executive Committee
Other Companies	
2009 - Present	Vice Chairman, Family Know How Co., Ltd.
2008 - Present	Chairman of the Company Advisor, GMM Media Plc.
2007 - 2008	Advisor to the Executive Committee, GMM Media Plc.
2005 - 2009	Chairman of the Nomination and Remuneration Committee, GMM Media Plc.
2005 - 2007	Chairman of the Risk Management Committee, GMM Media Plc.
2002 - 2009	Chairman of the Board, GMM Media Plc.
2002 - 2007	Chief Executive Officer, GMM Media Plc.



Ms. Boosaba Daorueng

Vice Chairman, Chairman of the Risk Management Committee,
Chairman of the Group Executive Committee,
Group Chief Executive Officer

Education Background:

Bachelor of Liberal Arts, Thammasat University

Experience:

GMM Grammy Plc.

May 2012 - Present	Chairman of the Group Executive Committee
Feb. 2012 - Present	Group Chief Executive Officer (Group CEO)
2008 - Present	Vice Chairman
2005 - Present	Chairman of the Risk Management Committee
1994 - Present	Director
2009 - May 2012	Co-Chief Executive Director
2009 - Feb 2012	Co-Chief Executive Officer
2002 - Feb 2009	Chief Executive Director, Chief Executive Officer
2001 - 2002	Chief Creative Officer (Creative Division)

Other Companies

Oct 2010 - Present	Director, GR Vocal Studio Co., Ltd
May 2010 - Present	Director, Acts Studio Co., Ltd.
2008 - Present	Advisor, GMM Media Plc.
Jul 2005 - Present	Director, Index Creative Village Plc.
Apr 2004 - Present	Director, Scenario Co.,Ltd.
2003 - 2008	Advisor to the Board of Directors/Advisor to the Executive Committee, GMM Media Plc.



Mrs. Saithip Montrikul Na Audhaya

Director, Member of the Risk Management Committee,
Member of the Group Executive Committee,
Chief Executive Officer (Media Business)

Education Background:

- Bachelor of Arts (Mass Communications),
Chulalongkorn University
- Honorary Bachelor of Technology (Mass Communication of
Technology), Rajamangala University of Technology
Rattanakosin

Experience:

GMM Grammy Plc.

May 2012 - Present	Member of the Group Executive Committee
Feb 2012 - Present	Chief Executive Officer (Media Business)
2009 - Present	Member of the Risk Management Committee
2002 - Present	Director
2009 - May 2012	Co-Chief Executive Director
2009 - Feb 2012	Co-Chief Executive Officer
1989 - Feb 2009	Executive Director

Other Companies

Mar 2012 - Present	Director, GMM Z Co., Ltd.
Sep 2010 - Present	Director, A Gen Event Agency Co., Ltd.
May 2010 - Present	Director, Acts Studio Co., Ltd.
Apr 2010 - Present	Director, Image On Air Co., Ltd.
2009 - Present	Chairman of the Board, GMM Media Plc.
2007 - Present	Chief Executive Office, GMM Media Plc.
	Director/Managing Director, A-time Traveler Co., Ltd.

2002 - Present	Director/Managing Director, GMM Media Plc.
1989 - Present	Director/Managing Director, A-Time Media Co., Ltd.
2008 - Feb 2009	Vice Chairman, GMM Media Plc.
2007 - Feb 2009	Chairman of the Risk Management Committee, GMM Media Plc.
2005 - 2007	Member of the Risk Management Committee, GMM Media Plc.
2002 - 2007	Executive Director, GMM Media Plc.



Mr. Krij Thomas

Director, Member of the Group Executive Committee,
Member of the Corporate Governance & Ethics Committee,
Member of the Risk Management Committee,
Chief Executive Officer (Music Business),
Managing Director (Grammy Gold Division)

Education Background:

Bachelor of Arts (Mass Communications), Chulalongkorn University

Experience:

GMM Grammy Plc.

May 2012 - Present	Member of the Group Executive Committee
Apr 2012 - Present	Member of the Corporate Governance & Ethics Committee
Feb 2012 - Present	Chief Executive Officer (Music Business)
Feb 2011 - Present	Member of the Risk Management Committee
2008 - Present	Director
2003 - Present	Managing Director (Grammy Gold Division)
2011 - Feb.2012	Senior Executive Vice President (Music Business Division)
2008 - 2010	Executive Vice President (Music Business Division)
2005 - 2006	(Acting) Managing Director (GMM International Division)
2004 - May 2012	Executive Director
2001 - 2003	Deputy Managing Director (Grammy Gold Division)
1999 - 2001	Assistant Vice President (Grammy Gold Division)

Other Companies

Jul 2012 - Present	Director, GMM Z Co., Ltd.
2007 - Present	Director, 3-RD Co., Ltd.
1997 - Present	Director, Krij Thomas Co., Ltd.
2004 - Feb 2009	Director, Dokya Poojong Co., Ltd.



Ms. Suwimon Chungjotikapisit

Director, Company Advisor

Education Background:

Bachelor of Political Science, Chulalongkorn University (Honors)

Seminar Accomplishment:

The Thai Institute of Directors (IOD):

Director Certification Program (DCP), Class 12/2001

Experience:

GMM Grammy Plc.

Nov 2010 - Present	Director
Aug 2008 - Present	Company Advisor
2005 - Jul 2008	Advisor to the Chairman

Other Companies

Oct 2010 - Present	Director, GR Vocal Studio Co., Ltd
Sep 2010 - Present	Director, A Gen Event Agency Co., Ltd.
May 2010 - Present	Director, Acts Studio Co., Ltd.
Apr 2010 - Present	Director, Image On Air Co., Ltd.
2001 - 2004	Executive Vice President, Central Pattana Plc.
2001 - 2003	Director, Central Pattana Plc.
1997 - 2001	Vice President, Central Pattana Plc.
	Vice President - Leasing and Marketing, Central Pattana Plc.



Mr. Kreingkarn Kanjanapokin

Director

Education Background:

Bachelor of Political Science, Chiang Mai University

Seminar Accomplishment:

The Thai Institute of Directors (IOD):

- Financial Statement for Directors Program, 2008
- Director Accreditation Program (DAP) (Class 30/2004)

Experience:

GMM Grammy Plc.

2009 - Present	Director
2009 - May 2012	Executive Director

Other Companies

May 2012 - Present	Director, Index and V Co., Ltd.
Apr 2012 - Present	Director, Index and M Co., Ltd.
2008 - Present	Director, GMM Media Plc.
2004 - Present	Director/Co-Chief Executive Officer, Index Creative Village Plc.
2001 - 2004	Managing Director, Index event Agency Co., Ltd.

Other Present Works:

- Special Speaker, Master Degree, School of Communication Arts, University of the Thai Chamber of Commerce, Bangkok University and National Institute of Development Administration (NIDA)
- Special Speaker, Reputable Institutes and Organizations.



Mr. Takonkiet Viravan

Director

Education Background:

- Bachelor of Communication & Theatre, Boston College, U.S.A.
- M.S. (Broadcasting), Boston University, U.S.A.
- Honorary Doctor of Science (Mass Communication of Technology), Rajamangala University of Technology Thanyaburi

Experience:

GMM Grammy Plc.

2009 - Present	Director
2009 - May 2012	Executive Director

Other Companies

Jul 2012 - Present	Director, Rachadalai Co., Ltd.
Sep 2010 - Present	Director, A Gen Event Agency Co., Ltd.
May 2010 - Present	Director/Managing Director, Acts Studio Co.,Ltd.
2009 - Present	Director/Managing Director, Methi 1 Co.,Ltd.
May 2007 - Present	Director/BEC Tero-Scenario Co., Ltd.
2004 - Present	Director/Managing Director, Scenario Co.,Ltd.
2003 - Present	Director/Managing Director, Teentalk Co.,Ltd.
2002 - Present	Director, GMM Media Plc.
1991 - Present	Director/Managing Director, Exact Co., Ltd.
2002 - Feb. 2009	Executive Director, GMM Media Plc.
1985 - Nov. 2009	Director, Noble Development Plc.



Mr. Sataporn Panichraksapong

Director, Member of the Risk Management Committee,
Member of the Corporate Governance & Ethics Committee,
Assistant to Executive Vice President (Music Business Division)

Education Background:

Bachelor of Journalism and Mass Communications
(Cinematography), Thammasat University

Experience:

GMM Grammy Plc.

Apr 2012 - Present	Member of the Corporate Governance & Ethics Committee
2009 - Present	Director
2009 - Present	Member of the Risk Management Committee
2008 - Present	Assistant to Executive Vice President (Music Business Division)
2009 - May 2012	Executive Director
2005 - 2006	Senior Vice President, Chief Executive Officer Office

Other Companies

2009 - Present	Director, GMM Media Plc.
2007 - Present	Director/Managing Director, GMM TV Co., Ltd. (formally known as Grammy Television Co., Ltd.)
2007 - Feb 2009	Member of the Risk Management Committee, GMM Media Plc.
2005 - 2007	Deputy Managing Director, Grammy Television Co., Ltd.
2002 - 2005	Deputy Managing Director (Music Business), RS Promotion Plc.



Mr. Chai Nasylvanta

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

Education Background:

Bachelor of Engineering (Electrical Engineering),
Chulalongkorn University
M.B.A. (Finance), University of Pennsylvania, U.S.A.

Experience:

GMM Grammy Plc.

2009 - Present	Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee
1999 - Present	Independent Director
1999 - Feb 2009	Member of the Audit Committee

Other Companies

2011 - Present	Director, Advance Aviation Jet Co., Ltd.
2006 - Present	Director/Vice Chairman, Advance Aviation Co., Ltd.
2006 - Present	Independent Advisor, Benchachinda Holding Co., Ltd.
1993 - Present	Director, AON (Thailand) Ltd.
1989 - Present	Director, AON Group (Thailand) Ltd.
2006 - Apr 2009	Director, Post Publishing Plc.
2005 - Feb 2009	Member of the Nomination and Remuneration Committee, GMM Media Plc.
2005 - 2006	Director, Total Access Communication Plc.
2002 - Feb 2009	Independent Director/Chairman of the Audit Committee, GMM Media Plc.
1995 - 2006	Independent Advisor, United Communication Industry Plc.
1984 - 1995	Senior Vice President, Project Finance Department, Bangkok Bank Plc.



Mr. Dej Bulsuk

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

Education Background:

Bachelor of Business Administration, Thammasat University

Seminar Accomplishment:

The Thai Institute of Directors (IOD):

Director Accreditation Program (DAP) (Class 23/2004)

Experience:

GMM Grammy Plc.

Jul 2011 - Present	Chairman of the Nomination and Remuneration Committee
2009 - Present	Member of the Audit Committee
2002 - Present	Independent Director
2006 - Jul 2011	Member of the Nomination and Remuneration Committee
2006 - Feb 2009	Chairman of the Audit Committee
2002 - 2006	Member of the Audit Committee
Other Companies	
2011 - Present	Member of the Audit Committee, Siam Future Development Plc. Independent Director, Patum Rice Mill and Granary Plc.
2004 - Present	President, CCC Business Development Co., Ltd. Independent Director/Member of the Audit Committee, The Erawan Group Plc.
2004 - Present	Independent Director, Siam Future Development Plc.
2002 - Present	Independent Director/Member of the Audit Committee, Jay Mart Plc.

2001 - Present

Independent Director/Member of the Audit Committee, AEON Thana Sinsap (Thailand) Plc.

2007 - 2009

Director, Thailand Convention and Exhibition Bureau (TCEB) (Public Organization)

Chairman of the Good Governance, Recruitment and Remuneration Committee, TCEB

2006 - 2009

Advisor to the Board, President Bakery Plc.

2004 - 2006

Honorary Chairman, McThai Co., Ltd. (McDonald's Thailand)

2002 - 2009

Independent Director/Member of the Audit Committee, GMM Media Plc.

2001 - 2006

Chairman - Ronald McDonald House Charities Foundation

1984 - 2004

President & Joint Venture Partner, McThai Co., Ltd. (McDonald's Thailand)



Mr. Weerawong Chittmittrapap

Independent Director, Member of the Audit Committee,
Chairman of the Corporate Governance & Ethics Committee

Education Background:

- Bachelor of Laws, Chulalongkorn University
- Master of Laws, University of Pennsylvania, U.S.A.
- Thai Barrister-at-Law and the first Thai lawyer admitted to the New York State Bar

Seminar Accomplishment:

The Thai Institute of Directors (IOD):

Director Certification Program (DCP) (Class 0/2000)

Experience:

GMM Grammy Plc.

Apr 2012 - Present	Chairman of the Corporate Governance & Ethics Committee
2006 - Present	Independent Director/Member of the Audit Committee

Other Companies

Dec 2012- Present	Independent Director/Member of the Audit Committee, Golden Land Property Plc.
2011 - Present	Director, Minor International Plc. Independent Director, Member of the Audit Committee, SCB Life Assurance Plc. Member of the CSR Committee, Thai Airways International Plc. Independent Director, Member of the Audit Committee, Berli Jucker Plc.
2009 - Present	Independent Director, Member of the Audit Committee, Member of the Good Corporate Governance Committee, Thai Airways International Plc.

2008 - Present	Chairman, Weerawong, Chinnavat & Peangpanor Ltd. Director, National Power Supply Plc.
2009 - Present	Director, Nok Airlines Co., Ltd.
2008 - 2010	Director, National Power Co., Ltd.
2007 - 2011	Independent Director/Member of the Audit Committee, Siam Food Products Plc.
2005 - 2006	Director, Nutrix Plc.
2001 - 2007	Independent Director/Member of the Audit Committee, ITV Plc.
1996 - 2008	Executive Partner, White & Case (Thailand) Co., Ltd

Other Present Works:

- Qualified Member to Trade Competition Committee, Ministry of Commerce
- Special Speaker, The Thai Institute of Directors
- Special Advisor, Thai Listed Companies Association
- Special Lecturer, Institute of Legal Education, Thai Bar Association



Ms. Suvabha Charoenying

Independent Director, Member of the Audit Committee,
Member of the Corporate Governance & Ethics Committee,

Education Background:

- Bachelor of Business Administration (Finance),
Assumption University
- Master of Business Administration, Assumption University

Seminar Accomplishment:

The Thai Institute of Directors (IOD):

- Audit Committee Program (ACP) (Class -35/2011)
- Successful Formulation & Execution of Strategy (Class 6/2010)
- DCP Refresher (Class 1/2005)
- Finance for Non Finance Director (Class 1/2003)
- Director Certification Program (DCP) (Fellow Member)
(Class 1/2000)

Other Institutes:

- Certified Financial Planner (CFP), Thai Financial Planner
Association (Class 1/2009)
- TLCA Executive Development Program, Thai Listed Companies
Association (Class 2/2008)
- Leader Program, Capital Market Academy (Class 1/2005)
- Certificate in Families Business : Generation to Generation,
Harvard Business School (2004)

Experience:

GMM Grammy Plc.

Apr 2012 - Present	Member of the Corporate Governance & Ethics Committee
2010 - Present	Independent Director/Member of the Audit Committee

Other Companies

2009 - Present	Director/Executive Director, Thanachart Securities Plc.
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2001 - Present

Managing Director, Thanachart Securities
Plc.

2010 - 2011

Director/Executive Director,
Nakornluang Thai Securities Co., Ltd.

1996 - 2001

Chief Executive Officer, Schroder Asset
Management Ltd.

1993 - 1996

Vice President, KGI Securities Plc.

1990 - 1993

Vice President, Morgan Grenfell Thai
Company Limited

1988 - 1990

Manager, Business Development
Department, Kasikorn Bank Plc

Group Executive Committee

as of 31 December 2012



1. Ms. Boosaba Daorueng
Chairman



2. Mrs. Saithip Montrikul Na Audhaya
Member



3. Mr. Krij Thomas
Member



4. Mr. Thana Tienachariya
Member



5. Mr. Premon Pinskul
Member



6. Mrs. Jiraporn Rungsrithong¹
Member

Name		Title
1.	Ms. Boosaba Daorueng	Chairman
2.	Mrs. Saithip Montrikul Na Audhaya	Member
3.	Mr. Krij Thomas	Member
4.	Mr. Thana Tienachariya	Member
5.	Mr. Premon Pinskul	Member
6.	Mrs. Jiraporn Rungsrithong ¹	Member
	Mr. Vichate Tantiwanich ²	Executive Director
	M.L. Kornkasiwat Kasemsri ³	Executive Director
	Mr. Suwat Damrongchaitham ³	Executive Director
	Mr. Takonkiet Viravan ³	Executive Director
	Mr. Kamron Pramroj Na Ayutthaya ³	Executive Director
	Mr. Sataporn Panichraksapong ³	Executive Director
	Mr. Kreingkarn Kanjanapokin ³	Executive Director

Note: Additional information and changes during the year 2012

¹ Mrs. Jiraporn Rungsrithong was appointed Chief Investment Officer and Acting Chief Administrative Officer.

² Mr. Vichate Tantiwanich resigned from the position, effective as of April 30, 2012.

³ Executive Committee membership ended as of May 10, 2012 (during the year), by the resolution of the Board of Directors Meeting No.3/2012 held on May 11, 2012, to revise the Executive Committee Structure, effective as of May 11, 2012.



VISION

Leader in creation and production of all forms of entertainment,
in conjunction with development of every media and technology,
to offer unlimited happiness and quality of life.

MISSION

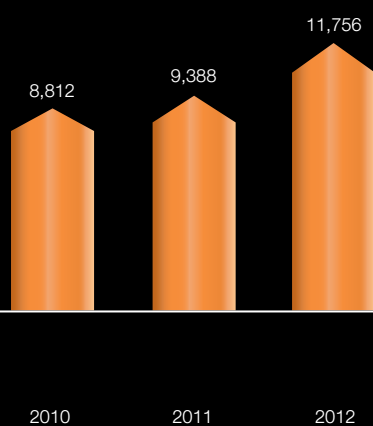
ENGAGE in constantly creating excellent and innovative work

ENCOURAGE a learning organization

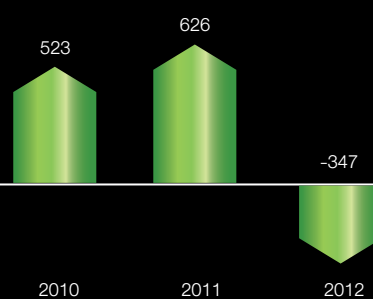
ENRICH one's work with passion and expertise and a better quality of life

ENDORSE social responsibilities and activities

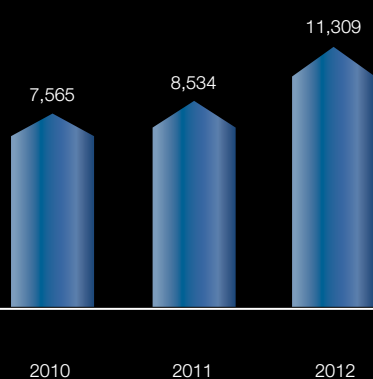
Total revenues (Million Baht)



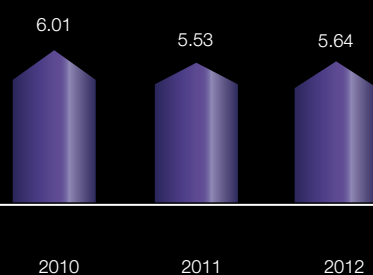
Net earnings for the year (Million Baht)



Total assets (Million Baht)



Book value per share (Baht)



Financial Highlights

Consolidated (Unit : Million Baht)

	2012	2011	2010
Total revenues	11,756	9,388	8,812
Revenue from sales and services	11,435	9,103	8,640
Gross profit	8,062	5,397	5,119
Dividend paid	3,373	3,706	3,521
Earnings/loss before Non-controlling interest of the subsidiaries	-287	684	591
Net earnings/loss for the year	-347	626	523
Dividend paid	-	286.3	429.5
Total assets	11,309	8,534	7,565
Total liabilities	7,456	4,891	3,750
Non-controlling interest of the subsidiaries	862	712	628
Equity attributable to the Company's shareholders	2,992	2,930	3,187
Weighted average number of ordinary shares (Million shares)	530	530	530
Net earning/loss per share (Baht)	-0.66	1.18	0.99
Dividend paid per share (Baht)	-	0.54	0.81
Book value per share (Baht)	5.64	5.53	6.01
Net profit/loss margins	-3.0%	6.7%	5.9%
Return on equity	-11.7%	20.5%	17.0%
Return on assets	-3.5%	7.8%	7.2%

2010: Dividends paid out at 0.81 baht per share in 2010 consists of:

The interim dividend payment for the first half-year operational result of 2010 was 0.40 baht per share, according to the resolution at the Board of Directors meeting 4/2010 on 11 August 2010. Dividend payment for the second half-year operational result of 2010 was 0.41 baht per share, as determined at the 2011 Annual General Meeting of Shareholders held on 27 April 2011.

2011: Dividends paid out at 0.54 baht per share in 2011 consists of:

The interim dividend payment for the first half-year operational result of 2011 was Baht 0.54 per share, according to the resolution at the Board of Directors Meeting No.5/2011 on 10 August 2011. In order to reserve cash for the ongoing projects under the Company's business plan, therefore, the Board of Directors Meeting No.1/2012 held on 27 February 2012 approved to propose the omission of dividend payment for the second half-year operational result of 2011 to the 2012 Annual General Meeting of Shareholders by which the matter was approved on 25 April 2012.

2012: The omission of dividends payment for operation result of 2012

The Board of Directors Meeting No.1/2012, held on 28 February 2013, resolved to propose the omission of dividend payment for the operational result of 2012 for an approval at the 2013 Annual General Meeting of Shareholders, in order to reserve cash on hand for the ongoing projects under the Company's business plan. It must be approved by the 2013 Annual General Meeting of Shareholders which will be held on 26 April 2013.

Business Structure

Total Music Business

Music Business

- GMM Grammy Plc.
- Fan TV Co., Ltd.
- GMM Music Publishing International Co., Ltd.
- Exact Co., Ltd.
- K Arena Co., Ltd.

Event Management, Artist Management and Concert

- GMM Grammy Plc.
- GMM Media Plc.

Digital Management Business

- GMM Grammy Plc.
- Digital Gen Co., Ltd.

Movie Business

- GMM Tai Hub Co., Ltd.
- Sawasdee Thaweesuk Co., Ltd.
- Nadao Bangkok Co., Ltd.

Other Business

- GMM Grammy Plc.
- GMM Holding Co., Ltd.
- I Think Ad Co., Ltd.
- GMM Fitness Club Co., Ltd.
- 3-RD Co., Ltd.
- GR Vocal Studio Co., Ltd.
- GMM Studio Co., Ltd.
- Acts Studio Co., Ltd.
- Teen Talk Co., Ltd.
- GMM CJ O Shopping Co., Ltd.

Media Business

Radio Business

- GMM Media Plc.
- A Time Media Co., Ltd.

Television Business

- GMM Grammy Plc.
- Exact Co., Ltd.
- GMM TV Co., Ltd.
- Teen Talk Co., Ltd.
- Me Miti Co., Ltd.
- Scenario Co., Ltd.

Media Business (continue)

Publishing Business

- Image Publishing Co., Ltd.
- GMM Inter Publishing Co., Ltd.
- GMM Times Co., Ltd.
- Bliss Publishing Co., Ltd.
- In Publishing Co., Ltd.

Full-service of events management

- GMM Media Plc.
- Index Creative Village Plc.
- Event Solutions Co., Ltd.
- Aspen Index Event Co., Ltd.
- Tresbien Co., Ltd.
- Media Vision (1994) Co., Ltd.
- G Communications Co., Ltd.
- Inspire Image Co., Ltd.
- D-63 Co., Ltd.
- Index Creative Online Co., Ltd.
- A Gen Event Agency Co., Ltd.
- EnviroSell (Thailand) Co., Ltd.
- Index and V Co., Ltd.
- Index and M Co., Ltd.
- Blue Media Communications Co., Ltd.
- Max Creative Co., Ltd.

Broadcasting Business

- GMM Grammy Plc.
- GMM Media Plc.
- Exact Co., Ltd.
- GMM TV Co., Ltd.
- GTH On Air Co., Ltd.
- J K Network Co., Ltd.
- Fan TV Co., Ltd.
- GMM Z Co., Ltd.
- GMM B Co., Ltd.
- GMM Z Trading Co., Ltd.
- GDC Co., Ltd.
- G S-one Co., Ltd. (formerly known as "One Sky Multimedia Co., Ltd.)
- STGMM Co., Ltd.
- Family Know How Co., Ltd.
- Channel [V] Music (Thailand) Co., Ltd.
- Lucks Satellite Co., Ltd.
- JSL Channel Co., Ltd.

INVESTMENT STRUCTURE AS OF 31 DECEMBER 2012



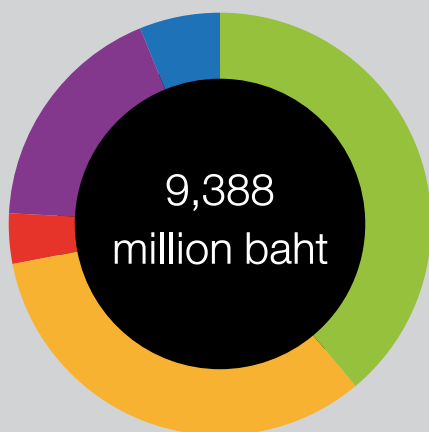
OTHER SHAREHOLDERS ARE AS FOLLOWS.

1. 3-RD CO., LTD Ms. Kanokdao Kanjanapusakij with 10% shareholding, Ms. Kanokporn Nitteeranont with 10% shareholding , and Mr. Chatchawan Kusmith with 10% shareholding.
2. FAMILY KNOW HOW CO., LTD. The Stock Exchange of Thailand with 50% shareholding.
3. K-ARENA CO., LTD. Major Cineplex group PLC. with 50% shareholding.
4. GMM CJ O SHOPPING CO., LTD. CJ O SHOPPING CO., LTD with 49% shareholding.
5. JSL CHANNEL CO., LTD JSL GLOBAL MEDIA CO., LTD with 70% shareholding.
6. GMM TAI HUB CO., LTD. Poolvorakaks Group with 27% shareholding, Hub Ho Hin Bangkok Co., LTD with 14% shareholding, and other with 8% shareholding.
7. NADAO BANGKOK CO., LTD. Mr. Songyos Sukmakanand with 45% shareholding, Hub Ho Hin Bangkok Co., LTD with 10% shareholding, and other with 15% shareholding.
8. THE NEWS TV CO., LTD. Mr. Santi Viriyarungsari with 49% shareholding.
9. ST GMM CO., LTD. STG Multimedia Co.,LTD. with 50% shareholding.
10. LUCK SATELLITE CO., LTD. LUCK (666) Co., LTD with 75% shareholding.
11. A-TIME TRAVELLER CO., LTD. Mr. Worarit Waijeranai with 60% shareholding, and Ms. Saratchaya Chantanithi with 20% shareholding.
12. A GEN EVENT AGENCY CO., LTD. Mr. Veerachai Nichapatr with 10% shareholding, Mr. Akarat Yongthongrang with 10% shareholding, and Mr. Sippakorn Wongsamarn with 10% shareholding.
13. ME MITI CO., LTD. Mr. Roongtham Poomsinil with 30% shareholding.
14. SCENARIO CO., LTD. Mr. Takonkiet Viravan with 52% shareholding, and other with 23% shareholding.
15. CHANNEL (V) MUSIC (THAILAND) CO., LTD. Channel(V) Natherlands No.2B.V. with 49% shareholding, and TRUE Vision with 26 % shareholding.
16. IMAGE PUBLISHING CO., LTD. Mr.Kamron Pramoj na Ayutthaya with 30% shareholding.
17. GMM INTER PUBLISHING CO., LTD. Ms. Laikram Lerdvitayaprasit with 19% shareholding, and other with 11% shareholding.
18. GMM TIMES CO., LTD. TP Ventures Private Ltd. with 30% shareholding.
19. IN PUBLISHING CO., LTD. Osotspa Holding Co.,LTD. With 30% shareholding.
20. INDEX CREATIVE VILLAGE PLC. Kanjanapokin Group with 50% shareholding.
21. G COMMUNICATION CO., LTD. Ms. Monya Thongdeelert with 50% shareholding.
22. ASPEN INDEX EVENT CO., LTD. was registered in the United Arab Emirates with 50% shareholding by Mr. Hashem Al Marzouqi.
23. MEDIA VISION (1994) CO., LTD. Mrs. Nongrak Hongsakul with 49% shareholding.
24. INSPIRED IMAGE CO., LTD. Mr. Phichet Lakdee with 40% shareholding.
25. I THINK AD CO., LTD. Mr. Phised Kanajanapokin with 40% shareholding, and other with 35% shareholding.
26. D 63 CO., LTD. Ms. Supaluck Suwat with 33% shareholding, and other with 17% shareholding.
27. INDEX CREATIVE ONLINE CO., LTD. Mr. Adilfetri Prapruksujarit with 25% shareholding, and Mr. Mongkol Paoobnang with 5% shareholding.
28. BLUE MEDIA COMMUNICATION CO., LTD. Mr. Burapaporn Musiksindhorn with 25% shareholding, and Mr. San Birombhadi with 20% shareholding.
29. ENVIROSELL (THAILAND) CO., LTD. Ms. Sarinporn Chivananda with 40% shareholding.
30. MAX CREATIVE CO., LTD. Master Ad Plc. with 50% shareholding.
31. INDEX AND V CO., LTD. Mr. Kittanet Kongkietnatee with 33% shareholding and Ms. Wannapornsorn Tariyakasem with 17% shareholding
32. INDEX AND M CO., LTD. Mr. Narindetch Taweesengpanich with 50% shareholding

Revenue Structure and Business Operation



Revenue Structure

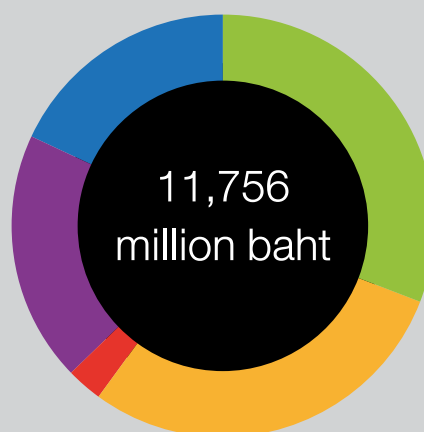


Revenue Structure 2011

39%	Music & Showbiz Business
33%	Media Business
4%	Movie Business
18%	Other Business
6%	Broadcasting Business

Revenue Structure 2012

Music & Showbiz Business	31%	
Media Business	29%	
Movie Business	3%	
Other Business	19%	
Broadcasting Business	18%	



General Information

Company Name	GMM Grammy PCL (“The Company”)
Business	Entertainment and media
Head Office	50 GMM Grammy Place, Sukhumvit 21 Rd. (Asoke), Khlongtoeinuea, Wattana, Bangkok 10110
Company Registration	PCL. 0107537000955
Company Homepage	www.gmmgrammy.com
Telephone	0-2669-9000
Facsimile	0-2669-9009

Business Description



The Company's business can be divided into four main categories as follows.

1. **Music Business and related businesses** operates under the "Total Music Business" model, consisting of music production and copyrights, digital content business, show business, and artist management business.
 - **Physical Products and Distribution Business** is directly related with music creation and show businesses in that music and recorded live shows are sold in the forms of CDs, VCDs, DVDs, and MP3s via modern trade outlets (superstores and discount stores) and traditional trade channels (wholesalers and retailers) nationwide. In addition, they are also sold via Call Center and Online channel at www.shopping8000.com.
 - **Publishing Management Business** involves collecting copyrights fees from other parties using the Company's property for commercial purposes.
 - **Digital Management Business** is the digitization of music content for distribution through mobile phone networks, the internet, and external parties via downloading services for ringtones, ring back tones, full song downloads, and even complete music videos (full MVs). These services are available on an à la carte basis or through monthly subscription on mobile phones (*123), and website (www.gmmember.com).
 - **Show Business** is the business of creating and producing various staged events, such as concerts and theatrical performance.
2. **Media Business** comprises the followings.
 - **Artist Management Business** handles the selection and development of new artists, including managing, and sourcing assignments to music and non-music artists.
 - **Radio Business** produces and hosts F.M. radio programs.
 - **Television Business** involves the production of television programs and the provision of production services for airtime rented from Channels 3, 5, 7, and 9.
 - **Publishing Business** is the production and distribution of magazines.
3. **Movie Business** produces feature films to be screened in movie theatres.
4. **Full-service of events management and other business** runs through the entire spectrum from proposing ideas to organizing events, sourcing contractors, and coordinating with all related parties to ensure that results achieve clients' goals. Index Creative Village PCL and its subsidiaries are responsible and operate this line of business. It also includes other businesses, such as Home Shopping business, Call-Center Business and Studio Rental and etc.
5. **Satellite TV Business** consists of the production of television channels to be aired on satellite TV and the "GMM Z" satellite TV platform, comprising the sale of set-top box, the provision of pay TV services, and the resale of the Company's acquired broadcasting rights.

Music Business and Music Related Businesses



- Physical Products and Distribution Business

In 2012, the Company released 257 music albums, encompassing every consumer target group, namely pop, rock, alternative, country/'songs for life', R&B, soul, and compilation of top hits during the year.

Sales and distribution is carried out through modern trade channels (superstores and discount stores), traditional trade channels (wholesalers and retailers) throughout the country, and the Company's own retail stores, Imagine. As of December 2012, there were 38 Imagine retail stores.

- Publishing Management Business

The Company manages and collects copyrights fees from food operators, restaurants, radio operators, karaoke outlets, and karaoke booths and other operators who use the Company's music for commercial purposes.

- Digital Content Business

In 2012, digital business - the consumption of music via mobile telephone and the Internet - is still one of the main channels to sell music. The Company offers music downloading services on an 'a la carte' (individual song) basis, and monthly subscription basis, to leading mobile telephone network operators in Thailand. In addition, the www.gmmember.com website is the core site for music, news about artists, music downloads, and other activities.



- Show Business

This business employs its music and artist resources in producing a variety of concerts in various formats, such as promoting albums and theme concerts. In 2012, the Company organized 20 large-scale concerts. The largest ones were Body Slam Nung Len, The Lyrics of Love Concert, Anniversary 20 years J Jetrin, 25 years Baab Byrd Byrd Concert. In addition, it also organized 2 music festivals, namely Chick Mountain Music Festival and Big Mountain Music Festival. Besides generating revenues from the sale of tickets and sponsorship, this business also generates additional revenues from the sale of VCD and DVD recordings of live performances.

- Artist Management Business

The Company has a policy to train and develop both Music and Non-music artists to enhance their capabilities in singing, acting, and dancing. In addition, it also tries to expand revenue channels for those artists in the forms of live performance in pubs and bars, as well as employment opportunities as product presenters.

Industry Outlook

In 2013, competition is expected to continue in the same way as it did over the past year but there will be a change in digital business due to the fact that technology is changing, consumer behavior is changing as smartphones have become more popular. Therefore, the company is expanding into music streaming service for consumers who don't want to store music on their devices to all mobile operators. The Company is also applying to be a mobile virtual network operator (MVNO) with a licensed mobile operator with an aim to accommodate a greater variety of content and services enabled by high speed downloads.

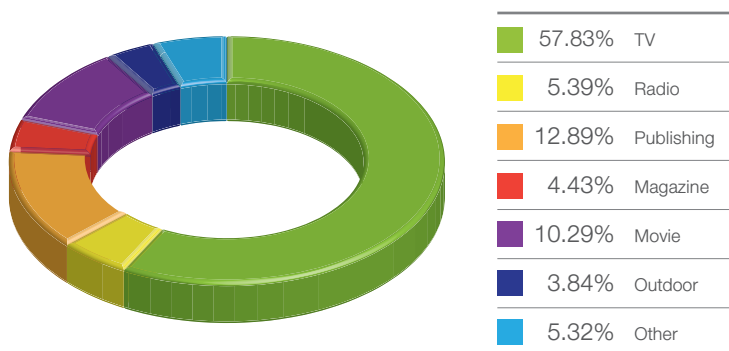


Media Business

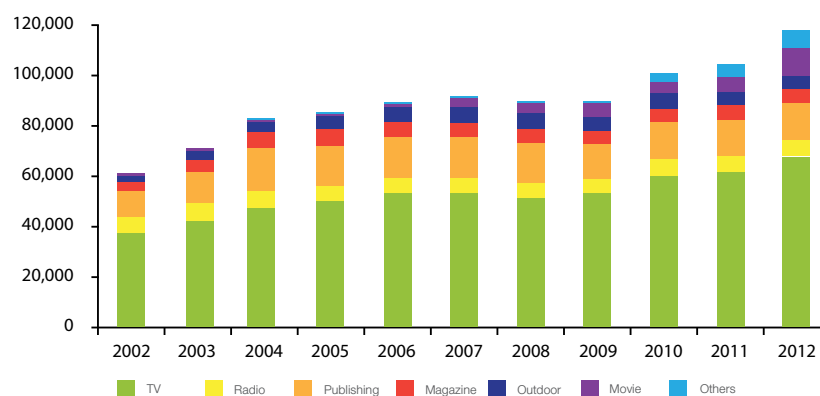
The overall advertising budget across all media in 2012 compared to 2011 increased from 104,754 million baht to 117,761 million baht, or 12.4%. This is partly due to the domestic and foreign economic revival. As consumer confidence improved and consumption began to pick up, clients began to increasingly use their budgets for media and marketing campaigns. Another contributing factor is the rise in advertising fees in certain types of media. Therefore, the media advertising business improved every quarter. However, the media having the highest growth was “in-store” media, which soared 68.85%, followed by movie theatres media, growing 67.68%. Television still remained the primary media for most clients, growing 9.43%, and remains the leading media in the industry. Radio and newspaper also grew by 7.28% and 4.42% respectively. On the other hand, magazine media expenditure fell by 10.35%.

As of 31 December, 2012, television advertisements still remain the most popular media, capturing 57.83% of the market share. Newspapers came in second place with 12.89%, followed by movie theatres at 10.29%, radio at 5.39%, magazines at 4.43%, and out door media and others at 9.16%. (Source: Nielsen Media Research (Thailand) Ltd.)

Media Market Share of Advertising Expenditures in 2012
Total Advertising Expenditures in 2012 amounted to 117,761 million Baht







Value of Various Media Advertising Expenditures (million Baht)



The Group has four media business lines: radio, television and publishing with details as follows.

Radio Business

Producing radio programs that will be broadcasted through a station by bidding for airtime for commercial purposes from various FM radio stations. In 2012, the Group has four radio stations as described below. In 2012 there were 4 stations as follows:

Radio Station	Day / Airtime / Network Coverage	Type of Program	Target Group	Concession
F.M. 106.5 MHz. Green Wave 	24 Hours daily / Bangkok Metropolitan, Petchburi and Prachuab Khiri Khan	The first and only program in Thailand that airs easy listening music program in all styles and from all eras. It is the nation's longest standing top-rated program.	Working professionals, both male and female aged 30 and up who are financially stable and possess high consumption power. The audience consists of people who are modern, constructive, creative, thoughtful, and considerate, and care about the environment, as well as things happening around them.	The National Telecommunications Commission
F.M. 94.0 MHz. EFM 	24 Hours daily in Bangkok Metropolitan, Ang Thong, Kanchanaburi, some parts of Chonburi and Ratchaburi	Top ranked entertainment business-oriented radio station and the only station of its kind in Thailand. It is the "Talk of the Town" in being the fastest provider of accurate and in-depth reports.	Teenagers and working professionals aged between 18 - 35 who admire modern things, and follow the latest trends in all forms of entertainment.	The Royal Thai Army Radio Station
F.M. 91.5 MHz.* Hot FM 	24 hours daily / Bangkok Metropolitan, Ayutthaya, Saraburi, Chonburi	A popular radio program for trendy teenagers and the new generation who love something new, fun, and novel.	Male and female teenagers aged between 15 - 25	Broadcast Armor Radio Station
F.M. 89.0 MHz. Chill FM 	24 hours daily / Bangkok Metropolitan and Chonburi	Offering new and trendy "Chill Listening" music, unlike other easy listening music channels that repeatedly play the same songs.	Trendy young working professionals, aged between 24 and 34 who enjoy listening to unique trendy music.	Broadcast Armor Radio Station

* Discontinued since January 1, 2013 there are 3 stations remaining as the customers behavior of Hot Wave 91.5 MHz. target group has been changed by new technology. The company therefore need to change its strategy to meet customer's requirement.

A variety of multimedia contents including pictures and sounds are available on the internet which can be downloaded and updated from A-time Media. The company also offers Live Radio on four channels via the internet with additional information and content in six A-time media websites as follows:

www.atimemedia.com	www.chill89.fm
www.efm.fm	www.greenwave.fm
www.green-channel.tv	www.atimetraveller.com



In 2012, social network has grown continuously. A group of people who adore and love music became one of A-Time family and could be aware of update movement and news before anyone else. The audience will also have a private space to greet and chat with one another and share the joy, as well as, to join several activities. The application has been developed to support the ease of all users in order to easily keep up and update news, information, contents of A-Time radio stations on mobile.

Market Conditions of Radio Business

The competition in the radio industry in 2012 was still as intense as it was in 2011, in terms of operators striving to attract a greater share of the market, target listeners and radio media advertisement buyers. The latter especially was a tough battle due to the changes in consumer behavior. Previously, clients had purchased long-term annual advertisement contracts. Now, they prefer purchasing short-term contracts ranging from six months, three months, one month per quarter, or on a monthly basis. It also has been the impact of new media who competes for ad expenses such as satellite television. All business operators then has to devise all types of marketing tactics, for example, meet and greet with super stars or DJ, small concert, to win the hearts of its clients and listeners.

As a consequence of the establishment of the National Broadcasting and Telecommunications Commission in October 2011, master plans for frequency allocation and for broadcasting have been published. The NBTC is in the process of implementing the master plans and will reclaim all radio frequencies being occupied by both state agencies and private operators in order to reallocate them and issue proper licenses.

Business Competitors

The radio stations which have the same target list of the Company Group were:

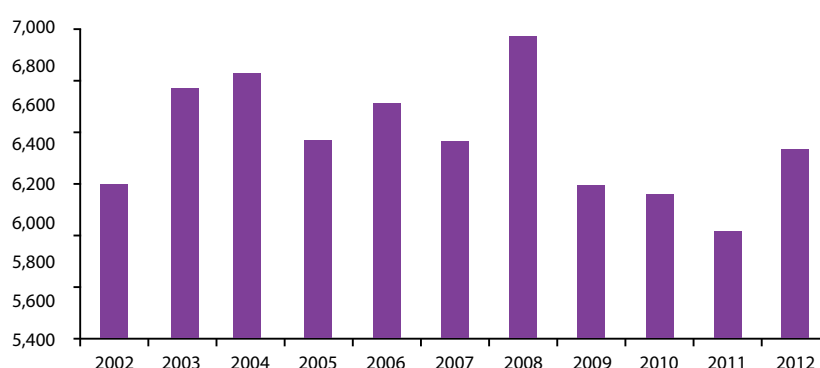
Target Group	The Company Group's Radio Stations	The Competitors' Radio Stations
Working professionals, aged above 35 years.	F.M. 106.5 MHz. Green Wave	F.M. 93.0 MHz. Cool Fahrenheit F.M. 103.5 MHz. FM ONE
Teenagers, working professional aged between 18 - 30 years who love topicality and keep tracking in entertainment field.	F.M. 94.0 MHz. EFM	F.M. 93.0 MHz. Cool Fahrenheit F.M. 95.5 MHz. Virgin Hitz F.M. 97.5 MHz. SEED
Male and Female Teenagers, aged between 15 years and 24 years.	F.M. 91.5 MHz. Hot FM	F.M. 97.5 MHz. SEED FM F.M. 95.5 MHz. Virgin Hitz
Male and Female working professional aged between 25 - 34 years.	F.M. 89.0 MHz. Chill FM	F.M. 103.5 MHz. FM ONE F.M. 93.0 MHz. Cool Fahrenheit

Radio Advertisement Market

The study of Nielsen Media Research (Thailand) Co., Ltd., found that advertising via radio showed the growing rate from Baht 5,928 million as at December 31, 2011 to Baht 6,349 million as at December 31, 2012, with a growth rate percentage of 7.28%, or equivalent to 5.59% of the total ad spending in all media. Radio is still a powerful media of Bangkok residents which can effectively cover all its target group with reasonable cost comparing to other medias.

This year, radio was still a popular channel stand in the fourth rank, whereas the first to third rank were television, newspaper, and theater respectively.

Advertisement Expense on Radio (Million Baht)



Source : Nielsen Media Research (Thailand) Co., Ltd.

Based on the information above, it can be seen that the radio industry has constantly fluctuated from year 2002 to year 2008, then it has slowed down from 2009 to 2011. In 2012, in the amount of expense in media has increased again, due to the improvement of Thailand economic situation. However, the creativity and program production continue to focus on the needs of customers because of their limited budget on advertising. The operators therefore need to be more quality oriented to fit with the customer's purchasing power. Buying behavior of the customers was to select only the top rating program which was worthwhile for the advertisement and publicity. As a result, the entry of new comers and long-time survival in this business were facing a great barrier.

Industry Trend and Competition

The competition in the radio industry was forecasted as intense as it was in the previous year but shifted from concession acquiring and extension to market share expansion. Brand owners were more cautious in spending of their budget, as a result, operators needed to use all type of marketing strategies to create a strong brand for each station while retaining its existing customer base and expanding audience base at the same time. Attractive marketing campaign and promotions were focused to capture the target audience and reach their needs as much as possible. This method made it possible to sell more advertising on the radio. In addition, the radio operators must develop themselves and operate with more efficiency and flexibility by appropriate strategies implementation under changing circumstance in order to keep the market share.

Television Business



Television business encompasses the production of programs and shows and commission to produce programs and shows to be aired on 4 free television stations, namely Channels 3, 5, 7, and 9.

Every television station aims to produce quality programs that attract views, especially during prime time slots such as during news broadcasts or dramas aired after news broadcasts to draw the greatest number of viewers. Program producers, they continue to compete with each other for the best programs and vie for the best broadcasting hours on all the channels. In renting airtime for programs, the station will evaluate the program's quality, format, and way the material is presented to ensure that the programs are in line with the stations' policies, and likelihood of being popular among the target audience (getting high ratings). This will all tie in with the demand from advertisers of goods and services who will want to advertise during those programs, as free television advertisements remains the most highly contested and most favored media. Program producers have to devise creative and unique ways of presenting their programs, as well as adapting the format, quality, and content with changes and developments in the market. More importantly, the programs have to meet the needs of the television stations in terms of its policies and audience ratings.

In 2012, the Group produced a total of 33 television programs in different categories. (Continue)

Program Type	Format	Target Audience	Number of Programs
Dramas/Sit-coms	This type of program is one that the Group is most adept at producing and continues to offer its programs to television stations. During the past year, the Group's dramas that were aired received positive audience ratings, and were among the leaders in this genre, in terms of prime time soap operas and sit-coms. The Group is considered the leader in producing sit-coms and continues to win highest market ratings, in addition to their acclaim for constructive dramas targeting teenaged viewers.	The entire family, suitable for all genders and ages	17
Variety Shows	A clear and well-defined target audience. Program angles are usually based on a variety of formats: popular entertainment, current issues and ideas, combined with current events that effectively integrate knowledge and fun through famous show hosts by highlighting topics of current interest by presenting ideas, often by including a socially constructive angle, in interesting and effective way. This is an area that allows the Group to effectively showcase and maximize the organization's potential capacity and range as a complete entertainment media giant. This is evident in developing reality shows that have been drawing a lot of attention from the Group's primary consumers who require novel ways of showing the capabilities of the participants, such as singing.	Teenagers and families, suited for general viewing	8
Teenage oriented programs	These programs cater to carefully targeted viewers. Programs cover a wide variety of entertaining formats that focus on presenting constructive and popular issues to teenaged viewers, blended with useful and creative information. It is also a channel to source new artists for the entertainment industry.	Teenagers nationwide	2
Music	Music programs featuring various artists' music videos and concerts helps promote and publicize the Group's latest music releases.	Teenagers aged 15 years and up/high school and college students/ housewives	4
Game Shows	This type of program remains popular among viewers because they combine fun, knowledge, and entertainment in a complete package. Moreover, the Group's game show differs from its competitors with formats that are distinct, lively, and exciting, and a key selling point being audience and celebrity participation. Moreover, by including elements that improve society and uphold cultural traditions, these additional factors ensure that the Group's show continues to win the hearts of its viewers.	The entire family, suitable for all genders and ages	1
Kids	This program caters to specific targeted viewers and uses technology to create an animation show to attract the target group. In addition, it blends in useful and creative information effectively.	The entire family, suitable for all genders and ages	1

Market Conditions and Outlook

In 2012, Thai politics, economy, and society gradually improved, so was the consumer confidence. This had resulted in a sharp increase in spending on advertising and public relations on free TV at 68,105 million baht, which was up by 9.43%. It is expected that ad spending on free TV will continue to grow in 2013, the proportion of its share in the total media spending, compared to the value of the money may be lower due to heavy competition from new media, especially cable and satellite TV targeting similar audience, encroaching on its market share. Media spending on cable and satellite TV is expected to sustain its strong growth due to the limitation on free television advertising spots that are not permitted to exceed 240 minutes per day. With limited time, it will lead to heavy competition to retain market shares among the players. Therefore, the winners will be businesses that can show their value and capability to reach their target audience and rise above their competitors.

Publishing Business

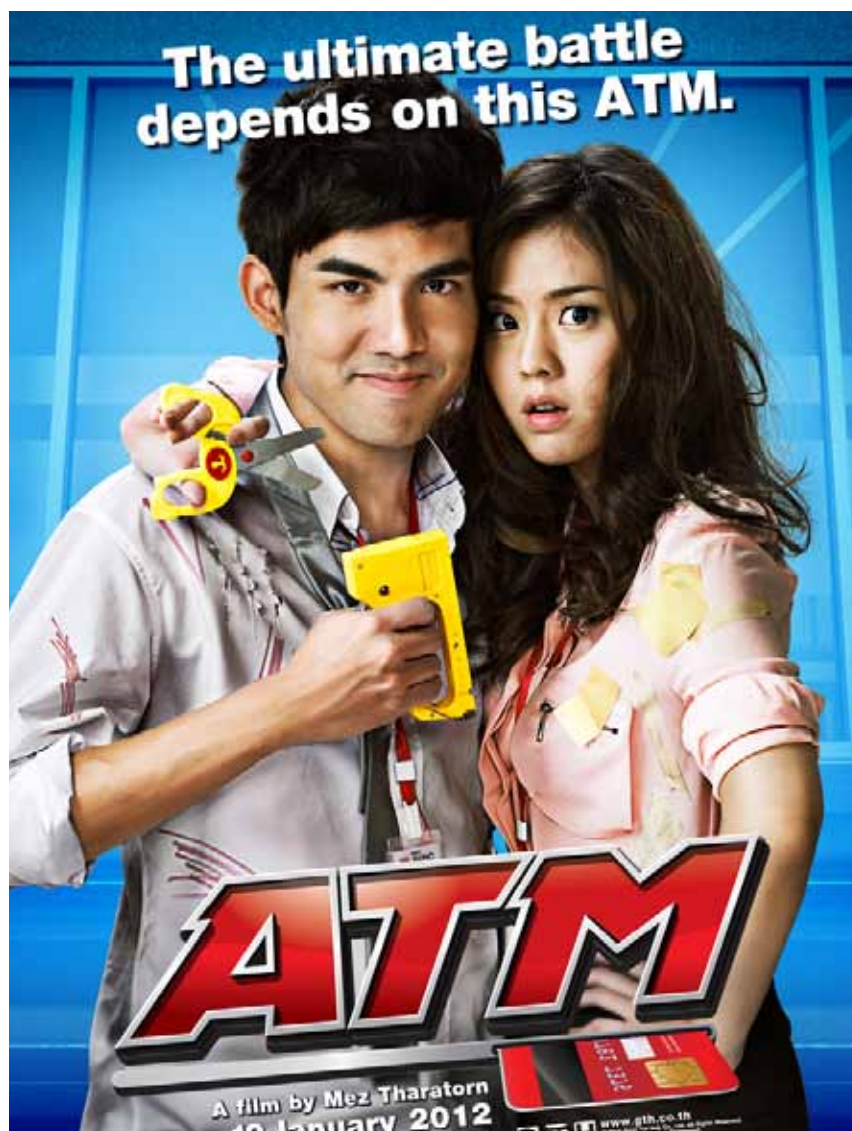
The Group's publishing business produces monthly and bi-weekly fashion, women's and men's and entertainment magazines. There are a total of six publications comprising two local magazines and four magazines produced under foreign licensing. Each magazine's unique characteristics are as follows:

Magazine/Publication	Content Description	Target Group
Image	Fashion, beauty and entertainment. Noted for its trendy photographs.	No limitation on gender or age of readers. For general audience, from students to working professionals
Madame Figaro	A magazine for women who are interested in fashion and appreciative of beautiful artwork. Provides entertainment and information to well-educated women with good taste.	Well-educated working women between 25 - 35 years with a refined taste in beauty and fashion
Her World	Covers fashion, beauty, current issues, entertainment and lifestyles of modern women who use their time for personal development, in preparation for the changing world as they mature.	Women ranging from students to working professionals aged between 18 - 28
Maxim	Encompasses various aspects of a modern lifestyle for individualistic men: informative and entertaining covering fashion, lifestyle, technology and health.	Confident modern men aged men between 18 - 40 years interested in current social events, fashion, entertainment, and cutting-edge technology.
In Magazine	Emphasizes celebrities' romantic relationships, in-depth interviews, and celebrity style tips that are adapted to the average Thai woman. Most readers tend to be optimistic.	Urban women, from university students to working professionals aged 18 - 29, with middle to high income levels
Attitude	Covers fashion and lifestyle of a group of individuals who has unique taste and lifestyle.	No limitation on gender or age of readers, who have a unique lifestyle and dare to show off their lifestyle.

Competition in the publishing industry over the past year has eased. Nielsen Media Research (Thailand) Limited revealed that the budget allocated to magazines in 2012 was 4.43% of total media spending, equivalent to 5,221 million baht, a decline of 10.35% from the previous year. Although the publishing market was down, our group publishing was reverse with our experiences to generate revenue with cost-effective solution.

Market Conditions

In 2013, the magazine publishing industry is expected to improve even though competition will remain stiff in terms of content, format, the date magazines are circulated to the stands. More importantly, there are changes in consumer behavior in light of digital innovations such as reading magazines and books on the internet, or by using hand held devices such as iPads and e-book readers. These channels have attracted the attention of many publishing companies, including GMM Grammy and its foreign magazines. For this year, the Company plans to retain its customer base and attract new customers through new distribution channels and adapt to their constantly changing lifestyles. In addition, it will offer advertising packages that bundle various media, such as print, satellite TV, outdoor billboard, and LED screen, to its customers, and provide printing services to businesses that want to share information with their customers.



Movie Business

Movie making is a business that generates about 3 - 5% of the Company's revenues. The business requires fairly high investments and considerable planning and production periods of approximately 8 months to 1 ½ years, depending on the size of the project.

Distribution Channels/Sources of Revenue

1. Revenue from ticket price profit sharing when screened in Bangkok movie theatres. The Company and theatre owners share their profits equally at 50% each.
2. Movie copyrights from provincial cinema networks
3. Revenue from selling movie copyrights to home entertainment business operators who transfer the content into VCDs and DVDs.

4. Copyrights from cable television channels
5. Copyrights from free television channels
6. Movie copyrights sales to foreign companies.
7. Revenue from various product sponsors

Over the past seven years, GTH Co., Ltd., a subsidiary of the Company, had aimed to continue producing quality films at a rate of 3 - 4 a year. The movie genres will differ from each other, such as comedies, romances, romantic comedies, and horror movies. The company is well-equipped in terms of personnel, and it has skilled teams working together in conducting in-depth market research and moviegoers before investing in new projects. This is a key reason that enables the company to offer new and novel things that have proven consistently popular among viewers.



In 2012, the film industry in Thailand was worth 4,216 million baht (box office figures only), which increased by 4.7% from 2011. Foreign movies garnered 72% of the market share while Thai movies captured approximately 26% and other 2% belonged to others.

In 2012, 64 Thai movies raked in total box office revenues of 1,096 million baht. Three movies produced by GTH Co., Ltd. were screened, generating 250.4 million baht in box office sales, up by 28% from 2011, namely ATM Err Rak Error, 7 Something and Countdown 2013). These movies received great responses from the audience, with ATM Err Rak Error generating the highest box office revenues of all Thai films in 2012 at 152.5 million baht.

The Company's marketing strategy of promoting campaigns that reach target viewers to draw them to the cinemas is a common industry practice. Emphasis is given to setting promotional budgets and media appropriate to the intended audience. Promoting movies before they are released is an essential element in the modern film industry so the audience will know what movies are going to be screened soon. Moreover, new methods of promoting movies are considered an important strategy.



Industry Trends and Competition

The key operators in the industry that have continuously released movies are Sahamongkol International Co. Ltd., GTH Co., Ltd., M39, Phranakorn Film Co., Ltd., Five Star Production Co., Ltd., and M Pictures Co., Ltd.

In 2012, the Thai film market size is expected to grow further as there numerous foreign blockbusters slated to be released. GTH expects to release three movies targeting the company's primary audience aged between 15 and 30 years.



Event Creation & Management and Other

Event Creation & Management is a business that offers a complete range of event management services from proposing ideas, sourcing various contractors and coordinating with related parties, to producing and managing work to meet the clients' needs and aims. Index Event Agency Plc. and its subsidiaries are responsible for overseeing and managing related businesses which can be divided into 2 groups:

1. Creating and managing marketing media - This group is responsible for proposing creative ideas and developing marketing strategies to create a complete range of marketing communications services demanded by clients, including event marketing, advertising and public relations.
2. The production and equipment rentals group is responsible for producing and sourcing equipment for various activities. This includes preparing light, sound and special effects, as well as setting up performance stages for exhibitions. Moreover, the company also offers rentals of cameras, and light and sound editing equipment, designing and backdrop production services for television programs. By collaborating with business associates and partners worldwide, the Group also brings in interesting and attractive performances for special marketing activities.

The events creation & management group's innovative and varied offerings continue to make waves in this industry in terms of creativity and technology. Many projects have been widely acclaimed, and the company has received the most domestic and international awards amongst its peers.

Target Group

There are two target groups:

Private sector - businesses in this sector are its primary customers and target group. These clients need to penetrate through to their consumers as much as possible. Most of their needs focus on event marketing and brand activation such as launching new products or services, sales enhancing activities, and organizing banquets for sales representatives. These companies need a company that is reliable, has a proven track record and has the ability to offer creative new ideas which can be transformed into reality.



Public sector - Clients in the group generally select activities to communicate with the general public, usually in the form of exhibitions, special activities or organizing international conferences. These public sector organizations require a company that provides a complete array of services from organizing the events and activities to public relations, which are areas that Index Group can readily provide.

Industry Trends and Competition

Though the events management industry has more than 200 operators, most companies have fewer than 20 employees. Only 25 companies have staff sizes not exceeding 50 employees, and fewer than 10 companies have more than 50 employees. Therefore, the overall market is one where market segmentation according to company size is clearly delineated. Index Group is the only company capable of providing comprehensive services that are creative and delivers results, as well as a wide range of rental equipment. Thus, competition is considered relatively low in this industry.

Industry Trends in 2013 continues to show growth prospects because these activities are no longer limited to the private sector alone as it has expanded to encompass the public sector. Many government organizations have begun to increasingly use event organizers to broadcast information to the public as well as to support its work and government policies. Due to the current economic situation, private sector businesses have a greater need for media or activities to communicate through to their consumers as much as possible, while maximizing the efficacy and value in spending their marketing budgets. Moreover, trends indicate an increase in the use of more frequent and large-scale marketing activities. Therefore, larger and more reputable companies will stand a greater chance of winning assignments compared to medium and small companies. Among competitors in this market, only three operators considered large. Thus, competition in this industry is not too intense. In addition, as a preparation for the ASEAN Economic Community in the next few years, the Company is expanding its reach internationally.

Other businesses

Other businesses are those built on the existing businesses' potential. With increased experience and security in operating business, the Company is able to generate revenue from these businesses, which comprise call center business, studio rental business, production business, etc. One other business considered by the Company as having potential to grow in the long run is home shopping business. With technology being developed continuously for the conveniences of consumers' daily life, the form of shopping has changed. Today's shopping is not only by walking to select goods in retail stores, but shopping also available online. Shopping through TV has an increased role in the daily life of consumers as a response to consumer needs that may arise around the clock. Home shopping business is a form of shopping that has grown continuously in recent years. The Company has chosen to sell quality goods rather than inexpensive goods as the Company is confident that selling quality goods will lead to more repeat purchase. Besides, at the initial stage of home shopping business, it is time to build consumer confidence. The Company therefore has adopted a strategy to have the customers receive goods first and pay later, aiming to build consumer confidence in the Company's goods and services. Besides, the Company offers payment methods for consumers to pay for goods by cash or by credit, for more convenience to consumers. Goods that are already distributed by the Company include electrical appliances, kitchen utensils, kitchen cleaning products, and fitness equipment.

Competition and industry outlook

Home shopping business has grown continuously because in Thailand this business is only in the beginning stage, where growth opportunity is ample. Competition in home shopping business in 2013 has a rising trend, with more foreign home shopping entrepreneurs entering the market through cooperation with major content entrepreneurs. Moreover, the market is being prepared for the opening of the Asean Economic Community (AEC) in 2015, when more goods from neighboring countries will flow in. The overall market value in 2013 will be rising due to the improved economic conditions. The consumers have more purchasing power due to the supporting policies from the State. It is estimated that the market value of home shopping business is about 8,000 – 10,000 million Baht and it is believed that the overall market value will grow more.

Broadcasting Business











Description of Products and Services

Broadcasting business can be divided into 3 main components.

1. **“GMM Z” Satellite TV Platform** is the Company’s new line of business, launched in March 2012 and is responsible for the sale of satellite TV set-top-box to consumers. GMM Z has a variety of products for the target audience of all levels, such as SMART Box for middle-level customer group and Mini Box for customers who have limited budgets but want to switch from television with antenna to satellite television. Besides, the Company is ready to expand the customer base to the premium customer group by offering HD Box, which will be launched in 2013.
2. **Satellite TV Media** is the production of TV shows to be aired on satellite TV channels. Compared to the past, this business requires relatively low investments due to good domestic and international coverage of satellite signal, mitigating the need to install additional receiving towers. All that it takes to operate this business are television channel licenses and good programs for broadcasting.

The Group has produced television programs for airing through Thaicom satellite in two categories as follows:

2.1 Satellite television programs that can be viewed on every platform, in 9 channels. They are as follows:

Grammy Channels	Genres	Target Audience	First Aired
Fan TV 	Contemporary Thai Look Thung	General audience	October 2008
Bang Channel 	Variety shows that cater to teenagers	Pre-teens and teenagers	February 2009
Green Channel 	Variety talk shows, contemporary music programs, footage of rare concerts, and programs targeting working professionals’ lifestyles.	Working professionals and teenagers	March 2009
Acts Channel 	Dramas, sit-coms and entertaining variety shows	General audience	April 2009
Money Channel* 	Programs on financial matters and investments	General audience and working professionals with an interest in finance and investments	October 2009
Saranair Channel** 	Variety of comedy shows	General Audience	October 2010
JKN Channel*** 	Series from Korea and Japan	General Audience	April 2011
PLAY Channel + 	Variety of comedy shows	Working professionals and teenagers	April 2011
MAXXI TV Channel 	Variety of lifestyle shows	Working men professionals	December 2011 (Airing being halted in January 1, 2013)
GMM Music 	Thailand international modern music	General Audience	March 2012

* The channel is jointly-owned (50% each) with the Stock Exchange of Thailand, through the Group’s subsidiary Family Know-How Co. Ltd.

** The channel is jointly-owned with Luck 666 Co., Ltd. holding 25%, through Luck Satellite Co., Ltd.

*** The channel is jointly-owned with STG Multimedia., Ltd. by holding 50%.

+ The channel is jointly-owned with JSL Global Media Co., Ltd. by holding 30%.

++ The channel is jointly-owned with GMM Tai Hub Co., Ltd. (a subsidiary) and Image Publishing Co., Ltd. (a subsidiary of GMM Media Plc, which is the Company’s subsidiary) by holding 30%.

2.2 Satellite television programs that can be viewed on only GMM Z platform, in 4 channels. They are as follows:

Grammy Channels	Genres	Target Audience	First Aired
GMM ONE 	Variety	General audience	December 2012
NAT GEO Wild 	Documentary on Wild Life	General audience	March 2012
GMM Theater 	International Series	General audience	March 2012
GMM Sport Extra 	Sports program	General audience who are interested in sports	March 2012

3. **Pay TV business**, a new business of the Group, was first launched with satellite TV platform business by purchasing broadcasting rights from program owners or franchisees in Thailand for further broadcasting to viewers through the Company's satellite signal boxes. In total, the Group has eight channels, comprising four entertainment channels and four sport channels, as follows:

Entertainment	Genres	Target Audience
NAT GEO Adventure 	Adventures worldwide	General audience
Nick Jr. 	Children's program	Children and Youth
GMM Movie Channel 	Movies from around the world	General audience
Warner TV 	Series from overseas	General audience

Sport Program	Genres	Target Audience
EURO Sport 	Europe Sport program	General audience
GMM Club Channel 	Sport program	General audience
GMM Football Extra 	Football game	General audience
GMM Sport One 	Sports program	General audience

For all the channels, consumers can view programs through a prepaid view subscription system under three different packages as follows:

- Entertainment package for programs in four entertainment channels.
- Sport package for programs in four sport channels.
- Combo package for programs in all the eight channels.

The Company has put prepaid cards for sale at convenience stores, satellite equipment stores, and trading partners' shops countrywide.

Competition and Industry Outlook

After the announcement of the Broadcasting and Public Media Act B.E. 2551 on 5 March 2008, cable and satellite television industry operators were stimulated as they are now permitted to legally operate and earn advertisement revenue from advertisement spots not exceeding six minutes per hour. Consequently, the cable and satellite television business has become more attractive and is considered a viable channel for new television operators since there are viewers in more than 10 million households nationwide. This means that the audience watching cable and satellite television constitutes more than 50% of all television viewers in Thailand. (Source: CASBAA - Cable & Satellite Broadcasting Association of Asia, December 2010) Furthermore, the satellite television audience increased to 12.7 million households in August 2012 (Source: AGB Nielsen). Goods and services advertised by both direct customers and agencies in television programs through satellite television channels have risen in number due to the increased number of viewers and the accessibility to target audience under product segmentation that can be with efficiently selected for specific satellite television viewer groups, while the advertising fee rates of satellite television channels are much less than those of free television channels. For this reason, the degree of competition in satellite & cable TV business is more intense, with the advertising rates thereof in 2013 expected to rise by at least 20%. The competition in the television platform market is also rising in intensity, with the platform owner having quality contents of their own and contents from different platforms, which will be of advantage to customer base expansion because consumers have learned more of how to choose platforms worth their expenses.

For pay TV service business in Thailand, it is expected that, although it is at the beginning stage, the growth opportunity will be high because pay TV business is undergoing change from market monopoly by only one company in Thailand to competition from multiple platform owner companies, opening more choices for consumers.

Risk Factors

The Board of Directors has placed high importance on risk management processes at both corporate and operational levels, in line with the risk management policy and framework formulated by the Group to mitigate risks to be at an acceptable level, suitable to the environment of each business unit's nature of working or activities. The management and staff at all levels are encouraged to take part in the processes and risk management systems are put in place across the organization and instilled as part of the Group's culture, while the Risk Management and Internal Control Department is assigned to develop risk management systems in accordance with international practices and integrate risk management practices at each level with all related departments under the supervision of the Risk Management Committee. Besides, the Group's management has well implemented the risk management practices, including risk management follow-up and reporting to the Board of Directors on a regular basis.

In 2012, the Group has improved strategies in various areas on a continued basis, aiming to manage risks that may arise in both new and core businesses of the Group, such as preparation on production technologies and capital funds, improvement of organizational structures and work processes, and human resources development at high and middle levels in support of the Group's business management team in response to rapid business growth.

Corporate Risk

1. Risk from Piracy

Piracy is one factor that uniformly affects music and movie industries worldwide. Every year, the Group has to contend with adaptation and duplication of their music, which are then sold cheaply in large quantities. New forms of piracy have emerged with the latest technological developments, such as using the Group's products for commercial purposes on the internet. Consequently, the Group loses substantial valuable business opportunities every year.

Nonetheless, the government has issued various measures in a serious attempt to improve the protection and reduction of piracy. The latest measures are comprehensive, ranging from controlling the process of importing machines that can be used to produce pirated products, to controlling production and distribution processes. Penalties and fines have been increased against violators. Rewards are handed to police or to people who offer leads to the production, storage and retail sites of pirated goods.

Moreover, to promote legal purchase of goods, the Group has continuously developed additional channels of distribution in line with technological change to provide more convenience to consumers, such as internet-based sale (social music streaming, such as *123 Deezer Spotify iTune, etc.), aiming to facilitate continued purchase of songs, etc. In the film industry, the Group has received warm cooperation from theatre operators in issuing various measures to reduce illegal recordings. The Group expects that with serious and continual collaboration between the government and private sectors, the use of pirated products will decrease significantly, benefiting the entire music industry in the future.

2. Risk of business interruptions due to force majeure

The Group has envisioned the importance of business operations continuity, without interruptions, especially for major business processes of the Group in case of force majeure, such as natural disasters, man-made hazards, technological hazards or computer virus attacks, protests, disturbances, enactment of new legislation, etc.

The Board of Directors has therefore appointed a Business Continuity Plan Committee (BCP) to push ahead with the development of a business continuity plan (BCP) in a concrete manner to absorb impacts and minimize damage that may befall the Company's major business processes, creating confidence that the work systems and workplaces are able to cope with disasters or equipped with systems capable of managing emergencies and returning to normal operations quickly.

3. Risk from Retard Internal Process Adjustment to the Rapid Business Expansion

The Group's business is divided into four main categories according to business type which are total music business, media business, movie business, broadcasting business and other businesses. Each business has its own characteristic which also requires different staff's talent and expertise. In addition, the rapid business expansion of the Group may affect the internal process adjustment of each business group in various ways, such as The Group's organization structure etc. and may create overlap of processes between business units and supporting units. Besides, some centralized policies issue may not support some processes of current business units or new business units. Consequently, these may cause risk from retard internal process adjustment to the rapid business expansion.

In order to sustain the business growth, however, such risk has been efficiently managed by revising organization structure and adjusting key processes in order to effectively implement all centralized policies together with developing a standardized performance evaluation across all units in the Group.

4. Risk from Relying on Individual Talent

The Group's business is mainly based on people. The business has been grown by staff with experiences and distinctive talent especially for the music business, radio business, television business and media business. All staff, regardless of whether they are the artist or all the different supporting teams, are recognized as valuable members having high impact on the Group's operations. Hence, whenever they move to a different corporate affiliate or other companies, this means a valuable loss which requires the Group to spend additional time developing new artists or supporting teams to replace them.

However, the Group has continually managed the risk by focusing on developing and supporting all staff by involving them more in business operations. Furthermore, the Group has developed the standardized performance evaluation together with placing great importance on revising compensation package and benefits for staff to be competitive compared to the other companies in the same industry.

In addition, in order to keep the business growth in balance, the Group has invested in new businesses which most based on technology or systems such as GMM Z and Home Shopping.

Management Discussion and Analysis

Overview of 2012 Operating Performance

In 2012, GMM Grammy successfully launched the GMM Z satellite TV platform by selling approximately 1.5 million satellite set-top boxes (STB), which would be a solid foundation in offering the recently launched Pay TV service on February 2013 after being granted relevant licenses from the National Broadcasting and Telecommunication Commission (“NBTC”) in late 2012. Furthermore, revenue from satellite TV business grew sharply by 266% from the previous year. For the existing businesses, comprising music, media, movie, and event management, revenues continued to grow strongly by approximately 10% from last year. Total revenues in 2012 amounted to BAHT 11,756 million, increasing 25% from the previous year.

Music business comprises sale of physical products, collection of copyright/ licensing fees, digital download, and showbiz. In 2012, revenues from music business totaled BAHT 3,623 million, declining slightly by 1% from 2011, and represented 31% of total revenues, down from 39% in the previous year.

There were a total of 257 albums released 2012, less than the previous year by 2 albums. However, total sale of physical products of 7.8 million copies in 2012 was somewhat higher than 7.0 million copies sold last year. Meanwhile, the digital download continued to decline due to the delay in the offering of 3G mobile phone service. However, GMM Grammy is developing new services for digital business, to be launched in the second half of 2013.

For showbiz, there were 20 large-scale concerts being performed in 2012 and many other smaller ones throughout the year. Consequently, total revenues from showbiz in 2012 amounted to BAHT 1.0 billion, increasing by 36% from 2011, and represented 9% of total revenues, 1% higher than last year.

Media business comprises radio, television, and publishing businesses. In 2012, revenues from media business totaled BAHT 3,422 million, increasing by 10% from 2011 in line with the growth of the overall economy and media expenditure. Revenue from television media commanded the highest growth of 10% and the growth of revenue from radio media was at 4%, while revenue from publishing business declined by 10% from last year. Revenue from media business in 2012 accounted for 29% of total revenue, down slightly from 33% in 2011. Considering only revenue from media business, TV revenue accounted for 69% of total media revenue in 2012, up slightly from 67% in 2011, while revenue from radio and publishing declined from 27% and 7% in 2011 to 25% and 6% of total media revenue in 2012, respectively.

Movie business In 2012, 3 movies were released and continued to succeed as 2 movies were ranked no. 1 and 2 at the box office for Thai movies in 2012. Revenue from movie business in 2012 amounted to BAHT 324 million, increasing 3% from the previous year, and represented 3% of total revenues, same as 2011.

Satellite TV business comprises satellite TV media business, satellite TV platform business, and satellite Pay TV business. Revenues from broadcasting business in 2012 totaled BAHT 2,102 million, an increase of 266% from last year. A total of 1.5 million set-top boxes were sold in 2012, generating revenue from sale of set-top box of BAHT 940 million. In addition, advertising revenue from satellite TV channels continued to grow impressively to approximately BAHT 770 million, an increase of 40% from last year. Revenues from broadcasting business in 2012 represented 18% of total revenues, an increase from 6% in 2011.

Event management business in 2012 generated total revenue of BAHT 1,814 million, increasing 37% from 2011, due to the delay of a big event in late 2011 (from the big flood) to early 2012. It represented 15% of total revenues in 2012, increasing from 14% in 2011.

Net profit from the existing businesses continued to grow, especially from media business, which rebounded strongly after the big flood during the final quarter of 2011. However, investment in new business to build GMM Z satellite TV platform, couple with the delay of the issuance of satellite TV licenses barring GMM Grammy from generating revenue from Pay TV business (while it had incurred content license and service provisioning costs), resulted in a net loss from new business. Therefore, net loss for 2012 amounted to BAHT 347 million.

Capital Structure

Total assets in 2012 amounted to BAHT 11,309 million, up 33% from the end of 2011 due to the increase of account receivables from the sale of set-top box, long-term investments from the increase in market value of the investments, and plant property and equipment from the construction of new studios. Furthermore, interest-bearing debt increased to BAHT 3,632 million at the end of 2012 from BAHT 1,683 million at the end of 2011, resulting in the increase of total liabilities of 52% from the end of 2011 to BAHT 7,456 million at the end of 2012. Shareholders' equity increased to BAHT 3,853 million. Interest-bearing debt to equity ratio increased from 0.46x at the end of 2011 to 0.94x at the end of 2012.

Audit Fee

In 2012, the Group appointed Khun Termphong Opanaphan of Ernst & Young as auditor and the person certifying the Group's financial statements. The Group's audit fees amounted to 10.216 million baht. There are no additional fees for services rendered this year, or to be rendered in future audits for any outstanding services carried forward.

Report on the Board of Director's Responsibility towards the Financial Statements

The Board of Directors recognizes the importance of the Corporate Governance Management Policy and the preparing process of the financial statement and financial information as reported in the annual report enable to ensure that the statements are prepared in accordance with the Thai generally accepted accounting standards, using appropriate and consistent accounting policy and sufficient information is disclosed in the notes to financial statements. The Board of Directors has appointed Audit Committee, which comprises independent directors, to be responsible for the quality of financial reports. This also reasonable assurance the existing of the efficiency and effectiveness of internal control such as safeguarding of assets connected or potential conflict of interest transactions and the compliance to applicable laws and regulations, which the Audit Committee's opinion is stated in the Audit Committee Report.

Moreover, in the Board of Directors' meeting on 28 February 2013, which every Audit Committee members, management and internal audit department attended, the sufficiency of the Company's internal control system for the year 2012 has been evaluated. The system, set by the management which compliance with the SET regulations and COSO guideline, was divided into 5 major components in Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring and Evaluation. The Board agreed with the Audit Committee that the GMM Grammy Group's quarterly and the annual financial statement for the year 2012 (which has been audited by the Company's external auditor) has been prepared in accordance with generally accepted accounting principles and disclosed sufficiently, accurately and reliably. In general, the internal control system of the Company and subsidiaries was fairly established and appropriate to the Company business. There were no internal control deficiencies which would affect the accuracy and reliability of financial statement and the achievement of the entity's business goal. The Board of Directors has expressed the opinion on the sufficient of the Company and subsidiaries' internal control system in "Internal Control" section.

Furthermore, the Board encourages the Management in continuous developing the GMM Grammy Group's quality of internal control system, risk management and good corporate governance. The adequate and appropriate supervision should also be in place to enable the achievement of the established objective and goal.



Mr. Paiboon Damrongchaitham
Chairman



Ms. Boosaba Daorueng
Group Chief Executive Officer

Independent Auditor's Report

To the Shareholders of GMM Grammy public Company Limited

I have audited the accompanying consolidated financial statements of GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of GMM Grammy Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities and of GMM Grammy Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

Ernst & Young Office Limited

Bangkok: 28 February 2013

Statement of financial position

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	844,857,204	1,016,223,148	139,996,047	152,718,893
Current investments	8	556,056,952	327,702,001	-	-
Trade and other receivables	9	2,782,461,200	2,107,387,495	1,825,114,407	1,024,423,680
Prepaid expenses		319,740,469	283,695,360	29,823,473	90,410,229
Inventories	10	1,039,382,170	995,153,845	399,986,756	540,321,358
Advance payments		187,845,188	115,698,439	32,092,106	42,230,470
Other current assets	11	575,403,467	594,164,085	57,906,676	437,284,932
Total current assets		6,305,746,650	5,440,024,373	2,484,919,465	2,287,389,562
Non-current assets					
Investments in subsidiaries	12	-	-	1,214,956,258	979,788,789
Investments in joint ventures	13	-	-	9,999,800	-
Investments in associates	14	300,628,666	253,660,103	27,999,980	27,999,980
Other long-term investments	15	1,502,115,635	1,093,978,535	674,546,035	517,918,835
Loans to related parties	6	6,200,000	1,375,707	14,000,000	18,500,000
Property, plant and equipment	16	1,631,236,702	1,075,009,414	109,259,214	131,646,735
Goodwill		79,857,240	79,857,240	-	-
Other intangible assets	17	1,134,563,064	384,964,798	315,255,912	361,639,725
Other non-current assets	18	348,708,277	205,004,417	107,566,372	86,225,663
Total non-current assets		5,003,309,584	3,093,850,214	2,473,583,571	2,123,719,727
Total assets		11,309,056,234	8,533,874,587	4,958,503,036	4,411,109,289
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans from banks	19	3,109,190,200	1,254,711,649	326,000,000	214,000,000
Trade and other payables	20	2,546,583,847	1,992,125,474	725,712,018	965,864,879
Unearned income		513,199,411	599,438,172	81,442,870	87,362,636
Current portion of long-term loans	21	301,348,000	123,208,000	280,000,000	-
Current portion of liabilities under finance lease agreements	22	22,783,664	22,757,233	11,555,306	11,081,433
Income tax payable		35,805,992	58,822,993	-	-
Other current liabilities	23	436,498,789	293,979,259	130,840,122	86,741,301
Total current liabilities		6,965,409,903	4,345,042,780	1,555,550,316	1,365,050,249
Non-current liabilities					
Long-term loans - net of current portion	21	152,886,422	243,323,287	-	195,778,000
Liabilities under finance lease agreements - net of current portion	22	45,301,414	38,911,641	24,318,618	22,408,724
Provision for long-term employee benefits	24	260,840,105	232,054,639	119,257,123	108,498,142
Other non-current liabilities		31,243,571	31,889,008	-	-
Total non-current liabilities		490,271,512	546,178,575	143,575,741	326,684,866
Total liabilities		7,455,681,415	4,891,221,355	1,699,126,057	1,691,735,115

The accompanying notes are an integral part of the financial statements.

Statement of financial position (continued)

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Shareholders' equity					
Share capital					
Registered					
530,556,100 ordinary shares of Baht 1 each		530,556,100	530,556,100	530,556,100	530,556,100
Issued and fully paid					
530,264,947 ordinary shares of Baht 1 each		530,264,947	530,264,947	530,264,947	530,264,947
Paid-in capital					
Share premium		1,626,117,776	1,626,117,776	1,626,117,776	1,626,117,776
Transferred of share premium to offset deficit in separate financial statements		271,203,657	271,203,657	-	-
Capital surplus from share premium of subsidiaries		860,964,766	860,964,766	-	-
Retained earnings					
Appropriated - statutory reserve	25	53,055,610	53,055,610	53,055,610	53,055,610
Transfer of statutory reserve to offset deficit in separate financial statements		50,000,000	50,000,000	-	-
Unappropriated		173,980,595	521,457,156	647,217,818	266,433,832
Other components of shareholders' equity		(573,810,643)	(982,685,985)	402,720,828	243,502,009
Equity attributable to owners of the Company		2,991,776,708	2,930,377,927	3,259,376,979	2,719,374,174
Non-controlling interests of the subsidiaries		861,598,111	712,275,305	-	-
Total shareholders' equity		3,853,374,819	3,642,653,232	3,259,376,979	2,719,374,174
Total liabilities and shareholders' equity		11,309,056,234	8,533,874,587	4,958,503,036	4,411,109,289

The accompanying notes are an integral part of the financial statements.

Income statement

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues	27				
Sales of goods		2,276,537,801	1,488,605,080	1,236,899,082	1,408,948,472
Service income		8,177,171,690	6,494,416,216	2,005,827,013	1,272,000,213
Revenues from copyrights		981,770,747	1,119,542,694	848,305,554	924,582,210
Interest income		35,760,970	29,761,470	3,814,927	7,326,980
Dividend received		49,001,431	54,408,206	374,575,496	363,153,702
Gains on disposal of equipment		19,444,938	35,082,481	3,511,906	19,660,802
Other income		216,777,577	166,139,964	64,094,865	86,367,832
Total revenues		11,756,465,154	9,387,956,111	4,537,028,843	4,082,040,211
Expenses					
Cost of sales and services		8,062,464,172	5,396,653,895	2,949,566,073	2,178,563,009
Selling expenses		874,766,160	505,547,910	55,332,978	70,599,398
Administrative expenses		2,863,030,286	2,508,026,546	1,100,087,943	1,230,030,356
Total expenses		11,800,260,618	8,410,228,351	4,104,986,994	3,479,192,763
Profit before share of profit from investments in associates, finance cost and income tax expenses		(43,795,464)	977,727,760	432,041,849	602,847,448
Share of profit from investments in associates	14	87,170,165	57,212,096	-	-
Profit before finance cost and income tax expenses		43,374,701	1,034,939,856	432,041,849	602,847,448
Finance cost		(108,396,070)	(54,880,056)	(23,415,967)	(8,751,315)
Profit (loss) before income tax expenses		(65,021,369)	980,059,800	408,625,882	594,096,133
Income tax expenses		(221,636,661)	(295,993,880)	(27,841,896)	(61,813,810)
Profit (loss) for the year		(286,658,030)	684,065,920	380,783,986	532,282,323
Profit (loss) attributable to:					
Equity holders of the Company		(347,476,561)	625,544,113	380,783,986	532,282,323
Non-controlling interests of the subsidiaries		60,818,531	58,521,807		
		(286,658,030)	684,065,920		
Basic earnings per share	29				
Profit (loss) attributable to equity holders of the Company		(0.66)	1.18	0.72	1.00

The accompanying notes are an integral part of the financial statements.

Statement of comprehensive income

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit (loss) for the year	(286,658,030)	684,065,920	380,783,986	532,282,323
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	356,523	(1,595,999)	-	-
Gain (loss) on change in value of available-for-sale investments	408,518,819	(183,840,878)	159,218,819	24,719,121
Other comprehensive income for the year	408,875,342	(185,436,877)	159,218,819	24,719,121
Total comprehensive income for the year	122,217,312	498,629,043	540,002,805	557,001,444
Total comprehensive income attributable to:				
Equity holders of the Company	61,398,781	440,900,526	540,002,805	557,001,444
Non-controlling interests of the subsidiaries	60,818,531	57,728,517		
	122,217,312	498,629,043		

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

(Unit: Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
	Retained earnings			Other components of shareholders' equity											
	Other comprehensive income							Other changes by the owners				Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
	Issued and paid-up share capital	Share premium	Transfer of share premium to offset deficit in separate financial statements	Capital surplus from share premium of subsidiaries	Appropriated - statutory reserve	Transfer of statutory reserve to offset deficit in separate financial statements	Unappropriated	Exchange differences on translation of statements in foreign currency	Surplus (deficit) on changes in value of available-for-sale investments	Capital deficit from business combination under common control	Difference resulting from share swap between the Company and a subsidiary company				Total other components of shareholders' equity
Balance as at 1 January 2011	530,264,947	1,626,117,776	271,203,657	860,964,766	53,055,610	50,000,000	593,597,939	3,173,957	(336,811,816)	(274,800,348)	(189,604,191)	(798,042,398)	3,187,162,297	627,929,960	3,815,092,257
Cumulative effect of change in accounting policy for employee benefits	-	-	-	-	-	-	(193,933,956)	-	-	-	-	-	(193,933,956)	(16,954,287)	(210,888,243)
Total comprehensive income for the year	-	-	-	-	-	-	625,544,113	(802,709)	(183,840,878)	-	-	(184,643,587)	440,900,526	57,728,517	498,629,043
Dividend paid (Note 32)	-	-	-	-	-	-	(503,750,940)	-	-	-	-	-	(503,750,940)	-	(503,750,940)
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	43,571,115	43,571,115
Balance as at 31 December 2011	530,264,947	1,626,117,776	271,203,657	860,964,766	53,055,610	50,000,000	521,457,156	2,371,248	(520,652,694)	(274,800,348)	(189,604,191)	(982,685,985)	2,930,377,927	712,275,305	3,642,653,233
Balance as at 1 January 2012	530,264,947	1,626,117,776	271,203,657	860,964,766	53,055,610	50,000,000	521,457,156	2,371,248	(520,652,694)	(274,800,348)	(189,604,191)	(982,685,985)	2,930,377,927	712,275,305	3,642,653,233
Total comprehensive income for the year	-	-	-	-	-	-	(347,476,561)	356,523	408,518,819	-	-	408,875,342	61,398,781	60,818,531	122,217,312
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	88,504,275	88,504,275
Balance as at 31 December 2012	530,264,947	1,626,117,776	271,203,657	860,964,766	53,055,610	50,000,000	173,980,595	2,727,771	(112,133,875)	(274,800,348)	(189,604,191)	(573,810,643)	2,991,776,708	861,598,111	3,853,374,819

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity (continued)

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity	
			Appropriated - statutory reserve	Unappropriated	Surplus (deficit) on changes in value of available-for-sale investments	Total other components of shareholders' equity
Balance as at 1 January 2011	530,264,947	1,626,117,776	53,055,610	341,082,477	218,782,888	2,769,303,698
Cumulative effect of change in accounting policy for employee benefits	-	-	-	(103,180,028)	-	(103,180,028)
Total comprehensive income for the year	-	-	-	532,282,323	24,719,121	557,001,444
Dividend paid (Note 32)	-	-	-	(503,750,940)	-	(503,750,940)
Balance as at 31 December 2011	530,264,947	1,626,117,776	53,055,610	266,433,832	243,502,009	2,719,374,174
Balance as at 1 January 2012	530,264,947	1,626,117,776	53,055,610	266,433,832	243,502,009	2,719,374,174
Total comprehensive income for the year	-	-	-	380,783,986	159,218,819	540,002,805
Balance as at 31 December 2012	530,264,947	1,626,117,776	53,055,610	647,217,818	402,720,828	3,259,376,979

The accompanying notes are an integral part of the financial statements.

Cash flow statement

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	(65,021,369)	980,059,800	408,625,882	594,096,133
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	297,832,244	269,800,822	62,793,626	69,904,591
Amortisation	512,732,145	155,266,258	377,607,707	50,071,599
Allowance (reversal) for doubtful accounts	(4,892,411)	15,030,114	(8,966,290)	6,105,600
Allowance for diminution in value of inventory	23,364,197	23,800,252	23,671,040	26,960,574
Provision (reversal) for sales returns	2,547,981	(544,611)	2,810,980	(223,929)
Reversal of allowance for advances	-	(5,078,571)	-	(5,078,571)
Reversal of allowance for impairment of investments in subsidiaries	-	-	(36,985,583)	(86,089,691)
Reversal of allowance for impairment of other long-term investments	(5,497,909)	(14,000,000)	(5,497,910)	-
Losses (gains) on sale of investment in subsidiaries	-	-	(300)	91,764,390
Gains on sale of investment in associates	-	(425,818)	-	-
Losses (gains) on sale of other long-term investments	(10,359,961)	11,360,000	(10,359,961)	-
Gains on disposal of equipment	(18,527,166)	(35,082,481)	(3,511,906)	(19,660,803)
Dividend received and profit sharing from jointly controlled entities	(49,001,431)	(54,408,206)	(374,575,496)	(363,153,702)
Share of profit from investments in associates accounted for under equity method	(87,170,165)	(57,212,096)	-	-
Long-term employee benefit expenses	31,006,266	27,980,475	10,758,981	12,042,143
Interest income	(35,760,970)	(29,761,470)	(3,814,927)	(7,326,979)
Interest expenses	108,396,070	54,880,056	23,415,967	8,751,315
Profit from operating activities before changes in operating assets and liabilities	699,647,521	1,341,664,524	465,971,810	378,162,670
Operating assets (increase) decrease				
Trade and other receivables	(670,181,294)	241,394,752	(704,447,851)	57,179,986
Advance payments	(72,146,749)	(5,995,069)	10,138,364	(22,870,333)
Prepaid expenses	(36,045,109)	(224,525,512)	60,586,756	(84,980,121)
Inventories	(177,855,901)	(503,380,870)	103,862,499	(82,655,464)
Other current assets	78,118,572	(314,304,278)	261,184,376	(273,976,747)
Other non-current assets	(1,282,478,028)	(153,692,461)	(185,388,880)	(167,440,402)
Operating liabilities increase (decrease)				
Trade and other payables	528,741,295	192,329,961	(240,100,142)	146,741,236
Unearned income	(86,238,761)	209,455,433	(5,919,766)	31,192,505
Other current liabilities	139,971,549	(14,905,776)	41,287,841	(8,776,293)
Provision for long-term employee benefits	(2,220,800)	(6,814,079)	-	(6,724,029)
Other non-current liabilities	(645,437)	(11,941,455)	-	-
Cash flows from (used in) operating activities	(881,333,142)	749,285,170	(192,824,993)	(34,146,992)
Cash paid for interest expenses	(97,297,131)	(46,370,533)	(22,963,457)	(8,656,971)
Cash paid for income tax	(317,302,996)	(368,068,026)	(64,022,676)	(78,030,757)
Net cash flows from (used in) operating activities	(1,295,933,269)	334,846,611	(279,811,126)	(120,834,720)

The accompanying notes are an integral part of the financial statements.

Cash flow statement (continued)

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Acquisition of equipment	(827,675,751)	(374,918,087)	(38,112,769)	(72,045,076)
Decrease in accounts payable - purchase of assets	-	(1,001,567)	(505,229)	(13,206,678)
Cash received from returning investment of subsidiaries	-	-	-	23,466,273
Cash received from disposal of investments in subsidiaries	-	-	31,999,500	53,510,185
Cash received from returning investment of associates	13,151,602	6,290,000	-	-
Cash received from disposal of investments in associates	-	2,400,000	-	-
Cash received from disposal of other long-term investments	18,449,490	3,140,000	18,449,490	-
Cash paid to purchase additional investments in subsidiaries	-	(1,030,290)	(230,181,086)	(160,600,316)
Cash paid to purchase additional investments in jointly controlled entities	-	-	(9,999,800)	-
Cash paid to purchase additional investments in associates	-	(9,149,980)	-	(2,999,980)
Cash paid to purchase of other long-term investments	(2,209,900)	(40,064,230)	-	(40,064,230)
Cash received from disposal of equipments	39,876,291	51,849,970	16,322,046	38,803,174
Decrease (increase) in loans to related parties	(4,824,293)	(1,375,707)	4,500,000	23,000,000
Dividend received from other long-term investments	49,001,431	54,408,206	19,871,431	31,488,206
Dividend received from subsidiaries and associates	27,050,000	35,224,800	267,427,479	361,804,180
Cash received from non-controlling interests of subsidiaries				
from investments in subsidiaries	172,790,814	97,808,794	-	-
Interest income	35,760,970	29,761,470	3,814,927	7,326,979
Increase in current investments	(228,354,951)	(123,401,771)	-	-
Net cash flows from (used in) investing activities	(706,984,297)	(270,058,392)	83,585,989	250,482,717
Cash flows from financing activities				
Increase in bank overdraft and short-term loans from banks	1,854,478,551	468,271,649	112,000,000	144,000,000
Cash received from long-term loans	235,122,000	195,778,000	84,222,000	195,778,000
Repayment of long-term loans	(147,418,865)	(130,588,656)	-	-
Repayment of liabilities under finance lease agreements	(26,698,563)	(22,360,973)	(12,719,709)	(11,251,349)
Dividend paid	-	(503,750,940)	-	(503,750,940)
Dividend paid to non-controlling interests of subsidiaries	(84,288,024)	(53,999,509)	-	-
Net cash flows from (used in) financing activities	1,831,195,099	(46,650,429)	183,502,291	(175,224,289)
Increase (decrease) in translation adjustments	356,523	(802,709)	-	-
Net increase (decrease) in cash and cash equivalents	(171,365,944)	17,335,081	(12,722,846)	(45,576,292)
Cash and cash equivalents at beginning of year	1,016,223,148	998,888,067	152,718,893	198,295,185
Cash and cash equivalents at end of year	844,857,204	1,016,223,148	139,996,047	152,718,893
Supplemental cash flows information:				
Non-cash transactions:				
Assets purchases which payment has yet to be made	14,618,139	-	-	-
Increase in assets from finance lease agreements	33,114,767	27,953,424	15,103,476	11,998,567

The accompanying notes are an integral part of the financial statements.

Notes to consolidated financial statements

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities

For the year ended 31 December 2012

1. General information

- 1.1 GMM Grammy Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities (together “the Group”) are principally engaged in various entertainment businesses, including music and digital business, showbiz business, motion pictures business, television programmes business, satellite television programmes business, radio programmes business, event advisor and organizer business, publishing media business and other entertainment businesses. The registered office of the Company is at 50 GMM Grammy Place, Sukhumvit 21 Rd. (Asoke), Khlongtoeinuea, Wattana, Bangkok.

Details of revenues of businesses type are as set out in Note 27.

- 1.2 In October 2011, the Company transferred its satellite television division to Fan TV Company Limited, a subsidiary, together with the employees of this division.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of GMM Grammy Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) and jointly controlled entities (“jointly controlled entities”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 Percent	2011 Percent
Subsidiaries directly held by the Company				
1. GMM Media Public Company Limited	Production of radio programmes	Thailand	99.92	99.92
2. GTH On Air Company Limited	Production of satellite television programmes	Thailand	-	30
3. GMM Holding Company Limited	Holding company	Thailand	100	100
4. GMM Music Publishing International Company Limited	Management of music copyrights	Thailand	100	100
5. GMM Tai Hub Company Limited	Production of films and television programmes	Thailand	51	51
6. Fan TV Company Limited (formerly known as “Clean Karaoke Company Limited”) (Held 49 percent by GMM Holding Company Limited, a subsidiary)	Karaoke service provider and production of satellite television programmes	Thailand	51	51
7. 3-RD Company Limited	Providing customer service via telephone	Thailand	70	70
8. GR Vocal Studio Company Limited	Vocal and music schools	Thailand	100	50
9. STGMM Company Limited	Production of satellite television programmes	Thailand	-	50

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 Percent	2011 Percent
10. G S-one Company Limited (formerly known as "One Sky Multimedia Company Limited") (Held 50 percent by GMM Media Public Company Limited, a subsidiary)	Currently non-active	Thailand	50	50
11. GMM CJ O Shopping Company Limited	Wholesale and retail by using advertising media and receiving phone orders	Thailand	51	51
12. MGA Company Limited	Currently non-active	Thailand	100	100
13. Digital Gen Company Limited	Currently non-active	Thailand	100	100
14. Extraorganizer Company Limited	Currently non-active	Thailand	100	100
15. More Music Company Limited	Currently non-active	Thailand	100	100
16. GMM Z Company Limited	Production and distribution of satellite television receivers	Thailand	100	-
17. GDC Company Limited	Providing service to games members, distribution of games playing cards	Thailand	100	-
Subsidiaries held by GMM Media Public Company Limited				
1. A-Time Media Company Limited	Sub-lease of radio stations	Thailand	100	100
2. GMM TV Company Limited	Production of television programmes	Thailand	100	100
3. Teen Talk Company Limited	Motion graphic and multimedia service	Thailand	100	100
4. Bliss Publishing Company Limited	Production and distribution of pocket books	Thailand	100	100
5. Mass Monitor Company Limited	Deregistered	Thailand	-	100
6. Image Publishing Company Limited	Production and distribution of magazine	Thailand	70	70
7. Exact Company Limited (2011: Held 49 percent by Mass Monitor Company Limited)	Production of television programmes	Thailand	100	51
8. GMM Inter Publishing Company Limited	Production and distribution of magazine	Thailand	70	70
9. GMM Times Company Limited	Production and distribution of magazine	Thailand	70	70
10. Deetalk Company Limited	Production of television programmes	Thailand	100	100
11. Index Creative Village Public Company Limited	Business events advisor and organizer	Thailand	50	50
12. In Publishing Company Limited	Production and distribution of magazine	Thailand	70	70
13. Radio Concept Company Limited	Currently non-active	Thailand	100	100
14. Open Radio Company Limited	Deregistered	Thailand	-	100
Subsidiary held by A-Time Media Company Limited				
1. A Gen Event Agency Company Limited	Business events advisor and organizer	Thailand	70	70
Subsidiary held by GMM TV Company Limited				
1. Me Miti Company Limited	Production of television programmes	Thailand	70	70
Subsidiary held by Image Publishing Company Limited				
1. Image On Air Company Limited	Production of television programmes and business events advisor and organizer	Thailand	100	100
Subsidiary held by Exact Company Limited				
1. Acts Studio Company Limited (Held 50 percent by Scenario Company Limited, an associate)	Lease of studio	Thailand	50	50
Subsidiaries held by GMM Holding Company Limited				
1. GMM Studio Company Limited	Studio service	Thailand	100	100
2. Grammy Publishing House Company Limited	Distribution of education publication	Thailand	100	100
3. GMM Fitness Club Company Limited	Management of Fitness center	Thailand	100	100
4. Sanamluang Garndontree Company Limited	Deregistered	Thailand	-	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 Percent	2011 Percent
5. Mifah Company Limited	Currently non-active	Thailand	100	100
6. GMM Digital Domain Company Limited	Currently non-active	Thailand	100	100
7. Magic Film Company Limited	Currently non-active	Thailand	90.91	90.91
8. Global Music and Media (China) Limited	Currently non-active	Hong Kong SAR	100	100
Subsidiary held by GMM Digital Domain Company Limited				
1. Digital Arms Company Limited	Digital content provider	Thailand	100	100
Subsidiary held by GMM Music Publishing International Company Limited				
1. G.I.P. Management Company Limited	Deregistered	Thailand	-	100
Subsidiaries held by GMM Tai Hub Company Limited				
1. Sawasdee Thaweesuk Company Limited	Design and post production of advertising media and films and public relations for films	Thailand	100	100
2. Phenomena Motion Pictures Company Limited	Deregistered	Thailand	-	51
3. GTH On Air Company Limited (Held 30 percent by GMM Z Company Limited, a subsidiary, and held 20 percent by Image Publishing Company Limited, a subsidiary)	Production of satellite television programmes	Thailand	50	-
Subsidiary held by GTH On Air Company Limited				
1. J K Network Company Limited	E-Commerce Business	Thailand	100	100
Subsidiaries held by GMM Z Company Limited				
1. GMM B Company Limited	Pay-TV service	Thailand	100	-
2. GMM Z Trading Company Limited	Production and distribution of satellite television receivers	Thailand	100	-
3. Bang Channel Company Limited	Production of satellite television programmes	Thailand	100	-
4. Green Channel Company Limited	Production of satellite television programmes	Thailand	100	-
5. Maxi TV Company Limited	Production of satellite television programmes	Thailand	100	-
6. The News TV Company Limited	Production of News programmes	Thailand	51	-
7. STGMM Company Limited	Production of satellite television programmes	Thailand	50	-
Subsidiaries held by Index Creative Village Public Company Limited				
1. Event Solutions Company Limited	Provision of equipment for entertainment events	Thailand	100	100
2. Tresbien Company Limited	Decoration and provision of equipment for conferences and ceremonial events	Thailand	100	100
3. Media Vision (1994) Company Limited	Light and sound system installation services for entertainment events	Thailand	51	51
4. G Communications Company Limited	Provision of public relations and event services	Thailand	50	50
5. Inspire Image Company Limited	Preparation, installation and removal of advertising boards	Thailand	60	60
6. I Think Ad Company Limited	Advertising and public relations services	Thailand	40	40

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 Percent	2011 Percent
7. D-63 Company Limited	Service provider of design screen and stage	Thailand	50	50
8. Index Creative Online Company Limited	Consultancy, design and development services for web sites and flash media	Thailand	70	70
9. Envirosell (Thailand) Company Limited	Provide advisory services, research data analysis and survey of statistic	Thailand	60	60
10. Index and M Company Limited	Business events advisor and organizer	Thailand	50	-
11. Index and V Company Limited	Business events advisor and organizer	Thailand	50	-
Subsidiary held by Event Solutions Company Limited				
1. Aspen Index Event Company Limited	Provision of service and organization of activities in Middle East	United Arab Emirates	50	50
Jointly controlled entity held by the Company				
1. K Arena Company Limited	Karaoke service and rental	Thailand	50	-
Jointly controlled entities held by Index Creative Village Public Company Limited				
1. Joint Venture ID2	Construction Design and Management of Thai Exhibition Building	Thailand	67	67
2. Joint Venture Index Cityneon	Provider of contractor, Installation, exhibition and display materials for Siriraj Museum	Thailand	50	50
3. Joint Venture Index D103 Maco	Design and Management of exhibition building in Yeosu International Exposition 2012	Thailand	70	70

b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) Jointly controlled entities are fully consolidated applying the proportionate consolidation method as from being the date on which the Company assumed joint control, and continue to be consolidated until the date when such control ceases.

d) During the year 2012, there were the following changes in the composition of the subsidiaries and jointly controlled entities:

Newly established subsidiaries

Investors	Subsidiaries	Nature of business	Percentage of shareholding	Description	Amount
			(%)		(Thousand Baht)
GMM Grammy Public Company Limited	GMM Z Company Limited	Production and distribution of satellite television receivers	100	999,997 ordinary shares of Baht 100 each	100,000
GMM Grammy Public Company Limited	GDC Company Limited	Providing service to games members, distribution of games playing cards	100	499,997 ordinary shares of Baht 100 each (9,997 ordinary shares which fully called up, 490,000 ordinary shares which 50 percent paid up)	25,499

Newly established subsidiaries

Investors	Subsidiaries	Nature of business	Percentage of shareholding	Description	Amount
			(%)		(Thousand Baht)
GMM Z Company Limited	GMM B Company Limited	Pay-TV service	100	9,997 ordinary shares of Baht 100 each	1,000
GMM Z Company Limited	GMM Z Trading Company Limited	Production and distribution of satellite television receivers	100	9,997 ordinary shares of Baht 100 each	1,000
GMM Z Company Limited	Bang Channel Company Limited	Production of satellite television programmes	100	9,997 ordinary shares of Baht 100 each	1,000
GMM Z Company Limited	Green Channel Company Limited	Production of satellite television programmes	100	9,997 ordinary shares of Baht 100 each	1,000
GMM Z Company Limited	Maxxi TV Company Limited	Production of satellite television programmes	100	9,997 ordinary shares of Baht 100 each	1,000
GMM Z Company Limited	The News TV Company Limited	Production of News programmes	51	5,098 ordinary shares of Baht 100 each	510
Index Creative Village Public Company Limited	Index and M Company Limited	Business events advisor and organizer	50	60,000 ordinary shares of Baht 100 each	6,000
Index Creative Village Public Company Limited	Index and V Company Limited	Business events advisor and organizer	50	59,998 ordinary shares of Baht 100 each	5,999

Newly established jointly controlled entity

Investors	Jointly controlled entity	Nature of business	Percentage of shareholding	Description	Amount
			(%)		(Thousand Baht)
GMM Grammy Public Company Limited	K Arena Company Limited	Karaoke service and rental	50	99,998 ordinary shares of Baht 100 each	10,000

Deregistered subsidiaries

Shareholders	Subsidiaries	Percentage of shareholding	Description
		(%)	
GMM Media Public Company Limited	Open Radio Company Limited	100	Deregistered with the Ministry of Commerce on 23 March 2012
GMM Holding Company Limited	Sanamluang Garndontree Company Limited	100	Deregistered with the Ministry of Commerce on 23 March 2012
GMM Music Publishing International Company Limited	G.I.P. Management Company Limited	100	Deregistered with the Ministry of Commerce on 23 March 2012
GMM Tai Hub Company Limited	Phenomena Motion Pictures Company Limited	51	Deregistered with the Ministry of Commerce on 23 March 2012
GMM Media Public Company Limited	Mass Monitor Company Limited	100	Deregistered with the Ministry of Commerce on 23 July 2012

- e) The financial statements of the subsidiaries and jointly controlled entities are prepared using the same significant accounting policies as the Company.
- f) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- g) Material balances and transactions between the Company, its subsidiaries and its jointly controlled entities have been eliminated from the consolidated financial statements.
- h) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries, joint ventures and associates presented under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Group's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard:

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines. The management of the Group expects the adoption of this accounting standard to have the effect of increasing the Group's brought-forward retained earnings and other components of shareholders' equity of the year 2013 by approximately Baht 250 million in total (the Company only: decreasing approximately Baht 19 million).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows:

		<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets		1 January 2013
SIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Group has assessed the effect of these standards and believes that Accounting Treatment Guidance for Transfers of Financial Assets, SIC 29, TFRIC 4 and TFRIC 12 are not relevant to the business of the Group. Management is still evaluating the first-year impact to the financial statements of the adoption of TFRIC 13 and has yet to reach a conclusion.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenues from services

a) Revenues from production of radio, television and satellite television programmes

Revenues from production of radio, television and satellite television programmes represent the service income from advertising, promotion and production of television programmes and are stated on the basis of the invoiced value, after deducting discounts and allowances. Service income from advertising and promotion is recognised when services have been rendered on radio, television and satellite television programmes. Service income from production of television programmes is recognised when the production is completed.

b) Revenues from production of concerts

Revenues from production of concerts are recognised as income when the performances take place.

c) Revenues from production of motion pictures

Income from box-office sharing is recognised as income when the motion pictures have been exhibited.

Sales of motion pictures and advertising income are the invoiced value of the films delivered and the services rendered after deducting discounts and allowances.

In cases where royalties from motion pictures are charged at fixed amounts which the licensee cannot refund and the licensor has no further obligations subsequent to granting the rights, the royalties are recognised as income in full when the licensee is entitled to exploit the rights under the terms of the agreement.

d) Revenues from advertising in publishing media

Revenues from advertising in publishing media are recognised as income when services have been rendered.

e) Management fee and consultant fee income

Management fee and consultant fee income are recognised when services have been rendered.

f) Artist management incomes

Artist management income is recognised when services have been rendered.

g) Revenues from studio service

Revenues from studio service are recognised when services have been rendered taking into account the stage of completion.

h) Revenues from event advisor and organizer and provision of event equipment

Revenues from event advisor and organizer and provision of event equipment are recognised when services have been rendered taking into account the stage of completion.

i) Revenues from production and service

Revenues from production and service are recognised when services have been rendered taking into account the stage of completion.

Revenues from copyrights

Revenues from copyrights are recognised when the right to receive payment is established, and reasonable estimates of such amount can be made.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

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

Revenues are reflected in the financial statements exclusive of value added tax.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated loss that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

- a) Tape reels, cassette tapes, compact discs, video compact discs and digital versatile discs are valued at the lower of cost (moving average method) and net realisable value.
- b) Television programmes and satellite television programmes represent the accumulated production costs in progress and those which are completed and ready for broadcasting. The costs, which consist of expenses directly associated with programme production, are charged against income when the programmes are broadcasted.
- c) Master tapes represent the accumulated costs of master tape production in progress and which has been completed. The costs, consisting of expenses directly associated with production, are charged against income when albums are launched for sale, except for cost of lyrics, melodies and compositions that are transferred to be the intangible asset subjected as “the copyrights to musical compositions”.
- d) Motion picture and cartoon production represents the accumulated production and filming costs which are currently in production, and is transferred to be the intangible asset subjected as “motion picture and cartoon copyrights” when they are exhibited.
- e) Magazines and pocket books are valued at the lower of cost (average method) and net realisable value.
- f) Satellite television receivers are valued at the lower of cost (moving average method) and net realisable value.
- g) Other inventories are valued at the lower of cost (first-in, first-out and average method) and net realisable value.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are in comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment losses (if any).
- e) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in joint ventures are accounted for in the consolidated financial statements using the proportionate consolidation method.
- g) Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded as profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

		<u>Useful lives</u>
Buildings	-	20 years
Building improvement	-	5 years
Operating equipment	-	5 years
Computer and equipment	-	3 years
Furniture, fixtures and office equipment	-	5 and 7 years
Motor vehicles	-	5 years
Others	-	5 years

Depreciation is included in determining income.

No depreciation is provided for land, construction in progress and equipment under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Intangible assets

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

A summary of the intangible assets with finite useful lives is as follows:

- Computer software is carried at cost less accumulated amortisation and impairment losses (if any). It is amortised on a straight-line basis over the contract periods.
- Program rights are carried at cost less accumulated amortisation and impairment losses (if any). They are recognised as the assets and liabilities under the license contracts when the license contracts period whereby, the cost of rights are known, and rights are under control of the Company. Program rights are amortised on a straight-line basis over the license contract periods or the basis of projected revenues within the license contract periods.
- Motion picture and cartoon copyrights are carried at cost less accumulated amortisation and impairment losses (if any). They are amortised on the basis of projected revenues within 10 years (for motion picture) and 5 years (for cartoon) from the time they are exhibited.

Game licenses and other rights are carried at cost less accumulated amortisation and impairment losses (if any). Game licenses and other rights are amortised on a straight-line basis over the license contract periods.

The intangible assets which are expected to realise within one year are classified as current assets.

Intangible assets with indefinite useful lives are the copyrights to musical compositions which are carried at cost less accumulated amortisation and impairment losses (if any). They have the indefinite useful life, therefore they are not amortised but are

tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually.

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.10 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.11 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.13 Provision for goods returns

Provision for goods returns is estimated with reference to actual goods returns occurring during the year and calculated at the rate of sales made during the year.

4.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Group elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Income Tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of equity investments

The Group treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Group's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Program rights and motion picture and cartoon copyrights/Amortisation

In determining the amortisation of program rights and motion picture and cartoon copyrights on the basis of projected revenues, the management is required to make estimates of the expected revenues embodied in the assets. Changes of assumptions, including internal and external factors, will have an impact on such projected revenues and amortisation.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Group has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Pricing policy
	2012	2011	
<u>Transactions with jointly controlled entity</u>			
Service income	57	25	(6)
<u>Transactions with associated companies</u>			
Service income	22	30	(2)
Other income	6	8	(5)
Service expenses	378	305	(5)
<u>Transactions with related companies</u>			
Rental and other service expenses	201	170	(1)/(5)/(6)
<u>Transactions with management and directors</u>			
Service expenses	9	9	(3)/(5)

(Unit: Million Baht)

	Separate financial statements		Pricing policy
	2012	2011	
<u>Transactions with subsidiaries</u>			
(eliminated from the consolidated financial statements)			
Service income	166	119	(2)/(4)/(5)
Revenues from copyrights	115	105	(3)
Other income	15	13	(5)
Service expenses	435	396	(5)
Purchase of assets	2	20	(4)/(7)
Purchase of inventories	26	-	(4)
Disposals of intangible assets and other assets	377	-	(8)
<u>Transactions with associated companies</u>			
Service expenses	4	5	(5)
<u>Transactions with related companies</u>			
Rental and other service expenses	102	106	(1)/(5)/(6)
<u>Transactions with management and directors</u>			
Service expenses	5	4	(3)/(5)

- (1) Contract price with the rental rate as appraised by independent valuer or the contract price
 (2) With reference to prices charged to third parties depending on when the sales were made and the agreement.
 (3) Charge per unit sold with reference to market price
 (4) Cost plus margin
 (5) Mutually agreed price
 (6) Contract price
 (7) Prices appraised by independent valuer
 (8) Cost price

As at 31 December 2012 and 2011, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade and other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	929,000	271,888
Jointly controlled entities	7,631	12,807	-	-
Associated companies	14,628	12,954	441	2,098
Related companies (related by common shareholder)	750	592	481	476
Total trade and other receivables - related parties	23,009	26,353	929,922	274,462
<u>Trade and other payables - related parties (Note 20)</u>				
Subsidiaries	-	-	202,875	108,109
Associated companies	88,268	40,101	916	1,515
Related companies (related by common shareholder)	12,483	9,867	4,866	4,138
Management and directors	4,185	2,274	3,394	1,461
Total trade and other receivables - related parties	104,936	52,242	212,051	115,223

Loans to related parties

As at 31 December 2012 and 2011, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

Consolidated financial statements					
Loans to related parties	Related by	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
Joint Venture Index D103 Maco	Jointly controlled entity	-	3,000	-	3,000
Blue media Communications Company Limited	Associates	1,376	824	-	2,200
Max Creative Company Limited	Associates	-	1,000	-	1,000
Total		1,376	4,824	-	6,200

(Unit: Thousand Baht)

Separate financial statements					
Loans to related parties	Related by	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
3-RD Company Limited	Subsidiaries	7,000	-	(7,000)	-
GTH On Air Company Limited	Subsidiaries	8,000	-	(8,000)	-
GR Vocal Studio Company Limited	Subsidiaries	3,500	-	(500)	3,000
Fan TV Company Limited	Subsidiaries	-	7,000	-	7,000
G S-one Company Limited	Subsidiaries	-	4,000	-	4,000
Total		18,500	11,000	(15,500)	14,000

Minimum interest rate charged on loans to subsidiaries is charged at the rate not lower than the rate of minimum loan rate (MLR) and the rate not lower than the rate of minimum loan rate (MLR) minus interest rate 1 percentage per annum.

Interest rate charged on loan to jointly controlled entity is charged at 5.25 percent per annum.

Minimum interest rate charged on loans to associated companies is charged at the rate not lower than the rate of minimum loan rate (MLR) and between 7.00 and 7.13 percent per annum.

Directors and management's benefits

During the year ended 31 December 2012 and 2011, the Group had employee benefit expenses payable of their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term employee benefits	107,134	89,882	90,294	76,361
Post-employment benefits	1,939	2,309	1,641	1,555
Total	109,073	92,191	91,935	77,916

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 33.5 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash on hand and at banks	642,426	569,032	139,996	139,719
Short-term investments	202,431	447,191	-	13,000
Total	844,857	1,016,223	139,996	152,719

As at 31 December 2012, bank deposits in saving accounts, fixed deposits and highly liquid investments of the Company and its subsidiaries carried interests between 0.75 and 3.25 percent per annum (2011: between 0.75 and 3.85 percent per annum) (the Company only: between 0.75 and 3.25 percent per annum, 2011: between 0.75 and 3.40 percent per annum).

8. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Fixed Deposit	303,915	31,103	-	-
Investments in trading securities -				
Fair value	32,839	149,111	-	-
Investments in held-to-maturity debt				
securities - due within one year	219,303	147,488	-	-
Total	556,057	327,702	-	-

As at 31 December 2012, current investments of the subsidiaries carried interests between 2.00 and 3.60 percent per annum (2011: between 2.25 and 4.25 percent per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	13,402	4,777	15,769	41,572
Past due				
Up to 3 months	1,823	5,959	22,540	9,777
3 - 6 months	535	-	43,131	578
6 - 12 months	5,101	-	13,871	3,303
Over 12 months	875	876	14,352	14,352
Total	21,736	11,612	109,663	69,582
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,373,832	916,706	392,633	328,746
Past due				
Up to 3 months	778,948	662,922	215,589	255,911
3 - 6 months	70,826	85,379	28,853	33,497
6 - 12 months	80,948	68,708	29,603	32,882
Over 12 months	238,101	221,845	49,941	47,602
Total	2,542,655	1,955,560	716,619	698,638

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Less: Allowance for doubtful accounts	(209,409)	(214,301)	(41,516)	(50,482)
Net	2,333,246	1,741,259	675,103	648,156
Total trade receivables - net	2,354,982	1,752,871	784,766	717,738
Other receivables				
Other receivables - related parties	1,210	1,769	573,091	34,682
Other receivables - unrelated parties	21,242	36,003	6,566	18,837
Dividends receivable from subsidiaries and associates	-	-	247,168	159,891
Accrued income - related parties	63	12,972	-	10,307
Accrued income - unrelated parties	404,964	303,772	213,523	82,968
Total other receivables	427,479	354,516	1,040,348	306,685
Total trade and other receivables - net	2,782,461	2,107,387	1,825,114	1,024,423

10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Tape reels, cassette tapes, CDs, VCDs and DVDs	435,523	584,209	(126,072)	(103,579)	309,451	480,630
Motion picture and cartoon production	37,095	30,151	-	-	37,095	30,151
Television programmes and satellite television programmes	137,743	53,118	-	-	137,743	53,118
Work in process	28,104	38,234	-	-	28,104	38,234
Books, teaching aids and magazine	18,610	41,434	(14,198)	(13,912)	4,412	27,522
Satellite television receivers	498,769	347,670	-	(324)	498,769	347,346
Others	24,717	18,153	(909)	-	23,808	18,153
Total	1,180,561	1,112,969	(141,179)	(117,815)	1,039,382	995,154

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Tape reels, cassette tapes, CDs, VCDs and DVDs	438,671	589,193	(124,037)	(100,366)	314,634	488,827
Television programmes and satellite television programmes	43,296	1,723	-	-	43,296	1,723
Work in process	27,796	37,934	-	-	27,796	37,934
Others	14,261	11,837	-	-	14,261	11,837
Total	524,024	640,687	(124,037)	(100,366)	399,987	540,321

11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Input tax refundable	203,156	85,646	3,387	6,810
Withholding tax deducted at source	72,649	60,250	36,181	16,217
Intangible assets - realise within one year (Note 17)	185,116	138,158	-	138,158
Prepayment of purchase of assets	19,663	255,450	9,104	255,450
Others	94,819	54,660	9,235	20,650
Total	575,403	594,164	57,907	437,285

12. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2012 (Million Baht)	2011 (Million Baht)	2012 (%)	2011 (%)	2012	2011	2012	2011
MGA Company Limited	10.5	10.5	100	100	10,500	10,500	-	10,500
Digital Gen Company Limited	5	5	100	100	5,000	5,000	-	1,000
GMM Media Public Company Limited	200	200	99.92	99.92	557,474	557,469	320,149	270,083
Extraorganizer Company Limited	1	1	100	100	999	999	-	-
GTH On Air Company Limited	40	40	-	30	-	11,999	-	-
More Music Company Limited	1	1	100	100	1,000	1,000	-	-
GMM Holding Company Limited	100	100	100	100	100,000	100,000	8,500	-
GMM Music Publishing International Company Limited	5	5	100	100	4,999	4,999	8,999	22,998
GMM Tai Hub Company Limited	225	225	51	51	181,050	181,050	-	19,584
Fan TV Company Limited (formerly known as "Clean Karaoke Company Limited")	200	200	51	51	83,777	83,777	-	-
3-RD Company Limited	18	18	70	70	12,733	12,733	7,056	-
GR Vocal Studio Company Limited	5	5	100	50	2,525	2,500	-	-
STGMM Company Limited	40	40	-	50	-	20,000	-	-
G S-one Company Limited (formerly known as "One Sky Multimedia Company Limited")	100	100	50	50	50,000	50,000	-	-
GMM CJ O Shopping Company Limited	356	151	51	51	181,764	77,112	-	-
GMM Z Company Limited	100	-	100	-	100,000	-	-	-
GDC Company Limited	25.5	-	100	-	25,499	-	-	-
Total					1,317,320	1,119,138	344,704	324,165
Less: Allowance for impairment of investments					(102,364)	(139,349)		
Net					1,214,956	979,789		

During the current year, changes of investments in subsidiaries which have been presented in the separate financial statements are as follows:

Investment in new subsidiaries

Subsidiaries	Nature of business	Percentage of shareholding	Description	Cost
		(%)		(Thousand Baht)
GMM Z Company Limited	Production and distribution of satellite	100	999,997 ordinary shares of Baht 100 each	100,000
GDC Company Limited	Providing service to games members, distribution of games playing cards	100	499,997 ordinary shares of Baht 100 each (9,997 ordinary shares of Baht 100 each fully called up and 490,000 ordinary shares, called up 50 percent)	25,499
Total				125,499

Additional investment in subsidiaries

Subsidiaries	Nature of business	Percentage of shareholding	Description	Cost
		(%)		(Thousand Baht)
GMM CJ O Shopping Company Limited	Wholesale and retail by using advertising media and receiving phone orders	51	Additionally called up capital of Baht 38 per share for 2,753,997 ordinary shares, as a result of which share capital of the subsidiary is 66 percent paid up	104,651
GR Vocal Studio Company Limited	Vocal and music schools	100	Additionally invested in 25,000 ordinary shares, at a price of Baht 1 per share, as a result, the Company's shareholding in such company increased from 50 percent to 100 percent	25
GMM Media Public Company Limited	Production of radio programmes	99.92	Acquired 600 ordinary shares from its minority shareholders at a price of Baht 8 per share, which has no effect to the Company's shareholding	5
Total				104,681

Sale of investments in subsidiaries

Subsidiaries	Nature of business	Percentage of shareholding	Description	Cost
		(%)		(Thousand Baht)
STGMM Company Limited	Production of satellite television programmes	50	Sold to GMM Z Company Limited, a subsidiary, 400,000 ordinary shares of Baht 50 each	20,000
GTH On Air Company Limited	Production of satellite television programmes	30	Sold to GMM Z Company Limited, a subsidiary, 119,997 ordinary shares of Baht 100 each	11,999
Total				31,999

13. Investments in joint ventures

13.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Consolidated financial statements					
Jointly controlled entities	Nature of business	Shareholding percentage		Cost	
		2012 (%)	2011 (%)	2012	2011
K Arena Company Limited	Karaoke service and rental	50	-	10,000	-
Joint Venture ID2	Construction Design and Management of Thai exhibition building	67	67	10,000	10,000
Joint Venture Index Cityneon	Provider of contractor, Installation, exhibition and display materials for Siriraj Museum	50	50	1,000	1,000
Joint Venture Index D103 Maco	Design and Management of exhibition building in Yeosu International Exposition 2012	70	70	-	-
Total				21,000	11,000

(Unit: Thousand Baht)

Separate financial statements					
Jointly controlled entities	Nature of business	Shareholding percentage		Cost	
		2012 (%)	2011 (%)	2012	2011
K Arena Company Limited	Karaoke service and rental	50	-	10,000	-
Total				10,000	-

During the current year, change of investment in joint venture is as follow:

Investment in new jointly controlled entity

Investor	Jointly controlled entities	Nature of business	Percentage of shareholding	Description	Amount
			(%)		(Thousand Baht)
GMM Grammy Public Company Limited	K Arena Company Limited	Karaoke service and rental	50	99,998 ordinary shares of Baht 100 each	10,000

13.2 Summarised financial information of jointly controlled entities

The Group' proportionate shares of the assets, liabilities, revenue and expenses of jointly controlled entities, according to proportion under joint venture agreement, is as follows:

(Unit: Million Baht)

As at 31 December 2012		
	2012	2011
Current assets	41	48
Non-current assets	8	1
	49	49
Current liabilities	(26)	(36)
Net assets	23	13

(Unit: Million Baht)

For the year ended 31 December		
	2012	2011
Revenue	158	41
Cost of sales and services	(154)	(47)
Selling and administrative expenses	(2)	-
Finance cost	(1)	-
Profit (loss) before income tax expenses	1	(6)
Income tax expenses	(1)	-
Profit (loss) for the year	-	(6)

14. Investments in associates

14.1 Details of associates:

(Unit: Thousand Baht)

Consolidated financial statements									
Company's name	Nature of business	Country of incorporation	Paid up capital		Percentage of shareholding		Cost		Carrying amounts based on equity method
			2012 (Million Baht)	2011 (Million Baht)	2012 (%)	2011 (%)	2012	2011	2012 2011
Associates held by the subsidiaries									
Scenario Company Limited	Production of television programmes and plays	Thailand	70	70	25	25	17,500	17,500	202,951 158,944
Encore Company Limited	Business events advisor and organizer	Thailand	-	25	-	37	-	9,250	- 6,981
Channel [V] Music (Thailand) Company Limited	Production of television programmes	Thailand	85	110	25	25	21,175	27,500	22,437 28,647
Nadao Bangkok Company Limited	Films production and talent agency services	Thailand	2	2	30	30	600	600	1,757 1,856
Blue Media Communications Company Limited	Provision of publishing media design, production and distribution services	Thailand	5	5	40	40	2,000	2,000	1,145 1,051
Lucks Satellite Company Limited	Production of satellite television programmes	Thailand	20	20	25	25	5,000	5,000	- 741

(Unit: Thousand Baht)

Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Paid up capital		Percentage of shareholding		Cost		Carrying amounts based on equity method	
			2012 (Million Baht)	2011 (Million Baht)	2012 (%)	2011 (%)	2012	2011	2012	2011
Max Creative Company Limited	Provider of Integrated Marketing communication and Imagine advisor and management services	Thailand	5	5	50	50	2,500	2,500	2,493	1,323
Associates held by the Company										
Family Know How Company Limited	Production of television programmes and publishing media	Thailand	50	50	50	50	25,000	25,000	69,846	54,117
JSL Channel Company Limited	Production of satellite television programmes	Thailand	10	10	30	30	3,000	3,000	-	-
Total							76,775	92,350	300,629	253,660

During the current year, changes of investments in associates are as follow:

Return of capital by associates

Investor	Associates	Percentage of shareholding	Description	Amount
		(%)		(Thousand Baht)
GMM Media Public Company Limited	Channel [V] Music (Thailand) Company Limited	25	Return of capital to shareholder of 1,100,000 shares of Baht 23 each	6,325
Media Vision (1994) Company Limited	Encore Company Limited	37	Deregistered with the Ministry of Commerce on 31 August 2012	6,827
Total				13,152

(Unit: Thousand Baht)

(Unit: Thousand Baht)

Separate financial statements										
Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Cost		Allowance for Impairment of investments		Carrying amounts based on cost method - net	
			2012 (%)	2011 (%)	2012	2011	2012	2011	2012	2011
Family Know How Company Limited	Production of television programmes and publishing media	Thailand	50	50	25,000	25,000	-	-	25,000	25,000
JSL Channel Company Limited	Production of satellite television programmes	Thailand	30	30	3,000	3,000	-	-	3,000	3,000
					28,000	28,000	-	-	28,000	28,000

14.2 Share of income/loss and dividend received

During the years, the Group has recognised their share of profit/loss from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of profit/loss from investments in associates during the year		Dividend received during the year	
	2012	2011	2012	2011
Associates held by the subsidiaries				
Scenario Company Limited	59,757	44,403	15,750	24,500
Encore Company Limited	(154)	(3,466)	-	-
Channel [V] Music (Thailand) Company Limited	1,415	2,660	1,300	2,625
Nadao Bangkok Company Limited	(99)	1,194	-	600
Blue Media Communications Company Limited	93	(143)	-	-
Lucks Satellite Company Limited	(741)	(3,535)	-	-
Talent 1 Company Limited	-	(426)	-	-
Max Creative Company Limited	1,170	(1,177)	-	-
Associates held by the Company				
Family Know How Company Limited	25,729	20,702	10,000	7,500
JSL Channel Company Limited	-	(3,000)	-	-
Total	87,170	57,212	27,050	35,225

14.3 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Profit (loss) for the year ended 31 December	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Scenario Company Limited	70	70	985	824	182	197	1,127	852	240	178
Encore Company Limited	-	25	-	19	-	-	-	1	-	(9)
Channel [V] Music (Thailand) Company Limited	85	110	100	131	10	16	95	100	7	11
Nadao Bangkok Company Limited	2	2	23	17	17	11	47	37	-	4
Blue Media Communications Company Limited	5	5	6	5	3	2	3	2	-	-
Lucks Satellite Company Limited	20	20	29	26	37	23	51	34	(11)	(14)
Talent 1 Company Limited	-	6	-	-	-	-	-	-	-	(2)
Max Creative Company Limited	5	5	22	12	17	12	29	-	5	(5)
Family Know How Company Limited	50	50	187	159	40	45	248	203	59	46
JSL Channel Company Limited	10	10	2	5	10	13	-	4	(1)	(18)

14.4 Investment in associates with capital deficit

The Group recognised share of losses from investment in two associates, as listed below, until the value of the investments approached zero. Subsequent losses incurred by those associates have not been recognised in the Group's accounts since the Group has no obligations, whether legal or constructive, to make any payments on behalf of those associates. The amount of such unrecognised share of losses is set out below.

(Unit: Million Baht)

Unrecognised share of losses			
Company's name	Share of losses for the years ended 31 December		Cumulative share of losses up to 31 December
	2012	2011	2012
			2011
JSL Channel Company Limited	-	3	3
Lucks Satellite Company Limited	1	3	5
Total	1	6	8

15. Other long-term investments

(Unit: Thousand Baht)

Consolidated financial statements			
	2012		2011
	Cost	Fair Value	Cost
			Fair Value
Securities available-for-sale			
Unit Trusts in Tisco Fixed - Income Fund	3,197	123	3,197
SE-Education Public Company Limited	225,147	436,946	233,236
Matichon Public Company Limited	455,499	278,800	455,499
The Post Publishing Public Company Limited	972,572	545,160	972,572
OfficeMate Public Company Limited	40,064	234,064	40,064
Total	1,696,479	1,495,093	1,704,568
Add: Unrealised gains on changes in value of investments	402,725		243,506
Less: Unrealised losses on changes in value of investments of subsidiary	(604,111)		(853,411)
Allowance for impairment of investment	-		(5,497)
Securities available-for-sale - net	1,495,093		1,089,166
Other investments			
Siam Telemarketing Company Limited	3,000		3,000
Karaoke Center Company Limited	2,399		2,399
Lives and rich Company Limited	1,000		1,000
A-Time Traveller Company Limited	400		400
TVM INDEX Advertising Company Limited	2,210		-
Total	9,009		6,799
Less: Allowance for impairment of investments	(4,000)		(4,000)
Other investments - net	5,009		2,799
Others			
Government Savings Bank Bond	2,014		2,014
Total others	2,014		2,014
Total other long - term investments - net	1,502,116		1,093,979

In September 2005, GMM Media Public Company Limited, a subsidiary, acquired ordinary shares of The Post Publishing Public Company Limited and Matchon Public Company Limited, companies listed on the Stock Exchange of Thailand. These represents 24 percent and 20 percent, respectively of the paid up share capital of such companies. Since GMM Media Public Company Limited does not have significant influence over the above two companies, these investments are presented as available-for-sale securities.

During the current year, GMM Media Public Company Limited redeemed all pledged shares of two companies from the bank because it has repaid all long-term loans.

(Unit: Thousand Baht)

Separate financial statements				
	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Securities available-for-sale				
Unit Trusts in Tisco Fixed - Income fund	3,197	123	3,197	51
SE-Education Public Company Limited	225,147	436,946	233,236	441,191
OfficeMate Public Company Limited	40,064	234,064	40,064	73,264
Total	268,408	671,133	276,497	514,506
Add: Unrealised gains on changes in value of investments	402,725		243,506	
Less: Allowance for impairment of investment	-		(5,497)	
Securities available-for-sale - net	671,133		514,506	
Other investments				
Siam Telemarketing Company Limited	3,000		3,000	
Karaoke Center Company Limited	2,399		2,399	
Total	5,399		5,399	
Less: Allowance for impairment of investment	(3,000)		(3,000)	
Other investments - net	2,399		2,399	
Others				
Government Savings Bank Bond	1,014		1,014	
Total others	1,014		1,014	
Total other long-term investments - net	674,546		517,919	

During the year 2012, the Group received dividend from The Post Publishing Public Company Limited, Matchon Public Company Limited, SE-Education Public Company Limited and Office Mate Public Company Limited at totaling Baht 19 million, Baht 10 million, Baht 19 million and Baht 1 million, respectively (2011: Baht 11 million, Baht 12 million, Baht 31 million and Baht 1 million, respectively).

16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements									
	Land	Buildings and building improvement	Operating equipment	Computer and equipment	Furniture and fixtures and office equipment	Motor vehicles	Construction in progress and equipment under installation	Others	Total
Cost:									
31 December 2011	144,863	718,407	1,051,636	398,199	284,730	231,347	76,909	645	2,906,736
Additions	-	102,234	171,035	78,266	41,072	37,732	445,070	-	875,409
Disposals	-	(62,622)	(75,682)	(28,663)	(29,536)	(23,801)	-	-	(220,304)
Transfers in / (out)	-	24,675	82,280	6,183	10,630	-	(123,768)	-	-
31 December 2012	144,863	782,694	1,229,269	453,985	306,896	245,278	398,211	645	3,561,841

(Unit: Thousand Baht)

Separate financial statements							
	Buildings and building improvement	Operating equipment	Furniture and fixtures and office equipment	Computer and equipment	Motor vehicles	Construction in progress and equipment under installation	Total
Cost:							
31 December 2011	225,923	79,676	120,528	208,675	113,017	-	747,819
Additions	7,576	4,907	3,905	14,763	20,845	1,220	53,216
Disposals	(15,379)	(5,709)	(9,802)	(8,455)	(18,226)	(920)	(58,491)
Transfers in / (out)	300	-	-	-	-	(300)	-
31 December 2012	218,420	78,874	114,631	214,983	115,636	-	742,544
Accumulated depreciation:							
31 December 2011	195,335	54,221	106,299	176,222	84,095	-	616,172
Depreciation for the year	12,506	8,079	5,316	23,236	13,657	-	62,794
Accumulated depreciation on disposals	(14,614)	(3,168)	(7,930)	(7,110)	(12,859)	-	(45,681)
31 December 2012	193,227	59,132	103,685	192,348	84,893	-	633,285
Net book value:							
31 December 2011	30,588	25,455	14,229	32,453	28,922	-	131,647
31 December 2012	25,193	19,742	10,946	22,635	30,743	-	109,259
Depreciation for the year							
2011 (Baht 1 million included in cost of sales and services, and the balance in selling and administrative expenses)							69,904
2012 (Baht 1 million included in cost of sales and services, and the balance in selling and administrative expenses)							62,794

(Unit: Thousand Baht)

Separate financial statements							
	Buildings and building improvement	Operating equipment	Furniture and fixtures and office equipment	Computer and equipment	Motor vehicles	Construction in progress and equipment under installation	Total
Cost:							
31 December 2010	211,635	62,467	116,186	193,303	114,719	180	698,490
Additions	17,140	31,114	5,188	16,673	12,657	1,271	84,043
Disposals	(4,012)	(14,016)	(846)	(1,301)	(14,359)	(180)	(34,714)
Transfers in / (out)	1,160	111	-	-	-	(1,271)	-
31 December 2011	225,923	79,676	120,528	208,675	113,017	-	747,819
Accumulated depreciation:							
31 December 2010	182,061	47,132	101,277	146,102	85,268	-	561,840
Depreciation for the year	13,303	7,740	5,669	31,194	11,998	-	69,904
Accumulated depreciation on disposals	(29)	(651)	(647)	(1,074)	(13,171)	-	(15,572)
31 December 2011	195,335	54,221	106,299	176,222	84,095	-	616,172
Net book value:							
31 December 2010	29,574	15,335	14,909	47,201	29,451	180	136,650
31 December 2011	30,588	25,455	14,229	32,453	28,922	-	131,647
Depreciation for the year							
2010 (Baht 2 million included in cost of sales and services, and the balance in selling and administrative expenses)							74,754
2011 (Baht 2 million included in cost of sales and services, and the balance in selling and administrative expenses)							69,904

As at 31 December 2012, the Group had vehicles and equipment under finance lease agreements with net book values amounting to Baht 74 million (2011: Baht 71 million) (the Company only: Baht 33 million, 2011: Baht 31 million).

As at 31 December 2012, the Group had certain building and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 1,188 million (2011: Baht 1,086 million) (the Company only: Baht 444 million, 2011: Baht 385 million).

Three subsidiaries have mortgaged land with structures thereon with a total net book value as at 31 December 2012 of Baht 275 million (2011: Baht 283 million) as collateral for bank overdraft, short-term and long-term credit facilities granted by commercial banks.

17. Intangible assets

(Unit: Thousand Baht)

Consolidated financial statements					
	Copyrights to musical compositions	Computer software	Program rights	Motion picture and cartoon copyrights, games licenses and other rights	Total
Cost:					
31 December 2011	291,598	222,320	153,904	1,425,908	2,093,730
Additions	928	37,295	1,308,275	11,816	1,358,314
Transferred from inventories - Internal creation	12,801	-	-	97,462	110,263
Written off	(718)	(831)	(163,452)	-	(165,001)
31 December 2012	304,609	258,784	1,298,727	1,535,186	3,397,306
Accumulated amortisation:					
31 December 2011	118,338	131,631	-	1,300,075	1,550,044
Amortisation for the year	-	24,763	335,931	147,594	508,288
Accumulated amortisation on written off	(287)	(550)	-	-	(837)
31 December 2012	118,051	155,844	335,931	1,447,669	2,057,495
Allowance for impairment loss on assets:					
31 December 2011	431	-	-	20,132	20,563
Decrease during the year	(431)	-	-	-	(431)
31 December 2012	-	-	-	20,132	20,132
Net book value:					
31 December 2011	172,829	90,689	153,904	105,701	523,123
31 December 2012	186,558	102,940	962,796	67,385	1,319,679
Amortisation for the year					
2011 (Baht 121 million included in cost of sales and services, and the balance in selling and administrative expenses)					145,468
2012 (Baht 458 million included in cost of sales and services, and the balance in selling and administrative expenses)					508,288

(Unit: Thousand Baht)

Consolidated financial statements					
	Copyrights to musical compositions	Computer software	Program rights	Motion picture and cartoon copyrights, games licenses and other rights	Total
Cost:					
31 December 2010	277,529	203,980	-	1,268,625	1,750,134
Additions	-	24,689	153,904	8,961	187,554
Transferred from inventories - Internal creation	14,069	-	-	178,344	192,413
Written off	-	(6,349)	-	(30,022)	(36,371)
31 December 2011	291,598	222,320	153,904	1,425,908	2,093,730
Accumulated amortisation:					
31 December 2010	118,338	116,626	-	1,205,364	1,440,328
Amortisation for the year	-	20,755	-	124,713	145,468
Accumulated amortisation on written off	-	(5,750)	-	(30,002)	(35,752)
31 December 2011	118,338	131,631	-	1,300,075	1,550,044
Allowance for impairment loss on assets:					
31 December 2010	431	-	-	20,132	20,563
31 December 2011	431	-	-	20,132	20,563
Net book value:					
31 December 2010	158,760	87,354	-	43,129	289,243
31 December 2011	172,829	90,689	153,904	105,701	523,123
Amortisation for the year					
2010 (Baht 111 million included in cost of sales and services, and the balance in selling and administrative expenses)					136,565
2011 (Baht 121 million included in cost of sales and services, and the balance in selling and administrative expenses)					145,468

(Unit: Thousand Baht)

Separate financial statements					
	Copyrights to musical compositions	Computer software	Program rights	Motion picture and cartoon copyrights, games licenses and other rights	Total
Cost:					
31 December 2011	336,004	144,207	153,904	363,556	997,671
Additions	-	3,070	374,496	5,034	382,600
Transferred from inventories - Internal creation	12,801	-	-	-	12,801
Written off	-	(427)	(206,991)	-	(207,418)
31 December 2012	348,805	146,850	321,409	368,590	1,185,654
Accumulated amortisation:					
31 December 2011	130,516	73,537	-	289,556	493,609
Amortisation for the year	-	14,197	317,931	40,604	372,732
Accumulated amortisation on written off	-	(207)	-	-	(207)
31 December 2012	130,516	87,527	317,931	330,160	866,134
Allowance for impairment loss on assets:					
31 December 2011	-	-	-	4,264	4,264
31 December 2012	-	-	-	4,264	4,264
Net book value:					
31 December 2011	205,488	70,670	153,904	69,736	499,798
31 December 2012	218,289	59,323	3,478	34,166	315,256
Amortisation for the year					
2011 (Baht 16 million included in cost of sales and services, and the balance in selling and administrative expenses)					40,274
2012 (Baht 358 million included in cost of sales and services, and the balance in selling and administrative expenses)					372,732

(Unit: Thousand Baht)

Separate financial statements					
	Copyrights to musical compositions	Computer software	Program rights	Motion picture and cartoon copyrights, games licenses and other rights	Total
Cost:					
31 December 2010	321,373	127,144	-	284,161	732,678
Additions	1,854	17,616	153,904	456	173,830
Transferred from inventories - Internal creation	12,777	-	-	85,662	98,439
Written off	-	(553)	-	(6,723)	(7,276)
31 December 2011	336,004	144,207	153,904	363,556	997,671
Accumulated amortisation:					
31 December 2010	130,516	59,650	-	270,137	460,303
Amortisation for the year	-	14,132	-	26,142	40,274
Accumulated amortisation on written off	-	(245)	-	(6,723)	(6,968)
31 December 2011	130,516	73,537	-	289,556	493,609
Allowance for impairment loss on assets:					
31 December 2010	-	-	-	4,264	4,264
31 December 2011	-	-	-	4,264	4,264
Net book value:					
31 December 2010	190,857	67,494	-	9,760	268,111
31 December 2011	205,488	70,670	153,904	69,736	499,798
Amortisation for the year					
2010 (Baht 13 million included in cost of sales and services, and the balance in selling and administrative expenses)					26,212
2011 (Baht 16 million included in cost of sales and services, and the balance in selling and administrative expenses)					40,274

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Intangible assets	1,319,679	523,123	315,256	499,798
Less: realise within one year (Note 11)	(185,116)	(138,158)	-	(138,158)
Intangible assets - net of realise within one year	1,134,563	384,965	315,256	361,640

As at 31 December 2012, the Group had certain computer software items have been fully amortised but are still in use. The gross carrying amount (before deducting accumulated amortisation) of those assets amounted to approximately Baht 64 million (2011: Baht 51 million) (the Company only: Baht 27 million, 2011: Baht 22 million).

The copyrights to musical compositions have the indefinite useful lives because they are expected to contribute to the Group's net cash inflows indefinitely. Therefore, the copyrights to musical compositions would not be amortised until their useful lives are determined to be finite.

The value of the copyrights in such musical compositions depends on the popularity of the artist and possibility of further distribution or re-release of such compositions. However, the management of the Group believes that the compositions will generate future benefits in excess of their net book values through their re-release in various forms, and therefore no allowance for impairment losses of deferred copyrights is required.

18. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Deposit	142,174	90,481	56,012	33,024
Leasehold right - net	2,779	7,654	-	4,875
Prepaid expenses	100,483	20,767	-	-
Others	103,272	86,102	51,554	48,327
Total	348,708	205,004	107,566	86,226

19. Bank overdraft and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Bank overdraft	7.48-9.40	29,980	9,747	-	-
Short-term loans from banks	3.14-5.75	2,900,998	1,163,042	326,000	214,000
Trust receipts	MMR	178,212	81,923	-	-
Total		3,109,190	1,254,712	326,000	214,000

Bank overdraft and short-term loans from banks of two subsidiaries are secured by the mortgage of the company's land with structures thereon and securities of unrelated party.

The short-term loans from banks of a subsidiary are guaranteed by the Company and contain certain covenants and restrictions. These relate to, among other things, the maintenance of their financial ratios.

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables - related parties	100,751	49,968	208,657	113,762
Trade payables - unrelated parties	1,389,161	1,031,020	242,108	516,854
Accrued cost - related parties	4,185	2,274	3,394	1,461
Accrued cost - unrelated parties	401,507	345,982	177,467	171,776
Other payables for purchase of assets - unrelated parties	22,552	7,934	504	1,009
Accrued expenses	428,885	403,490	93,582	161,003
Accrued commission	199,543	151,457	-	-
Total trade and other payables	2,546,584	1,992,125	725,712	965,865

The balance of trade payables - unrelated parties consisted accounts payable - purchase of program rights from many overseas companies. As at 31 December 2012, the Group had trade payables - unrelated parties, not yet due within one year, amounting to Baht 287 million (the Company only: none).

21. Long - term loans

The outstanding balances as of 31 December 2012 and 2011 consisted of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
21.1 A Baht loan amounting to Baht 150 million. Principal and interest are to be paid in 72 monthly installments commencing October 2006, with interest charged at the rate of minimum loan rate (MLR) minus interest rate 1.25 percentage per annum for the first 24 installments and the minimum loan rate (MLR) minus interest rate 1.00 percentage per annum after the 24th installment.	-	15,600	-	-
21.2 A Baht loan amounting to Baht 500 million. Principal is to be paid in 20 quarterly installments but interest is to be paid monthly commencing May 2008, with interest charged at the minimum loan rate (MLR) minus interest rate 1.75 percentage per annum for the first 24 installments and the minimum loan rate (MLR) minus interest rate 1.00 percentage per annum after the 24th installment.	-	125,000	-	-
21.3 A Baht loan amounting to Baht 35 million. Principal and interest are to be paid in 120 monthly installments commencing February 2008, with interest charged at the minimum loan rate (MLR) minus interest rate 1.50 percentage per annum for the first 24 installments and the minimum loan rate (MLR) minus interest rate 0.50 percentage after the 24th installment.	16,894	20,919	-	-
21.4 A Baht loan amounting to Baht 12 million. Principal and interest are to be paid in 84 monthly installments commencing March 2010, with interest charged at the minimum loan rate (MLR) minus interest rate 1.00 percentage per annum.	7,656	9,234	-	-
21.5 A Baht loan amounting to Baht 9 million. Principal and interest are to be paid in 24 monthly installments commencing August 2012, with interest charged at the minimum loan rate (MLR) minus interest rate 1.50 percentage per annum	4,684	-	-	-
21.6 A Baht loan amounting to Baht 145 million. Principal and interest are to be paid in monthly installments commencing June 2013, within 9 years from the month of the first drawdown. The interest charged at the Minimum Loan Rate (MLR) minus 0.5 - 2.0 percent per annum	145,000	-	-	-
21.7 A Baht loan amounting to Baht 280 million. Principal and interest are to be paid in 2 years installments commencing the first month of drawdown under agreement, with interest charged at the minimum loan rate (MLR) minus interest rate 1.75 percentage per annum.	280,000	195,778	280,000	195,778
Total	454,234	366,531	280,000	195,778
Less: Current portion due within one year	(301,348)	(123,208)	(280,000)	-
Long-term loans , net of current portion	152,886	243,323	-	195,778

The long-term loans in Note 21.3 to 21.5 are secured by the mortgage of land with structures thereon of the subsidiary. These guarantees are effective so long as the underlying obligations have not been discharged by the subsidiaries.

The long-term loans in Note 21.6 guaranteed by director of the subsidiary and secured by the mortgage of land and structures thereon of the subsidiary. The loan agreement contains certain covenants and restrictions. As at 31 December 2012, Baht 135 million of this long-term credit facility has not yet been drawn down, and must be drawn within April 2013.

The long-term loan agreement in Note 21.7 contains certain covenants and restrictions. These relate to, among other things, the maintenance of their financial ratios.

22. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Liabilities under finance lease agreements	76,779	68,501	40,453	37,428
Less: Deferred interest expenses	(8,694)	(6,832)	(4,579)	(3,938)
Total	68,085	61,669	35,874	33,490
Less: Current portion due within one year	(22,784)	(22,757)	(11,555)	(11,081)
Liabilities finance lease agreements - net of current portion	45,301	38,912	24,319	22,409

The Group has entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years. Finance lease agreements are non-cancellable.

As at 31 December 2012 and 2011, future minimum lease payments required under the finance lease agreements are as follows:

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2012				
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	27	50	-	77
Deferred interest expenses	(4)	(5)	-	(9)
Present value of future minimum lease payments	23	45	-	68

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2011				
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	26	42	-	68
Deferred interest expenses	(3)	(3)	-	(6)
Present value of future minimum lease payments	23	39	-	62

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2012				
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	14	27	-	41
Deferred interest expenses	(2)	(3)	-	(5)
Present value of future minimum lease payments	12	24	-	36

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2011				
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	13	24	-	37
Deferred interest expenses	(2)	(2)	-	(4)
Present value of future minimum lease payments	11	22	-	33

23. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Undue output tax	233,671	152,192	87,794	49,153
Provision for sales returns	32,036	29,488	28,127	25,316
Others	170,792	112,299	14,919	12,272
Total	436,499	293,979	130,840	86,741

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Defined benefit obligation at beginning of year	232,055	210,888	108,498	103,180
Current service cost	22,391	20,429	6,981	8,403
Interest cost	8,615	7,552	3,778	3,639
Curtailments	-	(6,814)	-	(6,724)
Benefits paid during the year	(2,221)	-	-	-
Provisions for long-term employee benefits at end of year	260,840	232,055	119,257	108,498

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service cost	22,391	20,429	6,981	8,403
Interest cost	8,615	7,552	3,778	3,639
Total expense recognized in profit or loss	31,006	27,981	10,759	12,042
Line items under which such expenses are included in profit or loss				
Cost of sales and services	447	414	54	49
Selling and administrative expenses	30,559	27,567	10,705	11,993

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2012 (% per annum)	2011 (% per annum)	2012 (% per annum)	2011 (% per annum)
Discount rate	4.50	4.50	4.50	4.50
Future salary increase rate (depending on age and job position of employee)	4.00 - 6.00	4.00 - 6.00	4.00	4.00
Inflation rate (for other fixed income)	0.00 for the first 3 years and 2.50 afterward	0.00 for the first 3 years and 2.50 afterward	0.00 for the first 3 years and 2.50 afterward	0.00 for the first 3 years and 2.50 afterward

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

26. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Salary and wages and other employee benefits	2,350,417	2,070,782	776,732	846,300
Depreciation	297,832	269,801	62,794	69,904
Amortisation	508,288	155,266	372,732	50,119
Rental expenses from operating agreements	1,115,420	945,404	108,699	112,913
Raw materials and consumables used	6,090	8,272	5,979	8,272
Changes in inventories of finished goods and work in progress	(66,300)	(361,634)	116,820	23,584

27. Revenues

Details of revenues of businesses type are as follows:

- a) Revenues from music and digital business
Sales of music goods, revenues from music copyrights and artist management income which offer another channel of income from music and digital business
- b) Revenues from showbiz business
Revenues from production of concerts, service income from advertising and promotion and artist management income
- c) Revenues from motion pictures business
Income from box-office sharing, sales of motion pictures and advertising income, royalties from motion pictures and artist management income
- d) Revenues from television programmes business
Service income from advertising, promotion and production of television programmes, revenues from television programmes copyrights, revenue from marketing and distribution channel management of television programmes , artist management income which offer another channel of income from television programmes business
- e) Revenues from satellite television programmes business
Service income from advertising, promotion and production of satellite television programmes
- f) Revenues from radio programmes business
Service income from production of radio programmes, advertising and promotion on radio and revenue from marketing and distribution channel management of radio programmes
- g) Revenues from event advisor and organizer business
Revenues from event advisor and organizer and provision of event equipment
- h) Revenues from publishing media business
Sales of books and magazines, revenues from advertising in publishing media and artist management income
- i) Revenues from other entertainment businesses
Service income from fitness center, call center, such academy as music school, studio service, advertising and public relations planning, management of copyrights and animation business.

Revenues classified by business for the years ended 31 December 2012 and 2011 are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Revenues from music and digital business	2,578,778	2,855,040	2,459,467	2,625,352
Revenues from showbiz business	996,636	731,949	887,246	660,923
Revenues from motion pictures business	316,965	305,263	85	50
Revenues from television programmes business	2,292,854	2,053,763	115,609	58,635
Revenues from satellite television programmes business	2,101,023	569,914	435,700	104,520
Revenues from radio programmes business	775,266	764,174	-	-
Revenues from event advisor and organizer business	1,782,209	1,308,463	-	-
Revenues from publishing media business	178,119	199,305	-	-
Revenues from other entertainment businesses	412,141	311,944	131,683	82,737
Management fee and consultant fee income	1,489	2,750	61,242	73,313
Interest income	35,761	29,761	3,815	7,327
Dividend received	49,001	54,408	374,575	363,154
Gains on disposal of equipment	19,445	35,082	3,512	19,661
Other income	216,778	166,140	64,095	86,368
Total revenues for the year	11,756,465	9,387,956	4,537,029	4,082,040

28. Promotional privileges

A subsidiary has received promotional privileges from the Board of Investment for the lease of studio, motion graphic and multimedia service, pursuant to the promotion certificate, which are summarized as follow:

Item	Certificate No.	Date	For	Income tax privileges (years)	Date of the first income derived
1	1980(2)/2554	11 August 2011	Lease of studio, Motion Graphic and multimedia service	5	31 May 2012
2	2171(2)/2554	20 September 2011	Lease of studio, Motion Graphic and multimedia service	5	31 October 2011
3	2378(2)/2554	30 November 2011	Lease of studio	5	28 May 2012

Subject to certain imposed condition, the privileges include an exemption from corporate income tax on profits from the promoted operations, for a period of 5 years commencing as from the date of the first earnings operating income, to the extent that the amount of tax exempted does not exceed 100% of the total investment made excluding the price of land and working capital.

The subsidiary's operating revenues for the year are below shown divided according to promoted and non - promoted operations, are summarised as follow:

(Unit: Thousand Baht)

	Promoted operation		Non - promoted operation		Total	
	2012	2011	2012	2011	2012	2011
Revenues from lease of studio	53,330	2,007	119	439	53,449	2,446

29. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Basic earnings per share are calculated below.

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit (loss) attributable to equity holders of the Parent (Thousand Baht)	(347,477)	625,544	380,784	532,282
Weighted average number of ordinary shares (Thousand shares)	530,265	530,265	530,265	530,265
Basic earnings per share (Baht/share)	(0.66)	1.18	0.72	1.00

30. Segment information

The Group's business operations involve four principal segments i.e. music, media (radio, television, motion pictures and publishing), broadcasting and marketing events. These operations are mainly carried on in Thailand. Below is the consolidated financial information for the years ended 31 December 2012 and 2011 of the Group by segment.

(Unit: Million Baht)

	Music		Media		Broadcasting		Marketing events		Others		Elimination of Inter-segment revenues		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue from external customers	3,575	3,587	3,565	3,325	2,101	570	1,782	1,308	412	312	-	-	11,435	9,102
Inter-segment revenues	216	249	550	428	1,001	71	435	238	128	28	(2,330)	(1,014)	-	-
Total revenues	3,791	3,836	4,115	3,753	3,102	641	2,217	1,546	540	340	(2,330)	(1,014)	11,435	9,102
Segment operating income (loss)	1,380	1,494	1,625	1,608	(130)	267	447	395	203	68	(152)	(126)	3,373	3,706
Interest income													36	30
Other income													285	255
Selling expenses													(875)	(505)
Administrative expenses													(2,863)	(2,508)
Share of income from investments in associates													87	57
Finance cost													(108)	(55)
Income tax expenses													(222)	(296)
Profit (loss) for the year													(287)	684
Property plant and equipment													1,631	1,075
Intangible assets													1,320	523
Other assets													8,358	6,936
Total assets													11,309	8,534

The Group has applied the pricing policies as set out in Note 6 to the financial statements to set the transfer prices.

31. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees and the Group contribute to the fund monthly at the rate of 3 and 5 percent of basic salary. The fund, which is managed by SCB Asset Management Company Limited and Finansia Asset Management Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Group contributed Baht 40 million (2011: Baht 36 million) to the fund and Baht 16 million for the Company only (2011: Baht 15 million).

32. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividends per share (Baht)
Final dividends for 2010	Annual General Meeting of Shareholders on 27 April 2011	218	0.41
Interim dividends for 2011 (1 January 2011 - 30 June 2011)	Board of Directors' meeting on 10 August 2011	286	0.54
Total dividend paid for 2011		504	0.95

33. Commitments and contingent liabilities

33.1 Investing commitments

The Group has uncalled portions of investments in an associated company registered in Thailand, totaling Baht 18 Million (2011: Baht 18 Million), and of which Baht 306 million are from investments of the Company only in four subsidiaries registered in Thailand (2011: Baht 387 million in three subsidiaries).

33.2 Capital commitments

- As at 31 December 2012, a subsidiary had capital commitments in relation to the copyrights with a foreign company and a foreign federation during year 2012 to 2014 of approximately US dollars 43,500 and Euro 2 million, respectively.
- As at 31 December 2012, two subsidiaries had capital commitments of approximately Baht 188 million relating to the construction of a studio and the installment of system in master control room (2011: Baht 103 million relating to the construction of a studio and an office).

33.3 Operating lease commitments

- The Group has entered into several lease agreements with third parties and two related parties in respect of the lease of air time for programme broadcasting and advertising placement at certain radio and television stations, the lease of office building and shop space, and space in which to install coin-operated karaoke booths, theatre lease, equipment leases and the provision of related services and market research and survey services. Under certain agreements, payments are to be made based on a percentage of sales, before deducting expenses, as stipulated in the individual agreement, and the Company, its subsidiaries and its associated companies have to comply with various conditions laid out in the agreements.

Future minimum lease payments required under these non-cancellable operating leases and related services contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Payable within:				
1 year	684	660	52	115
2 to 5 years	163	142	6	44
Thereafter	158	164	-	-

- b) The Company has entered into an agreement with a foreign company to lease broadcast equipment. Under this agreement, the Company is obliged to pay a rental totaling US dollars 1 million ending in 2014 (2011: US dollars 1 million).

33.4 Long-term service commitments

- a) The Company and its subsidiaries have entered into agreements with producers and singers to provide certain services to the Company and its subsidiaries under which the Company and its subsidiaries are to pay compensation at fixed rates based on the volume of sales generated as a result of the provision of these services, once sales exceed minimum quantity guarantees set out in the agreements.
- b) A subsidiary has entered into an agreement with a company granting it the right to use a karaoke computer program for a period of 50 years. The subsidiary has to pay a fee to that company at a rate of three percent of the wholesale price, after deducting discounts, whenever the subsidiary is able to sell such program. The subsidiary and that company have to comply with various conditions stipulated in the agreement.
- c) Under the agreements with two foreign companies in relation to the use of its trademark and copyright in the production and distribution of a magazine, which the expiry dates are in 2012 and 2020, a subsidiary is obliged to pay royalty fee calculated at a certain percentage of its net turnover but not less than the minimum amount stipulated in the agreements and to pay the copyright fee on an annual basis at the amount as stipulated in the agreements. The subsidiary is thereby required to comply with conditions stipulated in the agreements.
- d) Under the agreements with a company licensing to broadcast to the public, a subsidiary is committed to pay a royalty fee at a percentage of its revenues from sales of advertising, before deducting expenses for a period of 1 year, ending in the year 2013, as specified in the agreements.
- e) The Company and its subsidiaries have entered into agreements with seven companies and two foreign companies, who are to provide satellite transmission services for periods of 1 to 5 years, ending in 2009 to 2017. The Company and its subsidiaries are obliged to pay transmission service fees and other expenses incurred in relation to such services, as stipulated in the agreements, totaling Baht 500 million and US dollars 17 million (2011: Baht 377 million and US dollars 5 million) and are thereby required to comply with conditions stipulated in the agreements.
- f) Under the agreement with a company in relation to the use of its air time for advertising placement and copyright for programme broadcasting at certain cable and satellite stations, the subsidiary is committed to pay the royalty fee at totaling Baht 35 million (2011: Baht 47 million) ending in 2014.

33.5 Guarantees

- a) As at 31 December 2012, the Company has provided guarantees to bank for credit facilities granted to a subsidiary amounting to Baht 20 million (2011: two subsidiaries amounting to Baht 572 million). Generally, the Company's guarantee is binding for as long as the underlying obligations have not yet been discharged by such company. No fees are charged for the provision of this guarantee.
- b) As at 31 December 2012, there were outstanding bank guarantees of approximately Baht 248 million issued by banks on behalf of the Group and Baht 8 million of the Company only in respect of certain performance bonds as required in the normal course of business (2011: Baht 230 million and Baht 4 million of the Company only). These included letters of guarantee amounting to Baht 1 million (2011: Baht 52 million) to guarantee payments due to creditors, Baht 239 million (2011: Baht 175 million) to guarantee contractual performance and Baht 9 million (2011: Baht 3 million) to guarantee electricity use, among others.

33.6 Litigation

- a) A subsidiary was sued as jointly responsible for infringement of the copyright to musical works, with initial damages of Baht 50 million claimed together with Baht 100,000 per month for future damages as from the date of litigation (26 November 2010) until infringement of the copyright ceases. The plaintiff also requested interest at a rate of 7.5 percent per annum on the principal until settlement is complete. On 23 April 2012, the Central Intellectual Property and International Trade Court dismissed the case, and the plaintiff is currently appealing.
- b) During the year, the Company and a subsidiary were sued for amounts of USD 5 million and Baht 2 million in the grounds that they were jointly responsible for infringement of a licensing agreement. This case is under consideration of the Central Intellectual Property and International Trade Court. However, the management of the Company and the subsidiary has used its judgment to assess the outcome of the litigation and believes that no loss will result. Therefore, no provision for losses is recorded as at the end of the reporting period.

34. Financial instruments

34.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments, trade and other payables, short-term loans, long-term loans and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables. The Group's management manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2012							
	Fixed interest rates						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing	Total	Interest rate (% p.a.)
Financial assets							
Cash and cash equivalent	643	-	-	202	-	845	Note 7
Current investments	523	-	-	33	-	556	Note 8
Trade and other receivables	-	-	-	-	2,782	2,782	-
Loans to related parties	-	-	-	6	-	6	Note 6
	1,166	-	-	241	2,782	4,189	
Financial liabilities							
Bank overdraft and short-term loans	2,901	-	-	208	-	3,109	Note 19
Trade and other payables	-	-	-	-	2,547	2,547	-
Long-term loans	-	-	-	454	-	454	Note 21
Liabilities under finance lease agreements	23	45	-	-	-	68	3.43-8.15
	2,924	45	-	662	2,547	6,178	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2011

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	449	-	-	567	-	1,016	Note 7
Current investments	179	-	-	149	-	328	Note 8
Trade and other receivables	-	-	-	-	2,107	2,107	-
Loans to related parties	-	-	-	1	-	1	Note 6
	628	-	-	717	2,107	3,452	
Financial liabilities							
Bank overdraft and short-term loans	856	-	-	399	-	1,255	Note 19
Trade and other payables	-	-	-	-	1,992	1,992	-
Long-term loans	-	-	-	367	-	367	Note 21
Liabilities under finance lease agreements	23	39	-	-	-	62	3.43-8.15
	879	39	-	766	1,992	3,676	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2012

	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	-	-	-	140	-	140	Note 7
Trade and other receivables	-	-	-	-	1,825	1,825	-
Loans to related parties	-	-	-	14	-	14	Note 6
	-	-	-	154	1,825	1,979	
Financial liabilities							
Bank overdraft and short-term loans	326	-	-	-	-	326	Note 19
Trade and other payables	-	-	-	-	726	726	-
Liabilities under finance lease agreements	12	24	-	-	-	36	6.00-7.50
	338	24	-	-	726	1,088	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2011							
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	13	-	-	140	-	153	Note 7
Trade and other receivables	-	-	-	-	1,024	1,024	-
Loans to related parties	-	-	-	19	-	19	Note 6
	13	-	-	159	1,024	1,196	
Financial liabilities							
Bank overdraft and short-term loans	214	-	-	-	-	214	Note 19
Trade and other payables	-	-	-	-	966	966	-
Long-term loans	196	-	-	-	-	196	Note 21
Liabilities under finance lease agreements	11	22	-	-	-	33	6.00-7.50
	421	22	-	-	966	1,409	

Foreign currency risk

The exposure of the Group to foreign currency risk relates primarily to its investments in foreign subsidiaries, which currently are not hedged by any derivative financial instrument. However, the Group believes that there will be no material impact on the Group's financial statements because the amount of its investments in foreign subsidiaries are immateriality.

34.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

35. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2012, the Group's debt-to-equity ratio was 1.93:1 (2011: 1.34:1) and the Company's was 0.52:1 (2011: 0.62:1).

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2013.

Audit Committee Report

The Audit Committee (“the Committee”) has been appointed by a resolution passed by the Board of Directors which comprises 4 independent Directors. Mr. Chai Nasyavanta was appointed Chairman of the Audit Committee and the other members are Mr. Dej Bulsuk, Mr. Weerawong Chittmittrapap and Ms. Suvabha Charoenying. The Director of the Internal Audit Department serves as the secretary to the Committee.

In 2012, the Committee had performed according to the Audit Committee Charter which complies with the relevant rules and regulations set forth by the Stock Exchange of Thailand and the Good Corporate Governance policy. The Committee conducted 4 meetings, The summary of attendance of Audit Committee members is as follows :

Name	Position	Regular Meeting
1. Mr. Chai Nasyavanta	Chairman	4/4
2. Mr. Dej Bulsuk	Member	4/4
3. Mr. Weerawong Chittmittrapap	Member	3/4
4. Ms. Suvabha Charoenying	Member	4/4

The Committee activities could be summarized as follows:

1. Reviewed the quarterly and the annual financial statements for the year 2012 regarding the disclosure of significant information, rendered by the Internal Audit Department, the External Auditors and the Management, to ensure the accuracy, reliability and adequacy.
2. Reviewed the efficiency and the adequacy of the GMM Grammy Group’s internal control system in cooperation with the Internal Audit Department, the External Auditors and the Management.
3. Reviewed that the Company abided by the SEC and SET rules and regulations, other related laws, the Company’s good corporate governance and Code of Ethics Policies, through coordination with Management and Internal Audit Department
4. Considered and recommended the appointment of external auditors and their audit fee. For the year 2013, The Committee, in coordination with the Internal Audit Department and the Management, Considered the independence and the qualities of the audit task and recommended the reappointment of Ms. Siraporn Ouanunkun or Mr. Termphong Opanaphan or Mr. Khitsada Lerdwana , Certified Public Accountant (Thailand) No. 3844, 4501 and 4958 respectively, of Ernst & Young Office Limited as the Company’s and its’ subsidiaries’ External Auditors and the audit fee for the fiscal year 2013. The appointment of the External Auditor for the year 2013 was approved by the Board of Directors and will be proposed to the Shareholders for their further approval. For the year 2012, the Committee conducted 1 meeting with External Auditor.
5. Reviewed related transactions or conflict of interest issues to ensure that transactions were reasonable and fair in accordance with the rules or announcements of the SET and the disclosures were correct and complete.
6. Reviewed and acknowledged internal audit results quarterly. Followed up management actions and progresses on the internal and external audit findings and recommendations. Approved the internal audit plan for the year 2013. In addition, the Committee reviewed the Independence of the Internal Audit and concurred to the performance evaluation of the Internal Audit staffs and their remunerations which were assessed and proposed by Chief Executive Officer.
7. Annually reviewed and updated the Charter of Audit Committee and Internal Audit, to ensure that the Charters still suit with the Company’s business environment.

8. Conducted the Audit Committee self assessment on its composition, qualification, activities in compliance to the audit Committee Charter, training, authority and the independence. For the year 2012, the Committee concluded that the Committee has adequately completed its duty as assigned and reported the assessment results along with the Committee's activities to the Board of Directors Meetings on February 28, 2013.
9. Reviewed that the Company abided by the Good Corporate Governance and Code of Ethics Policies. Reviewed and updated the policy with the Management and internal auditor to suit with the Company's business environment before rendering it to the Board of Directors for approval.

As the result of the above obligations, the Committee agreed that in general, the internal control system of the company and subsidiaries was adequate, fairly established and appropriate to the Company's businesses. There also was no significant weakness of internal control which would affect the accuracy and reliability of financial statements and the efficiency and effectiveness to achieve the business goals. In addition, there was adequate control system for the connected transactions associated with the Major Shareholders, Directors, Management or other related persons. The Committee and the management recognized the importance of good corporate governance, internal control, and continuous risk management, which would ensure good corporate governance principles of company, acceptable level of internal control and risk management, accurate and reliable accounting and financial reporting practices, together with compliance with the laws, the rules or announcements of the SET and regulations related to the Company's businesses



Mr. Chai Nasylvanta
Chairman of the Audit Committee
February 28, 2013

Risk Management Committee Report

The Risk Management Committee was established by the Board of Directors resolution with duties to promote the set-up of an enterprise-wide risk management system and to embed a GMM GRAMMY Group (“the Group”) culture. This is to provide reasonable assurance among all stakeholders that the Group’s strategic operations are geared towards effective and efficient achievement of corporate goals and objectives. As of December 31, 2012, the Committee was comprised of 11 members who are the Board of Directors and top executives with relevant knowledge, competence and experience that beneficial to the group risk management. The Director of the Corporate Risk Management and Internal Control Department serves as the secretary to the Committee.

The Committee performs duties as designated by the Board of Directors, within the purview of power and responsibility as defined in the Risk Management Committee Charter. During the year 2012, the Committee held two meetings with the following results:

1. Acknowledged the significant corporate risks and approved the related risk responses for the year 2011 and 2012.
2. Carefully supervised the progress and performance of the risk management systems to see whether they are sufficient and appropriate for the nature of the Company’s businesses.
3. Reported regularly to the Board of Directors on the significant risks and their responses.
4. Proposed the necessary appointment on the Committee and related person for the achievement of corporate objectives.

According to the issues and tasks mentioned above, the Risk Management Committee has considered that the corporate risk factors have been set-up, covering the core businesses and the risk management method have also been identified adequately, appropriately and efficiently. In addition, these complied with the group good corporate governance principles, the internal control, as well as related laws, rules and regulations.



Ms. Boosaba Daorueng
Chairman of Risk Management Committee
February 28, 2013

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of GMM Grammy Public Company Limited (“the Committee”) currently consists of 3 members (2 members are independent directors). Mr. Dej Bulsuk is the Chairman, Mr. Chai Nasyavanta and Mr. Paiboon Damrongchaitham are members.

During the year 2012, in performing its roles as assigned by the Board, the Committee held 2 meetings, with perfect attendance, to carry its duties and responsibilities as outcomes could be summarized as follows:

- (1) Deliberating the qualifications of candidates for the Company’s directors to replace 4 directors who retired by rotation namely, Mrs. Saithip Montrikul Na Audhaya, Ms. Suwimon Chungjotikapisit, Ms. Suvabha Charoenying, and Mr. Takonkiet Viravan. In enhancing and supporting the Company’s Good Corporate Governance Policy on welcoming the minor shareholders’ proposal on appropriate candidates to be appointed as the Company’s directors via direct contact with the Company Secretary, Investor Relation Unit, or the Company’s website from 15 September 2011 to 16 January 2012. During such period, no shareholder nominated any candidate for consideration, the Committee (excluding the member with vested interests), with consideration of the appropriateness and maximum benefits to the Company, resolved to propose to the Board for appointing the 4 retired directors as the Company’s directors for another term before submitting to the 2012 Annual General Meeting of Shareholders held on 27 February 2012 for approval as the Committee opined that those retired directors were knowledgeable, capable, experienced in the Company’s business, and also had broad visions, good records of meeting attendance and completed qualifications required by the Public Limited Company Act B.E. 2535.
- (2) Setting the directors’ remuneration for the year 2012 in terms of meeting allowance and annual gratuity including allocation guideline to the Board to get approval at the 2012 Annual General Meeting of Shareholders held on 25 April 2012.
- (3) Setting the Audit Committee’s remuneration for the year 2012 in terms of annual compensation including allocation guideline

to the Board for approval before submitting to the 2012 Annual General Meeting of Shareholders held on 25 April 2012 for acknowledgement respectively.

The remuneration of the directors and members of the Audit Committee was considered by taking into account for their respective duties and responsibilities, together with the Company’s performances. In considering this, the remuneration of comparable leading companies of the same size in similar industry, with reference to the Report of the Survey on Remuneration of Director and Management of Listed Companies, had been taken as a benchmark for suitability and transparency.

- (4) Evaluating performances of the Group Chief Executive Officer (Group CEO) for the year 2012 namely, Ms. Boosaba Daorueng. The Committee deemed it appropriate to evaluate the performances of the Group CEO as “Excellent” rank or 90.94% (being scored by 90%-95%), and had reported the result to the Board of Directors Meeting No. 1/2013 for approval.
- (5) Giving consent on the employment contract extension of Ms. Boosaba Daorueng, Group CEO which ended on 31 December 2012 before submitting to the Board of Directors for approval.
- (6) Giving consent on the employment contracts extension of Mr. Paiboon Damrongchaitham, Chairman of the Company Advisory Board and Ms. Suwimon Chungjotikapisit, the Company’s advisor, which ended on 31 December 2012 before submitting to the Board of Directors for approval.
- (7) Appointing Mrs. Jiraporn Rungsritthong the Secretary to the Committee to replace M.L. Kornkasiwat Kasemsri, who resigned from the office, effective on 21 December 2012.

The Committee had reported its performance to the Board for acknowledgement regularly. Throughout the year 2012, the Committee had independently and transparently performed its roles and duties as assigned by the Board with full effort, honesty, integrity, and prudence for the best benefit of the Company, shareholders, and all stakeholders.



Mr. Dej Bulsuk

Chairman of the Nomination and Remuneration Committee

February 28, 2013

Report of the Corporate Governance and Ethics Committee

The Board of Directors strongly believes in conducting business according to business ethics and good corporate governance principles and alongside corporate social responsibility (CSR) to be embedded as part of the organization culture. This is carried by integrating with the Company's vision, mission, strategy, and goal to create sustainable business growth. The Company respects human rights; treats its workforce fairly; is accountable to customers and consumers; supports and takes part in development of the community, the society, and the environment; maintains religion; preserves natural resources and energy; and supports education and public activities, so that the community or underprivileged become strong and depend on themselves sustainably.

The Group has appointed five committees to thoroughly and efficiently consider important matters as specified in the charter of each committee. The committees hold meetings and report their operating results to the Board of Directors on a regular basis, as well as report their performance to the shareholders for acknowledgement in the annual report, which will help promote and support the Company's overall operations to achieve objectives and comply with the principle of good corporate governance.

The Board of Directors has set to have the policies on corporate governance and ethics and code of conduct formulated since 2005, with the review, revision, and improvement thereof being made to suit the circumstances, comply with additional guidelines issued by regulatory agencies, and meet international standards, for the Board of Directors to consider on a regular basis. Currently the manual considered as operating guidelines is Corporate Governance and Ethics Manual (4th revision), effective April 2, 2012 onwards.

Having adhered to and seriously developed its policy on corporate governance on a continued basis, the Company was evaluated and received awards from various organizations as follows:

1. For evaluation of corporate governance reports of Thai listed companies by the Thai Institute of Directors (IOD), the Company was rated "Very Good" in 2006, 2008, 2009, and 2010, (in 2010, there was no survey on corporate governance of listed companies) and "Excellent (5 Stars)" for two consecutive years, in 2011 and 2012.
2. For the evaluation of AGM checklist quality by the Thai Investors Association, the Company was rated "Very Good" in 2008, 2010, and 2011, and "Very Good: Should be a Role Model," in 2009 and 2012, scoring fully 100 points.

As a result, the Company in 2012 received a top corporate governance report award under the SET Award 2012 project, which was jointly organized by the Stock Exchange of Thailand and Money & Banking Magazine to award prizes to listed companies with outstanding corporate governance reports. Only 10 listed companies received this award. The Group will still adhere to the policies on good corporate governance and ethics that the Company has formulated and supported its improvement and development as well as the continued and suitable disclosure of the results of corporate governance performance, reflecting the efficient, transparent, and ethical management with responsibility to society and the environment, as well as the strengthened confidence of the shareholders, investors and stakeholders.



Mr. Weerawong Chittmittrapap
Chairman of the Governance and Ethics Committee
February 28, 2013



Corporate Governance

Corporate Governance

The Company's Board of Directors has been committed to operating business under Good Corporate Governance as encouraged by SET for listed companies to reinforce their organization with an efficient administration system as the foundation for sustainable growth. The following Corporate Governance Guidelines have been adopted:

1. Corporate Governance Policy

The Board of Directors strongly believes in business operations with ethical practice, good corporate governance, and corporate social responsibility, which are firmly embedded in the organization culture. It is integrated with the organization vision, mission, strategy and goal to boost confidence among the shareholders, investors, and all stakeholders, and to bring the Company to business development along with participation in supporting the education, athletics, society, and environment.

The Board of Directors initiated the compilation of the first Handbook on corporate governance policy, business ethics, and code of conduct (portable version) issued in 2005. It has been set to be revised, added or amended every two years or as deemed appropriate to ensure updatedness and alignment with the changing environment, as well as relevance to any additional guidelines issued by SET or related regulatory bodies, which will enhance the Company's corporate governance up to international standards.

In 2012, the Board of Directors handed corporate governance policy to the CG&Ethics Committee and assigned the Committee to review the policy on corporate governance, business ethics, and code of conduct of the GRAMMY Group for the preparation of *"Corporate Governance and Business Ethics Handbook, Revised Version 4."*

The Board of Directors' meeting No. 2/2555 held on March 23, 2011 considered and approved amendments to some points of the corporate governance set out by the CG&Ethics Committee in order to be in line with guidelines of the relevant regulators, and approved the Corporate Governance and Business Ethics Handbook, taking effect on April 2, 2012. Significant points as amended are as follows:

1. As the Company announced its organizational restructuring and appointed top executives on February 27, 2012, the positions of top executives in the said manual have been revised accordingly.
2. Revised the criteria in relation to the structure of the Corporate Governance and Ethics Committee to be in line with the principles of corporate governance and ethics that the Thai Institute of Directors (IOD) has added, and resolved to abrogate the old Corporate Governance and Ethics Committee and appoint a new one. The new Corporate Governance and Ethics Committee shall comprise at least three directors of the Company, hold meetings as appropriate, at least two times a year, and has power to call additional meetings as necessary.
3. With awareness of the Board of Directors' roles, duties and responsibilities in guiding the Company's operations, overseeing the work of management, carrying out duties with knowledge, ability, transparency, caution, and accountability to the Company and shareholders, with independence from the management, the Board therefore added that "independent directors, audit committee members, and non-executive directors shall be allowed to meet among themselves as necessary to discuss problems on management issues of interest, without the presence of executives in the Board of Directors."

Corporate Governance and Ethics Handbook is divided into three main parts as below:

Part 1 General Provisions

(Vision and Mission, Definition and Importance of Good Corporate Governance and Corporate Governance Policy)

Part 2 Good Corporate Governance

- | | |
|-----------|--|
| Chapter 1 | Rights of Shareholders |
| Chapter 2 | Equitable Treatment of Shareholders |
| Chapter 3 | Consideration of the Roles of Stakeholders |
| Chapter 4 | Information Disclosure and Transparency |
| Chapter 5 | Responsibilities of the Board of Directors |

Part 3 Code of Ethics of the Company

Ethics on Business Operations of the Company

Ethics on Treatment of Shareholders

Ethics on Treatment of Customers and Consumers

Ethics on Treatment of Competitors

Ethics on Treatment of Trade Partners

Ethics on Treatment of Creditors

Ethics on Treatment of Employees

Ethics on Roles and Responsibilities towards Community, the Environment, and the Society

Ethics on Respecting Human Right Law and Practice

Ethics on Vested Interest and Conflict of Interest

Ethics on Confidentiality, Protection of Information and Treatment of Insider Information

Ethics on Anti-fraud and Corruption

Ethics on Workplace Safety and Sanitation

Ethics on Intellectual Property and Copyright

Ethics on the Use of Computer, Information and Communication Technology

In addition, the *Corporate Governance and Business Ethics Handbook* also incorporate the code of conduct for employees, monitor system to ensure that the code of conduct is implemented, and appendix to give definitions of the important terms in the handbook.

The corporate governance policy of the Company as stipulated in the *Corporate Governance and Business Ethics Handbook* can be concluded as follows:

1. The Board of Directors, executives, and employees adhere to performing in compliance with the laws and applying corporate governance principles to business operations by integrating with the vision, mission, strategy, and goal of the organization, as well as enhancing the organization to have an efficient administration system, which will help boost confidence of shareholders, investors, and all stakeholders.
2. The Board of Directors respects the rights of shareholders, treats all shareholders equally, and provides convenience to shareholders in the exercise of rights in various matters.
3. The Board of Directors promotes the process of enhancing good relationship and cooperation between the Company and all stakeholders and sets an appropriate communication channel for the purpose.
4. The Board of Directors sets policy and code of ethics of the Company to be guidelines for all stakeholders such as shareholders, customers and consumers, competitors, trade partners, creditors, employees, the community, the environment, and the society.
5. The Board of Directors takes the role of determining vision and mission, and approving guidelines for setting of business strategies, policies, plans, and budgets, as well as monitoring and supervising the management to take actions according to the policies established in an efficient and effective way, in order to maximize business value and shareholders wealth.
6. The Board of Directors institutes the organization structure with clear delegation of duties and responsibilities of the Board of Directors, Sub-Committees, Group Chief Executive Officer, and Chief Executive Officers in each business lines, and puts in place appropriate and sufficient internal control and audit system, risk management system, prevention of conflicts of interest and use of insider information.
7. The Board of Directors monitors and ensures that the preparation of financial statements and information of the Company is in accordance with the generally accepted accounting standards, disclosure of information is sufficient and reliable, and the Company has capable and independent auditor.
8. The Board of Directors ensures that the Company communicates and discloses important financial or non-financial information relating to the Company sufficiently, accurately, completely, reliably, transparently, thoroughly, and in a timely manner, through various channels and the Investor Relations Department, which can be accessed conveniently and equitably.
9. The Board of Directors may appoint Board committees as deemed appropriate to help screen important matters and report operating results to the Board of Directors' meeting regularly, as well as report operating results to the shareholders in the annual report of the Company.

10. The Board of Directors arranges to have annual self-assessment of the Board of Directors and Sub-committees (Audit Committee) and Group Chief Executive Officer for use as a framework in evaluation of their performance in the previous year, so that rectification and improvement can be made to increase efficiency, and the self-assessment results will be reported to the Board meeting for acknowledgement.
11. The Board of Directors puts in place an appropriate, transparent, and fair recruitment system for all crucial management positions.
12. The Board of Directors has an important role of arranging for the written Corporate Governance and Business Ethics Handbook so that all directors, executives, and employees acknowledge, understand, and abide by the practice of corporate governance and business ethics in a strict manner, and establishing a compliance monitoring measure thereon.

In addition, the Board of Directors has a policy to encourage the dissemination of corporate governance culture in various forms for awareness at all levels and for translation into practice by preparing and disseminating the Corporate Governance and Business Ethics Handbook in E-Book form through several channels such as the GRAMMY Group's Intranet (<http://www.gmmclick.gm>) and the Company's website (<http://www.gmmgrammy.com>). Directors, executives, and employees will accordingly be aware of and abide by the principles of corporate governance and business ethics in performing their duties with accountability, transparency, integrity, prudence, and ethics towards oneself, the organization, the shareholders, and other stakeholders. Activities are to be held to enhance knowledge, understanding, and conscience in performing duties responsibly, cautiously and honestly under the corporate governance principles and business ethics of the Company.

The Board of Directors has arranged for monitoring of actions taken to ensure strict compliance with the Company's corporate governance and business ethics as well as continuous development thereof.

As the Company has all along adhered to the policy on corporate governance and business ethics in its business operations and has developed its corporate governance practice to be more efficient and suit the Company, the Company has been rated by various agencies as follows:

- SET AWARDS 2012

In 2012, the Company received a **"Top Corporate Governance Report Award"** under the SET Awards 2012 Program, which was jointly created by SET and Money and Banking Magazine to honor and award the listed companies, securities companies, member companies, asset management companies and top executives who display outstanding performance and ability in leading their respective organizations to achieve successes. **"Top Corporate Governance Report Award"** is an award given to listed companies with outstanding reports on compliance with the principles of corporate governance, based on the information disclosed by the listed companies in their disclosure of annual registration statement (Form 56-1), annual report, and website, as well as notices of shareholders' meetings and minutes of shareholders' meetings. A total of 10 listed companies in the Stock Exchange of Thailand were given such awards (and one listed company in the Market for Alternative Investment-MAI).



- Corporate Governance Report of Listed Companies

According to the Corporate Governance Report of Thai Listed Companies prepared by the Thai Institute of Directors with support of the Stock Exchange of Thailand (SET) and the Office of Securities and Exchange Commission (SEC), the result of the corporate governance report evaluation of the Company in 2012 remained at the level of **"Excellent"** as in 2011. The score received by the Company in 2012 was rated as one of the 59 listed companies whose scores were rated **"Excellent: Five Stars."** The Company's score was higher than the average score of the 513 listed companies under survey and was in the top quartile of 92 companies with market capital being in the range of 3,000 - 9,999 million baht. From 2010 to 2012, the Company's score rose continuously, to 85, 92, and 93.63 respectively.

- **Quality of Shareholders' Annual General Meeting**

According to the evaluation of the quality of annual general meetings of shareholders (AGM checklist) of listed companies carried out by the Thai Investors Association, the result of the quality evaluation of the Company's 2012 Annual General Meeting of Shareholders was rated "Excellent and Should be a role model." The Company scored fully 100 points, while the average score of all the 450 listed companies under survey was 89.43 points, with 74 listed companies being rated "excellent" (100 points). In 2010 and 2011, the results of the quality evaluation of the Company's annual general meetings of shareholders were rated "Very Good," with 98.75 points.

However, the Company is still committed to developing itself continuously in promoting the Company's corporate governance process, as the Company believes that adherence to the system and process of corporate governance will contribute to sustainable growth.

2. Leadership

The Board of Directors is determined to lead the Company's business operations with steady growth and stability, so as to generate sustainable returns to investors. The Board of Directors has performed duties with optimization of their knowledge, competence, expertise, determination, and prudence, adaptation of management know-how and specialized skills in various fields, and adherence to laws, regulations, and best practices, in the best interests of all stakeholders with fair treatment.

The Board of Directors has appointed the Group Executive Committee to administer day to day operations, and has clearly delineated duties and responsibilities among the Board of Directors, the Group Executive Committee, other Sub-Committees and the management. The Board of Directors is responsible for drawing up the vision and mission of the Company, considering and approving the business strategies, policies, plans and budgets proposed by the management, while ensuring that performance monitoring, review, and evaluation mechanism is in place in line with the policies and targets. This will bring maximum benefits to the shareholders, while taking into account the interests of stakeholders as a whole.

3. Vision and Mission

The Board of Directors has formulated GRAMMY Group's vision and mission so that the management and employees work towards the same direction and with mutual goal, dissemination of which is made through the GRAMMY Group's Intranet (<http://www.gmmclick.gm>) and the Company's website (<http://www.gmmgrammy.com>)

4. Ethics in Business Operations of the Company

The Board of Directors is committed to running the Company ethically with adherence to legal standards and code of conduct by establishing business ethics in operating the Company in the *Corporate Governance and Business Ethics Handbook*. Its guidelines are as follows:

1. Conducting business with adherence to integrity, transparency, and fairness according to laws, regulations, and requirements relating to business operations to assure that prior to making any decisions or taking any actions, the best interests of all stakeholders such as shareholders, customers and consumers, competitors, trade partners, creditors, employees, the community, the environment, and the society, have been taken into consideration.
2. Performing duties with knowledge, competence, expertise, determination, and prudence, developing knowledge base, and adapting management know-how and skill, to create reasonable returns to investors and drive the Company to sustainable growth and development.
3. Disclosing information completely, accurately, transparently, and in accordance with laws, regulations, and requirements of regulatory bodies.
4. Treating all stakeholders such as shareholders, customers, competitors, trade partners, creditors, employees, and the society on a fair and equitable basis, and disclose information to all related persons completely and accurately.
5. Promoting respect of and adherence to human rights on the basis of equal human dignity and without any discrimination or privileged treatment of any particular person on grounds of differences in race, nationality, religion, gender, color, and economic status.
6. Seeking no personal interests and those of related persons by using any inside information which is not yet disclosed or which is confidential, or disclosing such information to outsiders or performing any acts which may lead to conflicts of interest.

7. Putting in place an appropriate and sufficient internal control system, and develop monitoring, control and check-and-balance system and mechanism, that are appropriate, clear and efficient, to prevent frauds and corruption.
8. Adhering to laws relevant to workplace safety and sanitation to maintain a good working environment for the good health and the life and property safety of the employees.
9. Promoting, developing, and respecting intellectual properties of other persons, as well as Evaluating such works fairly without any discrimination or privileged treatment of any particular person.
10. Supporting and promoting activities which are beneficial to the society, culture, and tradition.
11. Setting as duties and responsibilities of all employees to comply with rules and regulations of the Company relating to performance of works and the Corporate Governance and Business Ethics Handbook of the Company, as well as relevant laws to prevent employees from conducting any offenses or causing severe damage to themselves, colleagues, outsiders, or the Company.

To ensure the implementation of business ethics and code of conduct, the Company has stipulated that the directors, the management, and all employees acknowledge, understand, and strictly comply with policies and procedures set forth in the *Corporate Governance and Business Ethics Handbook*, executives at all levels in the organization have to be responsible for and treat this matter with great importance so that their subordinates will follow suit in a rigorous manner.

It is undesirable that any unlawful practice which is against ethical conduct take place. Any directors, executives, and employees who conduct in a way deemed unethical shall be subject to action to be taken pursuant to the rules and regulations in place. The Company has arranged for a special unit to compile general complaints, unlawful behavior, breaches of the business ethics and code of conduct, queries about financial reports, or the internal control system, for submission to the Audit Committee which is composed of independent directors at auditcommittee@gmmgrammy.com for further consideration and submission to the Board of Directors.

In 2012, there was neither complaint nor query submitted via auditcommittee@gmmgrammy.com., nor action in a manner that violated or failed to comply with applicable laws, rules and regulations of SET and SEC.

Chapter 1 Rights of Shareholders

The Board of Directors gives high importance to and respects the rights of all shareholders and provides convenience to them in exercising their rights in various matters, whether they be their basic rights or the rights they deserve. As such, the Board of Directors has guidelines draw on the rights of shareholders as described below.

Besides in 2012, the Company improved its website to be modern, suitable, user-friendly, and easily accessible to information for shareholders and interested persons, with important information being classified in group and necessary information presented in full to all parties of stakeholders.

1. Rights to receive a share certificate and to buy, buyback by the Company, sell or transfer shares

The Company has appointed Thailand Securities Depository Co., Ltd. (TSD) as its securities registrar to provide convenience to shareholders in the register work procedure of the Company securities.

2. Rights to propose meeting agenda items, nominate person to assume directorship, and send queries in advance

The Company realizes the rights and equitability of shareholders according to the laws and good corporate governance principles by requiring shareholders to have qualifications and comply with conditions and procedure set by the Board of Directors. Guidelines set by the Board of Directors are as follows:

- 1) Shareholders who hold the Company's shares not less than 3% of the issued and fully paid-up shares are allowed to propose agenda items for the annual general meeting of shareholders and make nominations of directors, as well as to send queries relating to the Company prior to the Annual General Meeting of Shareholders (AGM).
- 2) The Company announces the timeframe for acceptance of matters via SET's channel and the Company's website at least three months prior to the last day of the fiscal year.
- 3) The Company shows details of qualifications of persons entitled to make proposal, relevant conditions, and consideration procedure, and provides convenience to shareholders by allowing them to download a form via the Company's website

(<http://www.gmmgrammy.com>) on the menu “Corporate Governance”, item “Shareholders Information.” (according to the Company’s new website page). Shareholders can send the form unofficially to the Company Secretary via electronic mail or fax before submitting the original version which has been completely filled out and supporting documents to the Company Secretary. The Company Secretary will propose the matters proposed by the shareholders to the Board of Directors for consideration. In case of nomination of directors, the Company Secretary will submit candidates to the Nomination and Remuneration Committee to consider qualifications and propose to the Board of Directors for consideration and propose to the shareholders’ meeting for approval respectively.

- 4) In case the Board of Directors approves the proposed matters and names as considered appropriate, the Company will add such matters and names to the invitation notice by indicating that the matters and names have been proposed by the shareholders together with opinions of the Board of Directors. In case the proposed matters and names are disapproved, the Board of Directors will make announcement together with clarification thereon through SET’s channel and the Company’s website (<http://www.gmmgrammy.com>) on the menu “Corporate Governance”, item “Shareholders Information.” and notify the shareholders again at the shareholders’ meeting.

In 2012, the Company allowed the shareholders to propose in advance matters deemed significant for addition in the agenda of the Company’s 2012 Annual General Meeting of Shareholders and to nominate persons who have knowledge, expertise, and qualifications for election as directors. Shareholders can make proposal from September 15, 2011 until January 16, 2012 on the Company’s website <http://www.gmmgrammy.com> under the item of “Shareholders Information” (on new website page).

It has come out that, during the designated period, no shareholder proposed any agenda item or nominated any qualified person to assume the post of director to the Company.

3. Rights to attend the shareholders’ meetings

The Board of Directors supports organizing of the shareholders’ meetings which take into account the rights and equitability of shareholders for the attendance of meetings according to the laws and good corporate governance principles. The annual general meeting of shareholders is set to be held once a year within 4 months from the last day of the fiscal year (The Company’s last day of the fiscal year is December 31 of each year). In case where there are urgent matters for special meetings to discuss issues that affect or relate to the shareholders’ benefits or are related to regulations, laws that require urgent approval from the shareholders, there will be a call for an extraordinary meeting of shareholders case by case. The Company’s guidelines are as follows:

1) Before the date of the shareholders’ meeting

- Presentation and Information Delivery to Shareholders. The Company has appointed Thailand Securities Depository Co., Ltd. (TSD) as its securities registrar to send the meeting invitation notice, documents, and other information which is important and necessary for decision-making to shareholders (in English in case of foreign shareholders) at least 21 days prior to the meeting. In addition, the Company has disseminated the invitation notice and all relevant information (excluding annual report) on its website (<http://www.gmmgrammy.com>) in Thai and English more than 30 days prior to the meeting so that shareholders will have sufficient time to study the information in advance for decision-making before receiving paper documents from the Company. Also, the Company will post details on the date, time, and venue of the meeting in Thai and English at least three days prior to the meeting.
- Information Disclosure of each Agenda in the Invitation Notice. Objectives and positive and negative (if any) reasons as well as opinions of the Board of Directors are clearly indicated. The Company also provides more information for the following agenda items:

Nomination of directors. The Company indicates the directors’ names and summarizes profile of each director to be nominated, such as name and surname, education background, work profile, number of companies in which such person is a director, nomination criteria and procedure, type of director to be proposed such as Director or Independent Director. In case of nomination of the existing director to reassume the position, details of his/her meeting attendance in the previous year, and his/her term/years in office shall also be provided.

Appointment of independent directors. The Company has disclosed the definition of independent director as defined by the Company, stating how the definition equals or surpasses the minimum requirements set by SEC and SET, as well as the

information of the independent director being/not being a stakeholder in the Company, the holding company, a subsidiary, an affiliated company or a juristic person that may have a conflict of interest at that time and during the prior period of two years.

Nomination of auditor and fixing of audit fees. The Company gives details on the names of certified public accountants and their company to be the auditor, experiences and competence as well as independence of the auditor, and qualifications acceptable as the Company's auditor and approved by SEC. Audit fees and/ or other fees (if any) will also be clearly indicated so that shareholders can consider appropriateness before making decision.

Payment of dividends. The Company discloses its dividend payment policy, proposed payment rate and amount comparing to net profit and payment rate of the previous year, together with reasons and supporting information. In case of no dividend payment, clear reasons and supporting information will be given.

Other matters with impact on the Company, such as determination and amendment of articles and memorandum of association, decrease or increase of capital, and approval of extra items, etc. The Company will clearly indicate objectives, rationale, positive and negative (if any) impact, as well as opinions of the Board of Directors for each agenda item.

In 2012, the Company improved supporting documents to the notices of shareholders' meetings, to be more in line with the principle of corporate governance, with facts and reasons of the Board of Directors' opinions being provided in the meeting agenda for consideration by shareholders, as well as clearly specified conditions in passing the resolution of each agenda item.

2) On the date of the shareholders' meeting

- The Company requires the meeting to be held according to the laws and taking into account convenience as well as rights and equitable treatment of the shareholders. Company staff are to provide convenience by checking documents of the meeting attendees one hour and a half before the meeting commencement, and barcodes are used to facilitate and expedite registration. At each shareholders' meeting, the Chairman, the directors, the Group Chief Executive Officer, chairmen of all Sub-committees, and the management attend the meeting to allow shareholders to ask questions relating to the Company. The auditor of the Company will perform as the inspector to ensure that the meeting is conducted with transparency, compliance to applicable laws, rules of related regulators, and the Company's Articles of Association.
- Before the meeting commences, the Group Chief Executive Officer who chairs the meeting will introduce the attending Board members, Chairmen of Sub-committees, the management, and the auditor of the Company, to the meeting and assign the Company Secretary to proceed with the meeting.
- The Company Secretary will notify the meeting of the quorum consisting of number of shareholders attending the meeting in person, number of shareholders attending by proxies, and number of shareholders authorizing independent directors as their proxies, with clarification of voting and vote counting methods to the shareholders before the meeting commences. According to the Company's Articles of Association and the Public Limited Companies Act, Section 107 (1), one share is equivalent to one vote. In the event of a tie of votes, the Chairman will have the casting vote. Voting condition for shareholders or proxies is also be explained.

At the 2012 Annual General Meeting of Shareholders held on April 25, 2012, the Board of Directors nominated four independent directors to be proxy holders and there were 14 shareholders holding a total of 34,309,627 shares appointing Mr. Chai Nasyavanta, Independent Director and Chairman of Audit Committee, to attend the meeting and vote on their behalf.

- The Company Secretary would conduct the meeting in accordance with the sequence of agenda items given in the notice of shareholders' meeting (except that the meeting resolves to change the sequence of agenda items in accordance with the provisions of the Public Limited Companies Act that requires the votes of at least two thirds of the shareholders attending the meeting), and for fairness to shareholders who do not attend the meeting, no other agenda items not specified in the notice of shareholders' meeting shall be added in the agenda. However, to allow shareholders to exercise their rights under law, shareholders who hold a number of shares combined not less than one third of the total number of shares sold may ask the meeting to consider matters other than those specified in the notice of shareholders' meeting.
- The Board of Directors has provided for the use of ballot tickets in every agenda item that requires voting. This is for the purpose of transparency and auditability in case of an objection occurring thereafter, while votes are to be counted and the results thereof are disclosed, and the meeting's resolutions are clearly recorded in the meeting's minutes.

In the 2012 Annual General Meeting of Shareholders, the Company improved the processes of vote counting and vote processing by using the program that the Company had designed and developed for vote counting and voting result disclosure to have more clarity, transparency, convenience and accuracy, and to have information and evidence put in an auditable system.

- The Chairman allocates sufficient time and opens the floor to the shareholders to voice their opinions, suggestions, and questions on each agenda item and regarding the operations of the Company. Important queries, clarifications, and opinions shall be noted in the meeting minutes for acknowledgement by the shareholders who cannot attend the meeting.

In 2012, the Company organized the annual general meeting of shareholders on April 25, 2012 at 2.00 pm at the Grand Meeting Room, 21st Floor, 50 GMM Grammy Place, Sukhumvit 21 Rd. (Asoke), Khlongtoeinuea, Wattana, Bangkok. A total of 11 directors attended the meeting, comprising Chairman of the Board, Vice Chairman of the Board, Co-Chief Executive Officers, and Chairmen of Sub-committees, together with top management and representative from Legal Department, where there was one director absent due to abroad business trip. The external auditor would serve as the inspector to ensure the transparency, laws and the Company's Article of Association compliance and in case of dispute arising in respect of examination and voting throughout the meeting. The Chairman of the meeting appointed the Company Secretary to conduct the meeting. The 2012 Annual General Meeting of Shareholders resolved to approve all the agenda items proposed. No extraordinary meeting was held in the year.

3) After the shareholders' meeting

- The Board of Directors assigns the Company Secretary to prepare minutes of the shareholders' meeting to be complete and accurate with the following details:
 - Names and positions of directors, members of Sub-committees, top management, and auditor who attend or absent at the meeting. (If any).
 - The meeting quorum consisting of number of shareholders who attend the meeting in person, number of shareholders by proxies, and number of shareholders authorizing independent directors as their proxies.
 - Methods of voting on each agenda item and vote counting before the meeting commences, and the way the ballot cards are used to count votes.
 - Votes which approve, disapprove, and abstain on agenda items which requires voting and identifying names and number of shares of persons who are not entitled to vote on each agenda item (If any)
 - Key questions, clarification, and opinions
- The Company will announce resolutions of the meeting via the news system of SET by the next business day by identifying approval, disapproval, and abstention votes on each agenda item, and prepare meeting minutes in both Thai and English and submit them to SET and relevant agencies within 14 days from the date of the meeting, as well as disseminate the meeting minutes on the Company's website (<http://www.gmmgrammy.com>) so that shareholders can inspect without waiting until the next meeting. There is also a sound database where meeting minutes are available for inspection and reference.
- At 2012 Annual General Meeting of Shareholders, audio and video recording was implemented and prepared to be provided to interested shareholders in form of VCD which was notified to the shareholders via the news system of SET

4. Rights to appoint and remove directors and determine remuneration for directors

1) Appointment of directors

- The Board of Directors gives opportunity to shareholders to appoint directors individually. The Nomination and Remuneration Committee will nominate persons to be appointed as directors at the meeting and attach the summarized profile of each director to be nominated as well as information which is beneficial to the shareholders for consideration.
- According to the Articles of Association of the Company, at every shareholders' meeting, one-third of the total directors shall vacate their office whereby those who remain in the office the longest shall retire by rotation. If the number of directors is not a multiple of three, the number of directors closest to one-third shall vacate their office. The retiring director is eligible for re-election. The Board of Directors assigns the Nomination and Remuneration Committee to set guidelines for appointment of directors for shareholders as follows:

1. One share held is equivalent to one vote.
2. Each shareholder may use all votes in clause 1 to elect one person or several persons as directors but cannot divide the votes for any persons.
3. Persons who receive the highest number of votes respectively shall be appointed as directors in the number of directors that have to be elected.

In case persons who have been elected in the following order have equal votes which will make the number of directors elected exceeds the number required, the Chairman of the meeting shall have the casting vote.

2) Removal of directors

Removal of any director from the position before the end of the term shall be in accordance with laws and regulations of the Company with the votes of at least three-fourths of the number of shareholders who attend the meeting and have the right to vote constituting the combined shares of not less than half of the shares held by the shareholders who attend the meeting and have the right to vote.

3) Determination of remuneration for directors

Shareholders have the right to consider remuneration for directors. The Board of Directors assigns the Nomination and Remuneration Committee to propose criteria and policies of determination of both monetary and non-monetary remuneration for director in each position for shareholders' consideration and approval every year.

In addition, the Board of Directors has assigned the Nomination and Remuneration Committee to propose criteria and policies of determination of both monetary and/or non-monetary remuneration and remuneration of Board committees (if any) in each position for acknowledgement of shareholders every year.

5. Rights to approve appointment of auditor and determination of audit fees

The Board of Directors prescribes that the appointment of auditors and determination of audit fees is subject to approval by shareholders at the annual general meeting of shareholders every year. The Company's auditor shall be independent and approved by the SEC. The Company attaches with the meeting invitation notice and posts on the Company's website details on the certified public accountants to be appointed, their company, experience and expertise, independence, number of years use to serve as an auditor of the Company (in case of being re-appointed), and audit fees for auditor and/or other fees (if any) so that shareholders can consider appropriateness before making approval.

6. Rights to profit sharing

The Company has a policy paying the dividends to shareholders at a rate of not less than 40% of the net profit after corporate income tax (according to a separate financial statement) each year. The Board of Directors requires that appropriation of profit to shareholders in form of dividend shall be approved by shareholders at every annual general meeting of shareholders.

In addition, according to the Public Limited Companies Act and the Articles of Association of the Company, "the Board of Directors may pay interim dividend to shareholders at times when considering that the Company has sufficient profits to do so and report to the shareholders at the next meeting."

However, the payment of dividend and/or interim dividend depends on the investment plan and the business expansion plan of the Company, its financial position and operating results, as well as necessity and rationale thereof.

7. Rights to receive news and information, and access operating results and management policies regularly and in a timely manner

The Board of Directors has a policy of disclosure of information to shareholders transparently, accurately, and completely by not treating any group of shareholders unequally. Shareholders have the right to access and receive news and information, access operating results and the management policies of the Company sufficiently, regularly, timely, and equally by contacting the Company or receiving information via the following channels:

- The Stock Exchange of Thailand channel
- The Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) of the Company

- The Company : <http://www.gmmgrammy.com>
: Tel. 0-2669-9000
: GMM Grammy Plc.
50 GMM Grammy Place, Sukhumvit 21 Rd. (Asoke), Khlongtoeinuea, Wattana, Bangkok 10110
- Office of Corporate Secretary : cs@gmmgrammy.com
: Tel 0-2669-9807
: Fax 0-2665-8137
- Investor Relations : ir@gmmgrammy.com
: Tel 0-2669-8071, 0-2669-9952
: Fax 0-2669-9737
- Audit Committee : auditcommittee@gmmgrammy.com
Audit Committee
GMM Grammy Plc.
50 GMM Grammy Place, Sukhumvit 21 Rd. (Asoke), Khlongtoeinuea, Wattana, Bangkok 10110
- Analyst meeting
- Analyst Site Visit
- Press conference/Newsletters
- Activities held by the Stock Exchange of Thailand, etc.

8. Other rights of shareholders as prescribed by the Public Limited Companies Act, the Securities and Exchange Act or other relevant laws

Chapter 2 Equitable Treatment of Shareholders

The Board of Directors has a policy to treat all shareholders equitably and fairly by protecting the rights of shareholders and provide convenience to shareholders in exercising of rights in various matters which shareholders are deserved. The Board of Directors has a policy of equitable treatment of shareholders as follows:

1. The Board of Directors gives the rights to shareholders to cast one vote per one share. For the same type of shares, they have the right to cast one vote per one share.
2. The Board of Directors has assigned the Company Secretary to notify shareholders via the SET channel and the Company's website at least 3 months before the last day of the fiscal year so that shareholders who hold the Company's shares not less than 3% of issued and fully paid-up shares can propose the meeting agenda item, nominate persons to assume the post of a director, and send queries relating to the Company in advance prior to the annual general meeting of shareholders.
3. The Company has assigned Thailand Securities Depository Co., Ltd. (TSD) as its securities registrar to send the meeting invitation notice and documents (in English in case shareholders are foreigners) to shareholders at least 21 days prior to the meeting date. The Company also posts the invitation notice and all information (excluding annual report) on the Company's website (<http://www.gmmgrammy.com>) in Thai and English more than 30 days prior to the meeting so that shareholders will have sufficient time to thoroughly study the meeting information for decision-making before receiving documents from the Company.
4. The Board of Directors provides convenience to shareholders who cannot attend the meeting in person by sending them Proxy Form Type B whereby shareholders can cast approval/disapproval/abstention votes on each agenda item and attach documents, including duty stamp (for free), copy service, and simple proxy-giving instruction so that shareholders can be well-prepared and no problem of attendance of proxies will occur.
5. The Board of Directors nominates at least one independent director of the Company as an option of proxy for shareholders. The Company will attach the name and profile of independent director with the meeting invitation notice.
6. The Board of Directors conducts the meeting according to the agenda order outlined in the meeting invitation notice and will not add any meeting agenda item without notifying shareholders in advance apart from those specified in the invitation letter.

7. At the meeting of shareholders, the meeting will be conducted according to the agenda order notified in the meeting invitation notice without adding any agenda items which have not been notified in the meeting invitation notice so as to be fair to shareholders who cannot attend the meeting.
8. The Board of Directors arranges for use of ballots and qualified vote processing program on every agenda item which requires vote casting for transparency and inspection can be made in case debates occur later on. Also, an inspector is prepared for counting of votes and the vote results and resolutions of the meeting shall be disclosed clearly in the meeting minutes.
9. The Board of Directors sets a policy of prevention of conflicts of interest and insider trading to seek interest for oneself or others in undue manner in the business ethics of the Company and disseminates the policy to all directors, executives, and employees of the Company for acknowledgement and strict compliance to prevent directors and executives of the Company from trading the Company's shares by using internal information or undertaking related party transactions and selling or buying assets in a manner which breaches or does not comply with guidelines of SET and SEC. Office of Corporate Secretary will email to all directors and related executives to refrain from trading in the shares of the Company during one month prior to the Board of Directors Meetings where quarterly and year-end financial statement is considered for approval. The shares trading shall be conducted from the day following the date of such meetings.
10. In case of undertaking related party transactions which are required to be disclosed or to seek approval from shareholders according to requirements of the SET, prior to undertaking of the transaction, the Company has disclosed details such as name and relation of related parties, policy of determination of value of the transaction, rationale, as well as opinions on the transaction of the Audit Committee and the Board of Directors to shareholders clearly.
11. The Board of Directors requires directors and executives (according to definitions of SEC and SET) to comply with Section 89 of the Securities and Exchange Act by reporting their interest and their related persons' (including whenever there is change to information) by assigning the Company Secretary to report interest information (including changes) to the meeting of the Board of Directors for acknowledgement every 6 months to consider transactions of the Company which may have conflicts of interest with the Company. Directors and executives who have any related interest shall not attend the meeting to express opinions and have no rights to make a resolution of such matter.

In 2012, the Company did not act in the manner which violated or failed to comply with the rules and regulations on assets acquisition or sale of SET or SEC.

Chapter 3 Consideration of the Roles of Stakeholders

The Board of Directors believes in conducting business with integrity and transparency as well as having roles and responsibilities toward society by giving importance to the rights of all stakeholders of the Company, either internal stakeholders such as directors, employees, and executives of the Company, or external stakeholders such as shareholders, customers, trade partners, competitors, the society and the environment, public sector, and relevant agencies appropriately for both rights required by laws or those jointly agreed upon. The Board of Directors has set guidelines for directors, executives, and employees in the GRAMMY Group's business ethics to be transparent and fair to various stakeholders, details of which are as follows:

Toward shareholders

The Board of Directors has guidelines on equitable and fair treatment of shareholders as follows:

1. Performing duties and conducting business with integrity, transparency, and accountability to shareholders on a regular basis and disclose accurate, complete and standard information to shareholders within the legal framework, business ethics, and good corporate governance principles.
2. Managing business of the Company for stable progress by using knowledge, competence, and experience to the full extent and make any decisions with integrity, honesty, care, and justice for the highest benefits of the shareholders.
3. Supervising operations to ensure that the Company has appropriate financial status and management to protect and increase interests of shareholders.
4. Managing assets of the Company not to deteriorate, lose, or waste.

5. Not seeking benefits for oneself and related persons by disclosing internal information of the Company which is confidential and/or not yet disclosed to the public or outsiders which may cause damage to the Company.
6. Respecting the rights of shareholders by reporting status and operating results of the Company as well as information to all shareholders equally, regularly, timely, accurately, completely, and factually by having sufficient supporting documents and in accordance with the requirements of the SET and the SEC.
7. Not performing any acts in a manner which may cause conflicts of interest to the Company without notifying the Company.

Toward customers and consumers

The Board of Directors is committed to creating and producing all forms of media and entertainment to bring satisfaction to customers continuously. Guidelines for treatment towards customers and consumers are as follows:

1. Catering to the needs of customers with good quality of products and services at reasonable prices and with qualified employees and state-of-the-art innovation and technology
2. Studying, assessing, and improving impact of products and/or services which may occur to consumers consistently, and monitor and supervise products and services to have quality and meet standards, requirements, consumer protection laws or other relevant laws.
3. Providing information which is accurate, sufficient, and beneficial to product and/or service consumers for decision-making by not intending to cover information or giving false information to mislead product and/or service consumers about the quality, quantity, or conditions of the product or service.
4. Respecting the rights of the product and/or service consumers and protect their personal information by not disclosing their personal information without their prior consent or using such information to seek benefits except for information which must be disclosed to the public as required by laws.
5. Arranging for a procedure to which customers can file issues of problems of using products or inappropriate provision of services via electronic mail or call center so that the Company can prevent/resolve problems for the customers quickly and appropriately and use such information to improve or develop other products or services.
6. Contracts between the Company and customers and consumers of the Company must be written clearly and easy to understand and comprising information and agreements which are accurate and sufficient and do not contain any conditions which are not fair or breach the rights of customers and consumers. Also, contracts and conditions mutually agreed upon shall be complied with in a strict manner and in case of failure to comply with any condition, customers shall be notified immediately to help seek resolution on a rationality basis.
7. Supporting activities which promote and maintain good relationship between customers and the Company.

Toward competitors

The Board of Directors conducts business within a framework of free and fair competition. Guidelines for treatment toward competitors are as follows:

1. Treating competitors according to the rule and manner of good and fair competition
2. Not seeking confidential information of competitors with fraudulent, dishonest, or inappropriate method or in breach of laws
3. Not intentionally destroying reputation of competitors with groundless slander
4. Not performing any acts which breach intellectual property and copyright of competitors

Toward trade partners

The Board of Director treats customers equally and based on mutual benefits. Guidelines for treatment toward trading partners are as follows:

1. Treating trade partners equally, fairly, and based on fair returns acceptable to both parties
2. Complying with agreements or conditions mutually agreed upon strictly and in case of non-compliance with any conditions, notify customers immediately to jointly seek solutions on a rationality basis
3. Not asking for or accepting assets or other benefits which are dishonest to trading with trade partners
4. In case there are grounds to believe that there is request or acceptance of assets or other benefits which are undue, information shall be disclosed to trade partners to jointly seek solutions in no time.

5. Having a policy or measures of checking and screening trade partners of the Company such as producers and contractors, and support undertaking of businesses with trade partners who conduct business fairly without violating human rights and realizing the importance of social responsibility
6. Not giving cooperation to or supporting any persons or organizations which conduct illegal business or are a threat to the society and national security
7. Being committed to maintaining sustainable relationship with trade partners and contract counterparts on the basis of mutual trust

Toward creditors

The Board of Directors is committed to conducting business to create creditability for creditors. Guidelines for treatment toward creditors are as follows:

1. Complying with agreements and conditions mutually agreed upon strictly and in case of non-compliance with any conditions, notify customers immediately to jointly seek solutions on a rationality basis
2. Not giving cooperation to or supporting any persons or organizations which conduct illegal business or are a threat to the society and national security
3. Being committed to maintaining sustainable relationship with creditors on the basis of mutual trust

Toward employees

The Board of Directors realizes that employees are the most valuable resource of the Company and is a key to success of achieving the Company's goal. Therefore, the Company takes care of and treats employees fairly in terms of opportunities, returns, appointment, transfer, termination of employment, as well as establishment of policies of personnel development, and encourages employees to develop and exhibit potential and personal value in order to help the organization grow continuously and sustainably. Guidelines for treatment toward employees are as follows:

1. Treating employees with respect for their honour, dignity, and human rights
2. Appointing, transferring, and giving prizes as well as punish employees with sincerity and according to their knowledge, competence, appropriateness, and fairness without any discrimination
3. Assessing staff performance and progress regularly
4. Giving remuneration of various types to employees fairly, appropriately and according to their knowledge, competence, experience, positions, responsibilities, and individual performance which are taken into consideration in line with the operating results of the Company, economic conditions and social environment
5. Providing appropriate welfare and other benefits for employees that are comparable to those of other companies in the same or similar business and as prescribed by law, such as provident fund, etc.
6. Giving continuous and regular support and giving importance to knowledge and potential development which is beneficial to employees at all levels for their good career path
7. Maintaining a good working environment for sanitation and safety to life and properties of employees regularly
8. Providing appropriate facilities and welfare for disabled employees
9. Supporting employees to have better quality of life and support development of life of employees' families so that they live a happy life and are able to rely on themselves sustainably according to the philosophy of sufficiency economy
10. Promoting participation of employees and respecting the rights of gathering of employees to gather to propose or set working guidelines and/or agreements to create benefits for all parties and good working relations
11. Supporting employees to work together under mutual culture and value with high unity spirits
12. Managing works with prudence and avoiding any unfair actions which may have impact on the job security of employees
13. Complying with rules and regulations in relation to labour law (such as employment, termination of employment, etc) and welfare of employees

Toward community, the society and the environment, and community development

The Board of Directors strongly believes in conducting business according to business ethics and good corporate governance principles and alongside corporate social responsibility (CSR) to be embedded as part of the organization culture. This is carried by integrating with the Company's vision, mission, strategy, and goal to create sustainable business growth. The Company respects human rights;

treats its workforce fairly; is accountable to customers and consumers; supports and takes part in development of the community, the society, and the environment; maintains religion; preserves natural resources and energy; and supports education and public activities, so that the community or underprivileged become strong and depend on themselves sustainably. Guidelines on treatment toward the community, the environment, and the society are specified in the *Corporate Governance and Business Ethics Handbook* regarding Ethics on Roles and Responsibilities toward Community, Environment, and Society, details of which are as follows:

1. Supporting CSR development through co-creation with all stakeholders by participating, inspiring, and giving opportunities to other organizations to work together
2. Supporting provision of knowledge and training for staff to instill conscience of responsibility toward the community, the environment, and the society in employees at all levels and encourage employees to participate in activities arranged by the Company
3. Having social participation by supporting and promoting activities which maintain good tradition and culture, and behaving as a good religion follower by supporting religious activities consistently
4. Participating in supporting activities relating to education, sporting capabilities, development of professional knowledge, for sustainable self-dependence
5. Having social responsibility relating to public benefits, maintenance of the environment, and development of the community as well as creative projects to promote and support better living of underprivileged, the elderly, children, and youths
6. Having social responsibility in different forms such as organizing campaigns against narcotics continuously, hence promotion and support of children and youths to stay away from narcotics, leading to a strong community and narcotic-free society
7. Holding various projects to assist and relieve misery of people who are in trouble in many ways
8. Supporting the community surrounding the Company and other communities to be strong and self-dependent in a sustainable manner, give mutual help, have a good quality of life, be happy and live happily in harmony
9. Campaigning and instilling in employees conscience of preservation and smart and efficient use of resources and energy
10. Creating and supporting activities which are beneficial to maintenance, preservation, and use of natural resources and energy on a consistent basis
11. Not performing any acts which will impair the reputation of the country, natural resources, and the environment
12. Not cooperating with or support any persons or organizations conducting illegal business or being a threat to the society and national security
13. Complying or monitoring to ensure strict compliance with relevant regulations and laws

Non-Violation of Intellectual Property Rights or Copyrights

The Board of Directors has specified a policy of intellectual property rights and copyrights and in the *Corporate Governance and Business Ethics Handbook* relating to ethics on intellectual property rights and copyrights such as trademarks, patents, etc.

The Board of Directors has a policy to respect intellectual property rights of other persons by not violating or supporting any acts which can be regarded as violation of intellectual property rights and copyrights of other persons, thus reflecting the Company's strong intention to conduct business with fairness, and respect for and compliance with the laws relating to intellectual property rights, with the following principles to be observed:

1. Supporting development and respect creation or innovation of intellectual property rights and copyrights, and evaluate the value of such innovation fairly
2. Protecting and respecting intellectual property rights and copyrights of the Company and other persons by not violating or supporting any acts which are in violation thereof, such as making duplicates, adapting original material in any way, copying, broadcasting music and pictures, or making distribution to the public or any other acts, and not claiming other persons' works as one's own
3. Supporting and participating in activities which are beneficial to protection and prevention of violation of intellectual property rights and copyrights
4. Supporting provision of knowledge and training to employees to instill conscience of respect and creation of intellectual property rights and copyrights in employees at all levels, as well as encourage employees to participate in activities held by the Company
5. Issuing the Company's work regulations by prohibiting employees from behaving in the manner which may tarnish the reputation of the Company by following regulations, notifications, and orders of government agencies, or laws relating to intellectual property rights and copyrights such as trademark law, patent law, license law or other relevant laws, as well as announcements, orders, rules and regulations set by the Company

6. Treating and regarding violation of intellectual property rights and copyrights as a severe offence, and if such offence is found, the Company will take penal action against the employee who has been found guilty of such violation according to the Company's work regulations and laws.

In 2012, the Company cooperated with state agencies and related private sector parties in a campaign against piracy titled 'Took, Took Jai, Took Gohd Mai' ('Cheap, Pleasing, Legal) to raise awareness of copyright protection among the public through various activities. The 'Not Buy, Not Sell, Not Use Pirate Goods' slogan aims to encourage the public to be more aware of the intellectual property to help reduce the piracy problem in the long run. The Company joined hands with state agencies and the private sector to prevent piracy and prosecute violators. In 2012, the Company and subsidiaries filed 1,046 cases against copyright violation.

Anti-Fraud and Corruption

The Board of Directors has adhered to conducting business transparently, and under legal framework, code of ethics, and good corporate governance guidelines, and supported anti-fraud and corruption in every kind, as well as realized that fraud and corruption affect the development of economic system, society, and national security. Thus, the anti-fraud and corruption policy has been formulated and incorporated in the *Corporate Governance and Business Ethics Handbook* regarding ethics on support of anti-fraud and corruption, details of which are as follows:

1. Supporting enhancement of awareness, value, and attitude among employees to perform duties honestly, transparently, fairly, and with respect of laws and regulations; drive for embedment of anti-fraud and corruption as part of organization culture; and administer the business according to the good corporate governance principles.
2. Putting in place a sufficient and appropriate internal control system, and develop the review, control and check-and-balance system and mechanism to be appropriate, clear, and efficient, to prevent employees from conducting any fraud or taking part in any fraud and corruption.
3. Employees must not perform any acts in a manner of demanding or receiving presents or benefits from other persons who have duties or businesses related to the Company, except in case of traditional occasions or festivals when it is customary to give presents. However, such presents must not be illegal objects. Employees shall also not use their positions or duties to seek benefits for themselves and/or others in an undue manner.
4. Providing a communication channel to receive filing of complaints or notifying any suspicious clues with a policy to protect the people who give information or clues and keep such information confidential, and put in place measures to inspect and set penal provisions according to relevant rules and regulations. The channel has been by sending email to auditcommittee@gmmgrammy.com or mail to the Audit Committee at specific address as provided on the website, Form 56-1, annual report, and the *Corporate Governance and Business Ethics Handbook* of the Company. The complaints or suspicious clues will be submitted to the Board of Directors for consideration respectively.
5. Supporting activities held by various agencies or organizations to help support anti-fraud and corruption.

In 2012, the Company regularly monitored employees to ensure compliance with the policies and regulations against fraud and corruption as in the previous years for business benefits of the Company, as well as development of the economic system, the society, and national security, and found no reports or actions regarding fraud or corruption in the Company or its subsidiaries. In addition, the Company has prepared itself to be in line with the notification of SEC regarding disclosure on anti-fraud and corruption which will be announced and put into effect soon by revising the disclosure of information about anti-fraud and corruption in the Annual Report and Form 56-1 for the year 2012.

Policy on Connected Transactions

The Board of Directors is aware of the importance of conducting its business with transparency and with due consideration of its stakeholders. As such, the corporate governance policy of the Company has clearly specified that all connected transactions of the Company and subsidiaries must be, at the minimum, approved by the management of the Company. If entering into any connected transactions which fall under the criteria stipulated by the SET regarding disclosure of information and acts of listed companies on connected transactions and/or if entering into transactions of acquisition or disposal of assets of listed companies, the Company shall perform pursuant to the SET criteria and regulations requiring that such transactions are subject to endorsement and/or approval by the management and/or the Board of Directors' meeting and/or the shareholders' meeting, as the case may be, on which related parties will not be entitled to vote.

To prevent conflicts of interest, the Board of Directors is prudent in considering any transactions prone to a conflict of interest by mapping written policy and procedure on approval of connected transactions in the *Corporate Authorization Index (CAI)* and/or requesting approval from the shareholders according to the SET criteria and regulations. Pursuant to the SET criteria, prices and conditions pertaining to such transactions have to be conducted on an arm's length basis. The Audit Committee will submit the transactions with conflicts of interest and the connected transactions to the Board of Directors on a regular basis.

The Company and subsidiaries have no policy to make any connected transactions unless the Company views that the transaction will yield the highest returns, at the price and under the terms and conditions as generally executed with outside parties. The Company has set for such transactions to be approved by the management and/or the Board of Directors and/or the meeting of shareholders as the case may be.

In undertaking related party transactions in form of financial assistance, the Board of Directors has set guidelines for this type of transaction in the *Authorization and Procedure Manual* approved by the Board of Directors as follows:

1. In case where financial assistance is provided to or received from a connected person that is an individual or juristic person, in which the Company or its subsidiaries owns shares in a proportion lower than the portion of shares held in that company by other connected person, the transaction shall be subject to approval by the Group Chief Executive Officer.
2. Financial assistance provision or receipt transactions other than that mentioned in Item 1 above shall be subject to consideration and approval by the Chief Executive Officer (up to 5,000,000 Baht) or the Group Chief Executive Officer.

In addition, the Board of Directors recognizes the importance of prevention of conflicts of interest so it has set to have disclosure of information and transparency relating to undertaking of connected transactions and prevention of possible conflicts of interest by having various relevant reports made available, such as preparation of report on disclosure of transactions prone to conflicts of interest and/or related party transactions, report on securities holding and changes in securities holding, and report on vested interest of directors, executives, and related persons thereof.

Chapter 4 Information Disclosure and Transparency

The Board of Directors supervises the Company to communicate and disclose important information relating to the Company, either financial or non-financial information, shareholding and management structure sufficiently, accurately, completely, transparently, reliably, thoroughly, and in a timely manner, and in line with the guidelines or criteria set by the SEC and the SET, as well as relevant laws, standards, and best practices on business operations and disclosure of financial information, through various channels and Investor Relations which are accessible conveniently and equitably. The Company's key guidelines are as follows:

1. Provision of communication and data distribution channels

The Company has made available communication and data distribution channel so that shareholders, investors, and other stakeholders can access information of the Company conveniently, thoroughly, and equitably through various channels on a regular basis in both Thai and English such as:

- 1) Annual registration statement (Form 56-1) and annual report (Form 56-2) of the Company
- 2) Website of the Company
- 3) Investor Relations Department
- 4) Office of Corporate Secretary

1) Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) of the Company

The Board of Directors has arranged for preparation of annual registration statement (Form 56-1) and annual report (Form 56-2) of the Company which discloses information that is accurate, clear and complete, and in accordance with requirements of the SET to exhibit information which is beneficial to shareholders and stakeholders relating to business operations and operating results in the previous year, such as vision and mission, organization structure, investment structure, shareholding and management structure, business operations characteristics, competition, corporate governance, and risk factors in operating businesses of the Company, profile and performance of duties of the Board of Directors and Board committees, policies and criteria on payment of remuneration which is both monetary and /or non-monetary of directors and high-level executives, number of meetings, and meeting attendance of the Board of Directors and each member of subcommittees, self-assessment of internal control system, financial position and operating result, report on responsibility of the Board of Directors toward financial reports, policy on connected party transactions and report on interests of directors, as well as report on securities holding of directors and executives, roles and responsibilities toward the environment and the society, and investor relations.

2) The Company's website

The Board of Directors has put in place a communication and data distribution channel that is updated through the Company's website (<http://www.gmmgrammy.com>), which has been developed in a modern form and easy to use with completed and

comprehensive information benefits to shareholders and stakeholders. The Company has had disclosure of news and information to shareholders, investors, and related persons through the SET Community Portal or SCP (<http://www.set.or.th>) in both Thai and English so that shareholders, investors, and stakeholders can access information of the Company conveniently, thoroughly, and equitably, covering vision and mission, nature of business operations, financial statements, press release, shareholding structure, organization structure and business group structure, corporate governance, and information relating to the Board of Directors, Board committees and the management, as well as corporate social responsibility, investor relations information, annual registration statement (Form 56-1) (previous 5 years), annual report (Form 56-2) (previous 3 years) of the Company, shareholders' meeting invitation notice, and minutes of shareholders' meeting, which can be downloaded.

3) Investor relations

The Board of Directors has designated Investor Relations unit to represent the Company in communicating and publicizing the Company's information and activities which are beneficial to shareholders, investors, securities analysts and interested persons to access information of the Company, such as press conference, press release on investment activities and other significant business activities, analyst meeting (Opportunity Day), analyst site visit and participation of activities organized by the SET on a regular basis, etc.

In addition, the Company has held analyst meeting to announce operating results in each quarter to investors, analysts, and interested persons, with senior executives joining to give clarification and answer questions asked by attendees.

Investors are welcome to contact Investor Relations Department of the Company at:

Investor Relations Department

GMM Grammy Plc, 50 GMM Grammy Place, 40th Floor, Sukhumvit 21 Rd. (Asoke),

Khlongtoeinuea, Wattana, Bangkok 10110

Tel. 0-2669-8071 / 0-2669-9952

Fax. 0-2669-9737

E-mail Address: ir@gmmgrammy.com

In 2012, the Company organized and joined various activities to present information directly and indirectly as follows:

1. Organized analyst meeting (or Opportunity Day) to announce quarterly operating results and new investments to investors and analysts four times after submission of the financial statements for the year 2011 and the financial statements for Quarter 1- Quarter 3 of 2012 to give analysts the opportunity to meet with the management of the Company.
2. Welcomed institutional analysts and investors in the country and overseas as well as retail investors who visited the Company to enquire about its operating results.
3. Made press release whenever the Company had investment activities or important business activities.
4. Participated in domestic and abroad roadshows providing the Company's information and overall industrial condition to the domestic and foreign institutional investors for 3 times and 4 times, respectively.
5. Welcomed analysts under the site visit program called "Open the door to GRAMMY", where analysts are invited to visit the Company and its subsidiaries in the form of a lecture and a real work place observation for better understanding and clear vision of the GRAMMY Group businesses such as broadcasting stations, studios, radio stations etc. This program was attractive and the analysts were interested to participate very much.
6. Gave information and answered questions of investors and the press who contacted at address, via mail, telephone and fax as above.

4) Office of Corporate Secretary

The Board of Directors has set up Office of Corporate Secretary to be responsible for the Company's high-level meetings, such as the Board of Directors' meeting and shareholders' meetings, to ensure that the Company, the Board of Directors, and executives operate in accordance with legal provisions and the requirements of regulatory agencies, and serve as the point of contact for communications between shareholders/stakeholders and the Company in disseminating relevant or useful information and activities, as well as receiving recommendations or coordinating the clarification of shareholders' questions on the Company's businesses or operations.

Office of Corporate Secretary

GMM Grammy Plc, 50 GMM Grammy Place, 41st Floor, Sukhumvit 21 Rd. (Asoke),

Khlongtoeinuea, Wattana, Bangkok 10110

Tel. 0-2669-9807

Fax. 0-2665-8137

E-mail Address: cs@gmmgrammy.com

2. Disclosure of information of the Board of Directors and Sub-Committees

The Board of Directors arranges for disclosure of information of the Board of Directors and Sub-committees through various channels such as structure and composition of the Board of Directors and Sub-committees, roles and responsibilities, terms of position, number of meeting and meeting attendance of the Board members and each member of Sub-committees, remuneration for directors, Board committees and executives and report on performance of duties of the Board of Directors and each Sub-committee.

3. Reporting of performance of duties of the Board of Directors and Sub-Committees

1) Report of the Board of Directors

The Board of Directors has set to have report of performance of the Board in the previous year to investors and all stakeholders with the concept of business operations under good corporate governance and business ethics alongside corporate social responsibility reflected and embedded in the organization culture, and have it disclosed in the annual report in the topic 'Message from Chairman and Group Chief Executive Officer.

In addition, the Board of Directors is responsible for consolidated financial statements (certified by the Company's auditor) of the Company and subsidiaries and financial information memorandum to be prepared according to the generally accepted accounting standards, using the appropriate accounting policies and with strict adherence thereto, and sufficient disclosure of important information in notes to financial statements. The Board of Directors has prepared the report of responsibility of the Board of Directors toward financial statements together with the report of auditor to be presented in the Company's annual report.

In 2012, the Company submitted quarterly and yearly financial statements and reports by the timeline and pursuant to the criteria of SET, and no instruction has been made by Office of the SEC or SET for the Company to rectify the financial statements.

2) Report of Sub-Committees

The Board of Directors requires that Sub-committees report their performance at the meeting of the Board of Directors regularly and report their performance in the previous year to shareholders in the annual report of the Company to ensure that Sub-committees have performed duties as assigned which will help promote and support the overall operations of the Company to achieve the target set forth and to be in line with the good corporate governance principles.

4. Connected Transactions and Conflict of Interest Prevention

Recognizing the importance of conflict of interest prevention, the Board of Directors has set out guidelines on reporting of crucial information as follows:

1) Report on transactions with possible conflict of interest and on connected transactions

The Board of Directors has stipulated that all transactions prone to a conflict of interest and all material connected transactions, with details regarding the conflicted persons, nature of relationship, type of the transactions, conditions for the transactions, pricing policy, transaction value, rationale and necessity of the transactions, and opinion rendered by the Audit Committee and/or the Board of Directors, must be revealed in the Company's annual registration statement (Form 56-1) and annual report, as presented under Section, "Connected Transactions".

In 2012, the Company did not breach or fail to comply with the rules on connected transactions stipulated by SET and the SEC.

2) Report on securities holding and changes in securities holding in the Company

The Board of Directors has stipulated that the directors, executive directors and management (as defined by SEC and SET), including their respective related persons according to Section 59 of the Securities and Exchange Act, shall be obligated to report their holding of the Company's shares (GRAMMY) as follows:

- Report of securities holding in the Company (Form 59-1) for first submission within 30 days after being appointed as director/management;

- Report of changes in securities holding in the Company (Form 59-2) to be prepared whenever the above mentioned persons buy, sell, transfer or accept a transfer of the Company's securities and to be submitted within three business days from the date of such transaction.

A copy of the above report must be delivered to the Company by the date the report is submitted to SEC.

The Company Secretary has the duty to submit a summary report on the said securities holding and changes in securities holding in the Company to the Board of Directors' meeting for acknowledgement on a semi-annual basis and to disclose it in the Company's annual registration statement (Form 56-1) and annual report.

In 2012, a report on securities holding and changes in securities holding in the Company by the directors and management was submitted to the Board of Directors' meeting for acknowledgement in the Board of Directors Meeting No.1/2012 held on February 27, 2012 and No. 6/2012 held on August 10, 2012. A summary of the securities holding in the Company by the directors and management as of December 31, 2012 compared with 2011 was provided under Section, "Management Structure".

3) Report on interests of the Board of Directors, management and their related persons

The Board of Directors has stipulated that the directors and management (as defined by SEC and SET), including their related persons, must abide by Section 89 of the Securities and Exchange Act and must prepare and submit a *Report on Interests* (including any subsequent changes thereof) to the Company. The Company Secretary has the duty to submit a summary report on the interests (and any subsequent changes thereof) of the directors, management and their related persons to the Board of Directors' Meeting for acknowledgement on a semi-annual basis.

The Company Secretary keeps a filing of the original *Report on Interests* and submits a copy thereof to Chairman of the Board and Chairman of the Audit Committee.

5. Remuneration for the Directors, Members of Sub-Committees and Management

1) Remuneration for the directors and sub-committee members

The Board of Directors has assigned the Nomination and Remuneration Committee to formulate rules and policy on determination of remuneration for members of the Board of Directors and sub-committees and submit them to the Board of Directors and/or the shareholders' meeting for approval, as the case may be. The said policy is outlined based on an assessment of compensation level that is commensurate with respective duties and responsibilities and comparable with that of peers, as well as benefits expected from each director. In addition, in order to determine appropriate compensation, the Company has joined the project on directors' remuneration for the year 2012 organized by the Thai Institute of Directors in which there were 177 listed companies including market for alternative investment (MAI) participated. The result of this project was reported to the Nomination and Remuneration Committee for consideration.

The Nomination and Remuneration Committee will propose the rules and policy on the determination of directors' remuneration and the yearly monetary and/or non-monetary remuneration for each position to the Board of Directors for consideration and to the shareholders' meeting for approval, and will submit the rules and policy on the determination of remuneration and the monetary and/or non-monetary remuneration for each position of sub-committees (if any) for the shareholders' information on a yearly basis.

Directors' remuneration

Remuneration for the directors in 2012, as approved by the shareholders' meeting, was comprised of two portions as follows:

- 1) Attendance fee (paid based on number of meetings attended by each director):

Unit: Baht/person/meeting

Position	Attendance fee
Chairman of the Board	13,000
Independent Director	13,000
Director	3,000

2) Annual gratuity (annual payment): Criteria for payment was the same as that in 2011, following resolution passed by the shareholders' meeting, as follows:

- The annual gratuity for the Board of Directors in 2012 was set to be not exceeding 1% of net profit or amounting to not more than Baht 6,000,000, net of attendance fee paid for that year, the remainder of which would be the annual gratuity.
- The annual gratuity is allocated based on the number of meetings attended by each director. The payment for Chairman of the Board is doubled for the number of the Board meetings he attends.

Remuneration for members of sub-committees

Remuneration for the Audit Committee, as approved by the shareholders' meeting, was not exceeding Baht 650,000 in total and was paid based on the following criteria:

Unit: Baht/Year

Position	Attendance fee
Chairman of the Audit Committee	200,000
Member of the Audit Committee (per person)	150,000

Remuneration for other sub-committees, namely Group Executive Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Governance and Ethics Committee, had not yet been determined.

2) Management's remuneration

Remuneration for management (as defined by SEC and SET) conforms to the principle and policy outlined by the Board of Directors and is based upon operating results of the Company and performance of each executive.

The policy, principle and rationale for determination of remuneration and the yearly monetary and non-monetary remuneration for the directors, members of board committees and management (as defined by SEC and SET) are disclosed in the Company's annual registration statement (Form 56-1) and annual report under Section, "Remuneration for Board of Directors, Sub-Committees, and Management".

Chapter 5 Responsibilities of the Board of Directors

The Board of Directors is well aware of its roles, duties and responsibilities for directing the Company's operation, monitoring the Management's operation, performing duties with knowledge, competence, transparency, due care and accountability for the Company and its shareholders, and being independent of the Management. Here are the key guidelines on the Board's operations:

Board Composition

- 1) The Board of Directors determines the board composition that fits with the Company's business size, whereby it is set to be composed of at least five members, not less than one-half of the directors must reside in Thailand and at least one of whom must be experienced in accounting and finance field.
- 2) Of the total number of board members, at least one-third and no fewer than three persons must be independent directors.
- 3) The Board of Directors must be partially composed of non-executive directors so as to ensure checks and balances against the executive directors and a minimum of one-third of the total board members must be independent directors.
- 4) The Board of Directors appointed the Company Secretary to be responsible for providing advice on legal matters and rules required the directors to follow, as well as, activities of the Board of Directors and coordination for the implementation of the resolutions passed by the Board of Directors' Meeting and Shareholders' Meeting.

Qualifications of Directors

The Company has specified qualifications of the Board of Directors as follows:

- 1) Meeting the qualifications and not possessing the prohibited characteristics prescribed in the Public Limited Companies Act B.E. 2535 or other related laws, as well as the regulations of SET and SEC and the Company's Articles of Association.
- 2) Being an expert with knowledge, capability and experience that are beneficial to the Company's operation.
- 3) Having a leadership skill, vision and independent decision-making ability to ensure the maximum benefit to the Company and the shareholders.
- 4) Being responsible to serve as the director and able to spare full time to perform the duty, assuming accountability to shareholders and duty of care, and protecting the Company's interests.
- 5) Performing duties with integrity, honesty, ethics and adherence to laws, good corporate governance principles, and code of business conduct.

Qualifications of Independent Directors

The Board of Directors determines qualifications of the independent directors in alignment and compliance with regulations SEC and SET, as described under Section, "Management Structure".

Selection and Appointment of Directors and Management

1. Selection and appointment of directors

The Board of Directors has assigned the Nomination and Remuneration Committee to formulate rules and policies on nomination of members of the Board of Directors and sub-committees with regard to number, structure and composition of the Board and qualifications of the directors, as well as to recruit, select and nominate suitable persons to succeed the directors retired by rotation and/or to fill any vacancies and/or to fill additional board seats for further proposing to the Board of Directors and/or for final approval by the shareholders' meeting, as the case may be. Sufficient information must be provided so that the Board of Directors and the shareholders could use as a basis for making the right decision.

As regards the independent directors, the Nomination and Remuneration Committee will select and nominate persons who fully meet the qualifications of independent directors stipulated by the Board of Directors in compliance with guidelines of SET and SEC for further proposing to the shareholders' meeting for approval.

Directors shall be appointed individually and, according to the Articles of Association, the shareholders' meeting shall elect the directors using the following method:

1. Each shareholder has one share for one vote.
2. Each shareholder must use all votes as per method number 1 to vote for one director or a group of directors. The votes cannot be split.
3. Candidates with the greatest number of votes and all runners up are elected directors, based on the number of directors needed at that time.

In the event that the last director position to be filled is met with more than one qualified candidate winning equal number of votes, the Chairman of the meeting is the final arbiter.

2. Selection and appointment of Management

Management shall be nominated and appointed in line with the Corporate Authorization Index as follows:

1. The appointment of Group Chief Executive Officer and/or Chief Executive Office must be proposed to the Board of Directors for approval.
2. The appointment of senior management (C-Level); Chief Finance Officer, Chief Investment Officer, Chief Administrator Officer), shall be approved by Group Executive Committee.
3. Appointment of management below the level specified in 2, shall be approved by Group Chief Executive Officer and below level-executives (depending on the case).

Term of Office

Directors shall hold the term of office as stipulated in the Public Limited Companies Act B.E. 2535 and the Company's Articles of Association, which reads "At each annual general meeting of shareholders, one-third of the directors, or if the number is not a multiple of three, then the number nearest to one-third, must retire from office. The directors who have been the longest in office shall retire first. The retiring directors may be re-elected." The Nomination and Remuneration Committee will select and nominate qualified persons to be directors to the Board of Directors before seeking approval from the shareholders' meeting.

The Board of Directors has stipulated that members of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Governance and Ethics Committee shall each have a term of office of three years and may be re-appointed as deemed fit by the Board of Directors. As for the Group Executive Committee, its members have no term of office as the Committee's structure composes of executives in the defined positions.

New Director Orientation

The Board of Directors recognizes the importance of new director orientation and had adopted a policy on this matter as follows:

1. The Board of Directors has stipulated that all incoming directors must attend an orientation program. The Company Secretary is assigned to provide them with documents and information relevant to the directors' duties such as Directors Handbook, Corporate Governance and Ethics Handbook, Articles of Association, Capital Structure, Shareholder Structure, Operating Results, Related Laws, Best Practices for Directors, relevant rules and regulations, director training courses, and other information pertaining to the Company's business in order to enhance the new directors' knowledge and understanding of the Company's operations in all respects.
2. The Company Secretary is instructed to facilitate the new directors' company visit and lecture program to create their better understanding about the Company's business operation.

Director and Management Development

1 Training for directors and sub-committee members

The Board of Directors encourages, supports and provides convenience for all parties concerned with the Company's corporate governance processes such as directors, sub-committee members, management, Company Secretary, etc. to participate in training and seminar programs or activities arranged by Thai Institute of Directors (IOD), SET, SEC or other independent organizations on a regular and continuous basis in a bid to enhance their knowledge and operational efficiency. The Board of Directors has assigned the Company Secretary to coordinate with the directors and management and inform them of details about the said training courses.

As of December 31, 2012, there were five members of the Board of Directors and sub-committees attending 11 training courses organized by IOD and two members of the Board of Directors and sub-committees joining six training programs arranged by other institutions, as tabulated below:

Courses organized by IOD:

Name	Title	Courses organized by IOD
1. Mr. Dej Bulsuk	Independent Director, Audit Committee Member, Chairman of Nomination and Remuneration Committee	1. Director Accreditation Program (DAP) (Class 23/2004)
2. Mr. Weerawong Chittmittrapap	Independent Director, Audit Committee Member, CG&Ethics Committee Member	1. Director Certification Program (DCP) (Class 0/2000)
3. Ms. Suvabha Charoenying	Independent Director, Audit Committee Member, CG&Ethics Committee Member	1. Financial Institution Governance Program (FGP) (2012) 2. Audit Committee Program (ACP) (Class 35/2011) 3. Successful Formulation & Execution of Strategy (Class 6/2010) 4. DCP Refresher (Class 1/2005) 5. Finance for Non-Finance Director (Class 1/2003) 6. Director Certification Program (DCP) (Class 1/2000)

Courses organized by IOD:

Name	Title	Courses organized by IOD
4. Mr. Kreingkarn Kanjanapokin	Director	1. Financial Statement for Directors (2008) 2. Director Accreditation Program (DAP) (Class 30/2004)
5. Ms. Suwimon Chungjotikapisit	Director	1. Director Certification Program (DCP) (Class 12/2001)

Courses organized by other institutions:

Name	Title	Course/Institution
1. Ms. Suvabha Charoenying	Independent Director, Audit Committee Member, CG&Ethic Committee Member	1. Thammasat Leadership Program (TLP 1/2012) (Thammasat university) 2. Certified Financial Planner (CFP) (Class 1/2009) (Thai Financial Planners Association) 3. TLCA Executive Development Program (EDP2) (Class 2/2008) (Thai Listed Companies Association) 4. Capital Market Academy Leader (Class 1/2005) (Capital Market Academy) 5. Certificate in Families Business: Generation to Generation (2004) (Harvard Business School)
2. Mr. Weerawong Chittmittrapap	Independent Director, Audit Committee Member, CG&Ethic Committee Member	1. Capital Market Academy Leader (Class 12/2011) (Capital Market Academy)

2 Training for Company Secretary

Ms. Patchararat Patcharaput, Head of Office of Corporate Secretary and Company Secretary, attended six training courses organized by IOD:

1. Directors Certification Program (DCP168/2013)
2. Company Reporting Program (CRP3/2012)
3. Directors Certification Program Refresher Course (2008)
4. Director Accreditation Program (DAP46/2005)
5. Company Secretary Program (CSP9/2005)
6. Board Reporting Program (2001)

The Board of Directors has a policy to encourage those involved with the Company's corporate governance processes such as directors, sub-committee members, management, Company Secretary, etc. to participate in training or seminar programs arranged by IOD and other institutions (such as Thai Listed Companies Association, Thai Investors Association, etc.) in order to develop their knowledge and operating skills on a continuous basis.

Board of Directors' Meetings

The Board of Directors sets the board meeting schedule in advance for one entire year and requires that a regular meeting be arranged at least once every quarter (four times a year), with a special session meeting allowed to be convened as deemed necessary. Agenda items are also pre-determined and are clearly divided into categories such as issues for information, issues for approval and issues for consideration.

The Company screens the proposed items to make certain that all crucial issues are included in the agenda, whereas all board members are entitled to propose agenda items independently. The Company Secretary submits an invitation letter complete with the meeting agenda and accompanied by related documents to all board members at least seven days ahead of the meeting date to allow the board members sufficient time to consider the issues. Where it is deemed essential or urgent, the meeting request can be notified by other method or the meeting can be arranged sooner. A meeting usually takes 1-2 hours. The Company Secretary takes the minutes of the meeting.

At each meeting, the Chairman allows all board members to freely voice their views, while all agenda items are allocated a suitable amount of time to ensure the meeting is managed efficiently. In case where any director has a vested interest in an agenda item proposed for consideration, he/she shall so inform the meeting and shall not participate in the discussion and not be entitled to cast vote on that agenda item. Minutes of the meeting are taken in writing with clear details and, after being certified by the Board of Directors, are completely filed so that they are available for future examination by the Board of Directors or any concerned parties.

Moreover, the Board of Directors has a policy to encourage each board member to attend the board meeting consistently, with an average participation of at least 80% of total number of board meetings held in each year. The total number of meetings held and attendance by each member of the Board of Directors and board committees are disclosed in the Company's annual registration statement (Form 56-1) and annual report.

In 2012, the Board of Directors held four regular meetings and four special session meetings, making eight meetings in total. All board members attended the meetings consistently, with average attendance of 92.71% of total number of board meetings held in that year, higher than the average attendance in 2011 which was 90.48%. The individual directors' attendance appears under Section, "Management Structure".

Besides, the Board of Directors has a policy to encourage non-executive directors, independent directors and members of the Audit Committee to hold meetings among themselves as deemed fit in order to discuss about any crucial management issues without the presence of the management.

In 2012, there were not any crucial management issues arising and requiring non-executive directors, independent directors and members of the Audit Committee to hold a meeting to discuss the matters. Nonetheless, in 2012, the Audit Committee members, who are independent directors, held one meeting with the external auditor without the presence of the management.

Aggregation or Segregation of Positions

The Board of Directors has clearly separated and defined the authority for approval and operation in both the Company and its subsidiaries based on type of business transactions. This is aimed to delegate the authority and responsibilities for making decisions and issuing directives according to individual roles and assignments and to be a guideline for the management and staff members in performing their duties. The said delegation of authority has been defined in the Corporate Authorization Index No. 1/2012, being divided into 10 categories, namely, (1) General Administration, (2) Human Resources Management, (3) Investments, (4) Finance, (5) Sale, Marketing and Trade Receivables, (6) Production and Purchase of Products, (7) Authorization on the Use of Copyrighted Works/ Rights Transfer (8) Fixed Assets and Durable Goods, (9) Expenses, and (10) Related Party Transactions. Nevertheless, the said delegation of authority for approval and operation must not be in violation of laws, objectives, Articles of Association, resolutions of shareholders' meeting, and regulations of SEC and SET. The Company has a policy to make a revision from time to time to ensure that the Corporate Authorization Index is still appropriate and covers all activities of the Company and/or conforms to changes in notifications of the related regulating bodies.

In 2012, the Board of Directors reviewed the *Corporate Authorization Index* of the Company and its subsidiaries so as to be appropriate and consistent with existing organization structure, and passed the resolution to approved the *Corporate Authorization Index No.1/2012* at the Meeting held on May 11, 2012. The *Corporate Authorization Index No.1/2012* was shared with those involved to acknowledge and strictly practice.

Independence of Board of Directors and Management

1 Segregation of Chairman of the Board position and Group Chief Executive Officer position

As a strong advocate of good corporate governance, the Board of Directors has segregated the positions, powers and duties of Chairman of the Board and the Group Chief Executive Officer in conformity with the Corporate Authorization Index which was duly approved by the Board of Directors, so as to ensure the Board of Directors' independent checks and balances against the management.

2 Balance of power

The Board of Directors ensures that it has a proper board composition and a definite segregation of roles, duties and responsibilities between the Board of Directors and the management.

All board members have the freedom of conveying their opinions on the Company's operation with integrity and in the best interest of the Company and all stakeholders and without being influenced by any party. They also are held accountable for performing duty in accordance with relevant laws, the Company's Articles of Association, and resolutions of the Board of Directors' meeting and the shareholders' meeting.

As of December 31, 2012, the Board of Directors was composed of 12 qualified members, as follows:

- *Executive directors* 8 persons
 - *Non-executive independent directors* 4 persons
- (Representing 33.33% of total directors)*

Directorship in Other Listed Companies

The Board of Directors has established a policy on directorship in other listed companies as follows:

1. Directorship in other listed company held by the Company's directors

1.1 Each director is allowed to hold directorship in other listed companies not more than five listed companies, inclusive of the Company, to ensure the directors' efficiency and sufficient allocation of time to serve on the Company's Board of Directors.

The Company's director who holds directorship in other listed companies and the Company, totally six companies, are Mr. Dej Bulsuk and Mr. Weerawong Chittmittrapap. Although this exceeds the prescribed number, the Board of Directors with support of the Nomination and Remuneration Committee is of the opinion that the performance of duties of the two directors will not in any way be affected. In 2012, Mr. Dej Bulsuk and Mr. Weerawong Chittmittrapap were able to attend all the meetings of the Company's Board of Directors and various committees at a satisfactory level and was able to support the meetings to proceed efficiently.

1.2 Directors should avoid holding directorship in any other listed company that could create a conflict of interest with the Company and in performing their duty as the Company's director.

2. Directorship in other listed company directorship held by Chief Executive Officer and Top Management

The Board of Directors has stipulated that other listed company directorship held by Chief Executive Officer and top management must conform to the Public Limited Companies Act B.E. 2535. The Chief Executive Officer and other top management are allowed to assume directorship in other GRAMMY Group's companies to bring about benefits to the Company insofar as it does not affect their duties and responsibilities and complies with the Corporate Authorization Index which was duly approved by the Board of Directors.

Annual Self-Assessment

1 The Board of Directors' Self-assessment

The Board of Directors regularly conducts a yearly Board self-assessment to be a framework in evaluating and reviewing its own performance and compiling all problems and obstacles encountered in the operation of the Company and the Board of Directors during the course of the past year so that it could take corrective actions and increase working efficiency before further presenting the assessment results to the Board of Directors' Meeting, and disclosing in the Form 56-1, and annual report.

The Company has, as from 2007, used the Board self-assessment form developed from the official form issued by the SET's Corporate Governance Center in order to comply with the international corporate governance practices. The Board self-assessment is divided into five rankings: 4 = Excellent, 3 = Very Good, 2 = Good, 1 = Fair, 0 = Needs Improvement.

The ranking results of Board self-assessment, broken down into six categories, for 2012 were as shown below:

Assessment Category	Ranking Result 2012 (Average Score)	Ranking Result 2011 (Average Score)
1. Structure and qualifications of the Board of Directors	3.86	3.84
2. Roles and responsibilities of the Board of Directors	3.76	3.60
3. Board of Directors' meetings	3.79	3.69
4. Performance as a director	3.73	3.65
5. Relationship with the management team	3.92	3.78
6. Director's personal development and development of the management	3.65	3.45

The Board of Directors' annual 2012 self-assessment summary is as follows:

Structure and qualifications of the Board of Directors

The number of directors on the Board was appropriate for the nature of the Company's business. The Board comprised individuals who are knowledgeable, competent and experienced, and understand the business well. The number of board members who were non-executive or independent directors was appropriate to allow the effectiveness of the Board. The nomination process was fair and transparent. The Board was supported by sub-committees, namely, the Audit Committee, Group Executive Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Governance and Ethics Committee that have clearly-delineated roles and responsibilities. The members of those sub-committee qualified to perform the duties assigned and/or defined by the Charters.

Roles and responsibilities of the Board of Directors

The Board of Directors participated in the setting of vision, mission, strategy and goals, and consistently monitored and followed up on the Company's performance. The scope of authority in operating and financial decision process were clearly set out, emphasizing the importance of accurate financial reports, adequacy of information disclosure, avoidance of conflicts of interest and assurance that all transactions were conducted on an arm's length basis, as clearly defined in the Corporate Authorization Index. Directors with vested interests were prohibited from voting on connected transactions. Moreover, the Board of Directors monitored and ensured that internal control and risk management systems were adequately put in place and appropriate for the Company's nature of business, the preparation of financial statements was in accordance with general accepted accounting standards, and encouraged the Company to continuously abide by the SET and SEC's rules and regulations, as well as the Good Corporate Governance Policy and the Business Ethics and Code of Conduct Manual of GRAMMY Group. Regarding internal management, the criteria for evaluating the performance of the top management (Group Chief Executive Officer) was clearly specified, and the remuneration was paid upon the result of the evaluation.

Board of Directors' meetings

The board meeting schedule was pre-determined for an entire year, thus allowing the board members to properly allocate their time to attend the meeting. The meeting frequency and duration were considered appropriate. For each meeting, the directors were supplied with complete and sufficient information for their decision-making and were allowed to freely discussed and expressed positive opinions without any party's interference.

Performance as a director

The directors' meeting participation was consistent and satisfactory. Their expression of opinions was independent, unbiased and useful to the Company's operation, while respecting different opinions without any conflict among them.

Relationship with the management team

The Board of Directors had cordial relations with the management and did not interfere with them while performing their duty. At the same time, the Board regularly followed up on the management's performance. In addition, the Board participated in determining appropriate solution in the case that the management's performance was not in line with the business plan and budget.

Director's personal development and development of the Management

All board members well understood their roles and duties, had adequate knowledge and comprehension of the Company's business, and always kept abreast of crucial news and information related to or having an impact on the Company's business.

2 Audit Committee Self-assessment

The Board of Directors has stipulated that the Audit Committee conduct an annual self-assessment on the Committee's performance and report the results to the Board. The assessment allows the Committee to review its performance and compile all problems and obstacles encountered during the year, in order to take corrective actions and improve its efficiency. The Audit Committee self-assessment form is developed based on the *Audit Committee Charter* and the scope of its authority and responsibilities as assigned by the Board of Directors. Moreover, the Best Practice Guidelines for Audit Committee established by SET, the Thai Institute of Directors and companies that were given excellent rankings in terms of good corporate governance were applied as appropriate in developing the audit assessment.

The Audit Committee is assessed in five areas:

1) Composition and qualifications of the Audit Committee

2) Term of office

3) Scope of authority, duties and responsibilities

(such as financial reporting, internal control, internal audit, selection and appointment of the Company's auditor and fixing of audit fee, compliance with relevant laws and regulations, risk management, good corporate governance, reporting on the Audit Committee's performance)

4) Authority in operation

5) Meetings

Results of the Audit Committee self-assessment are divided into three categories: *"Performed completely and properly," "Performed partially" and "Not yet performed."*

In 2012, results of the Audit Committee self-assessment were:

"The Audit Committee in 2012 performed their tasks knowledgeably and competently under the authority, duties and responsibilities as assigned according to the Audit Committee Charter and in line with Good Corporate Governance Guidelines for Audit Committees."

Moreover, the Audit Committee prepared and submitted a summary report on their key mission in terms of corporate governance and observations derived from performing their duties (Audit Committee's Report) in 2012 to the Board of Directors' meeting No. 1/2013 on February 28, 2013, as presented in Section, "Audit Committee's Report".

Nonetheless, in case the regulatory bodies institute additional principles on good corporate governance, the Audit Committee will then make a review and propose a revised version for the Board of Directors' consideration as deemed fit.

3 Group Chief Executive Officer's Assessment

The Board of Directors has assigned the Nomination and Remuneration Committee to evaluate the performance of the top executive in the organization's structure (Group CEO) on a yearly basis, for use as a guide in determining the top executive's remuneration and submit the result of the evaluation to a meeting of the Board of Directors for acknowledgement and approval.

In 2012, the Nomination and Remuneration Committee agreed to improve the evaluation form of the performance of Group CEO to suit the current situation, based on the evaluation form of the performance of the top executive of the Corporate Governance Center, The Stock Exchange of Thailand. The old evaluation form involving three major areas: (1) Overall work (2) Knowledge and ability in management and practice, and (3) Behavior, whereas the new evaluation form covers seven work areas, which can be summarized as follows:

(1) Leadership comprising five elements as follows:

1. Expression of visions
2. Translation of visions and strategies into practice
3. Boosting employees' morale
4. Forms of work
5. Commitment to achieving the target and mission.

(2) Formulation and execution of strategies comprising five elements as follows:

1. Problem analysis
2. Resources and budget management
3. Determining the organization's structures
4. Prioritization of work
5. Work supervision and follow-up

(3) **Relationships with the Board of Directors** comprising three elements as follows:

1. Building working relationships with the Board
2. Preparation of agenda items and supporting documents for the Board's meetings
3. Support to the Board's performance of duties

(4) **External relations** comprising two elements as follows:

1. Representing the organization in communicating with the stakeholders and the public
2. Promoting social responsibility

(5) **Human resources management and relations** comprising three elements as follows:

1. Supporting and promoting creative work and thinking
2. Evaluation and rewarding
3. Employment of suitable high-ranking executives

(6) **Product/service knowledge** comprising two elements as follows:

1. Knowledge and understanding of the organization's products and services
2. Knowledge and understanding of business forms, resources management and business environment

(7) **Personal characteristics** comprising three elements as follows:

1. Positive personality and far-sightedness
2. Ethics and integrity, time management
3. Skills in problem analysis and resolving conflicts.

The Group Chief Executive Officer assessment is divided into five rankings: 4 = Performed excellently, 3 = Performed very well, 2 = Performed reasonably, 1 = Performed partially, 0 = Not yet performed.

The overall assessment, with total scores of 100%, can be classified into five levels:

More than 95%	= Excellent
90% - 95%	= Very Good
80% - 89%	= Good
70% - 79%	= Fair
Below 70%	= Needs Improvement

In 2012, the Nomination and Remuneration Committee reported to the Board of Directors' meeting No. 1/2556, held on February 28, 2012, that *"From the overall assessment of Miss Boosaba Daorueng, the Group Chief Executive Officer for 2012 by the three-member Nomination and Remuneration Committee, the Group Chief Executive Officer was rated "Excellent", or equivalent to the average score of 90.94%"*

Succession Plans

The Board of Directors sees the importance and need to support the development of a succession plan for the top executive, Chief Executive Officer and/or other key management positions, which is part of the Company's human resources management strategy. The planning or preparing of talented personnel is aimed to cope with any unexpected incapability or vacancy of those key positions to ensure uninterrupted operation.

Appointment of Sub-Committees

The Board of Directors has appointed various sub-committees to help screen crucial issues with due care and efficiency. These committees hold meetings and report their findings to the Board of Directors for acknowledgement, approval or consideration, as the case may be, on a regular basis and report their performance for the shareholders' information in the annual report. This helps to support and enables the Company's overall operation to attain the established goals and comply with good corporate governance principles. The Board of Directors has approved the *charter of each committee*, clearly stipulating therein the committee objectives, qualifications, composition, term of office, scope of power, duty and responsibility, reporting and meetings. The *charter of each committee* will be reviewed from time to time to ensure its appropriateness and is posted on the Company's Intranet (<http://www.gmmclick.gm>). There are five sub-committees as follows:

1 Audit Committee

The Audit Committee's composition and qualifications fully conform to the SET and SEC's guidelines. It is composed of no fewer than three independent directors, at least one of whom has knowledge and understanding or experience in accounting or finance field sufficient for reviewing a financial statement. The committee members have tenure of three years and may be re-appointed as deemed fit by the Board of Directors.

The Audit Committee holds or calls a meeting as deemed appropriate at least once every quarter (four times a year). The meeting agenda is clearly pre-determined. Relevant documents are delivered in advance to the committee members and other attendees to allow them sufficient time to consider the issues or request additional information. The agenda covers all matters as assigned by the Board of Directors and as required by laws and/or regulations of the regulator bodies.

The Audit Committee performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the *Audit Committee Charter*, which is in conformity with the scope of main activities prescribed by the regulator bodies. The Company has a policy to disseminate the Company's *Audit Committee Charter* through the GRAMMY Group's Intranet to ensure it is communicated to all people across the organization.

In 2012, the Audit Committee held four regular meetings. Details of list of the committee members, scope of duties and responsibilities, term of office and the individual members' meeting attendance in 2012 appear under the title "Management Structure".

2 Group Executive Committee

The Board of Directors' Meeting No. 3/2012 on May 11, 2012 resolved to restructure the Company's Executive Committee to enable it to provide operational support in accordance with the Board of Directors' policies and direction efficiently and effectively, in line with the Company's organizational structures and forms of business operations, by canceling the resolution of the former Board of Directors and appointing a Group Executive Committee. The Group Executive Committee's structure comprises high-ranking executives as follows: 1) Group Chief Executive Officer, 2) Chief Executive Officer - Media Business, 3) Chief Executive Officer - Music Business, 4) Chief Executive Officer - Broadcasting Business, 5) Chief Finance Officer, 6) Chief Investment Officer, and 7) Chief Administrative Officer, effective May 11, 2012. The Group Executive Committee has duties to formulate the Company's business strategies, policies, business plans and budgets, including the Company's routine management, making decision within the power authorized by the Board of Directors, supervising and implementing work in accordance with the Board of Directors' policies and direction, which will promote and support the Company's overall operations to achieve the objectives and comply with the principle of corporate governance.

The Group Executive Committee performs duties as assigned by the Board of Directors, with the scopes of authority and responsibility being provided in the Group Executive Committee Charter, and it is provided that the Company's Executive Committee Charter be disseminated through the GRAMMY Group's Intranet for everyone in the organization to access.

As at December 31, 2012, the Group Executive Committee is composed of six members who are qualified personnel with knowledge and experience in each field of business (as the positions in (6) and (7) of the Committee's structure are acting by the same person).

In 2012, the Group Executive Committee held 7 meetings. Details of list of the committee members, scope of duties and responsibilities, term of office and the individual members' meeting attendance in 2012 appear under the title "Management Structure".

3 Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of at least three members, a majority of whom (more than half of the total members) must be independent directors with one of them serving as the committee chairman. The committee has the duties to devise rules and policies on nomination and remuneration of the Board of Directors and sub-committees, to recruit, select and nominate qualified persons to serve as directors and determine remuneration for directors, and to perform other duties as assigned by the Board of Directors and propose the results thereof to the Board of Directors and/or the shareholders' meeting, as the case may be. The committee composition is regularly reviewed to fit with the Company's organization structure and nature of business.

The Nomination and Remuneration Committee holds or calls a meeting as deemed appropriate at least once a year and has the power to additionally call a meeting as deemed fit.

The Nomination and Remuneration Committee performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the *Nomination and Remuneration Committee Charter*. The Company has a policy to disseminate the Company's *Nomination and Remuneration Committee Charter* through the GRAMMY Group's Intranet to ensure it is communicated to all people across the organization.

In 2012, the Nomination and Remuneration Committee held two meetings. Details of list of the committee members, scope of duties and responsibilities, term of office and the individual members' meeting attendance in 2012 appear under the title "Management Structure".

4 Risk Management Committee

The Risk Management Committee was established by the board resolution passed on February 3, 2005 with duties to promote the set-up of a firm-wide risk management system and to embed a group-wide risk management culture. This is to provide reasonable assurance among all stakeholders that GRAMMY Group's strategic operations are geared towards effective and efficient achievement of corporate goals and objectives.

The Risk Management Committee is composed of at least three members appointed from the Company's directors and top executives with relevant knowledge, competence and experience that enable achievement of objectives. The Group Chief Executive Officer who serves on the Board of Directors acts as ex-officio chairman of the Risk Management Committee. The committee composition is regularly reviewed to fit with the Company's organization structure and nature of business.

The Risk Management Committee holds or calls a meeting as deemed appropriate at least twice a year and has the power to additionally call a meeting as deemed fit.

The Risk Management Committee has been assigned to coordinate with the top management in pushing for risk management across the organization, covering the types of risks associated with management and administration, financial management, operation, safety, health and environment, and other key risk factors incidental to the Company's business, as well as to cooperate with the Audit Committee in key risks.

The Risk Management Committee performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the *Risk Management Committee Charter*. The Company has a policy to disseminate the Company's *Risk Management Committee Charter* through the GRAMMY Group's Intranet to ensure it is communicated to all people across the organization.

Moreover, the Board of Directors on February 28, 2008 approved GRAMMY Group's Risk Management Policy and Framework to serve as a guideline on group-wide risk management system development. The said policy and framework will be regularly reviewed to fit with the Company's organization structure and nature of business. The details are presented in the title "Risk Management Policy and Framework".

In 2012, the Risk Management Committee held two meetings. Details of list of the committee members, scope of duties and responsibilities, term of office and the individual members' meeting attendance in 2012 appear under the title "Management Structure".

In 2012, the Risk Management Committee reported their performance to the Board of Directors on a regular basis.

5 Corporate Governance and Ethics Committee

To encourage GRAMMY Group to uphold good corporate governance principles so that they could undertake business management with efficiency and transparency and strengthen confidence among their shareholders, investors and stakeholders, as well as add value and promote sustainable growth, the Board of Directors accordingly appointed a *Corporate Governance Working Committee* and an *Ethics Working Committee* in 2004 (later renamed the *Corporate Governance and Ethics Sub-committee* and the *Corporate Governance and Ethics Committee* respectively). The committee members have been subsequently reviewed and added to enhance their efficiency and achieve the Group's corporate governance policy. The committee composition and scope of duties and responsibilities are regularly reviewed to fit with the Company's organization structure and nature of business.

The Board of Directors Meeting No. 2/2012 held on March 23, 2012 resolved to reorganize the structure of the Corporate Governance and Ethics Committee so as to be in conjunction with Principles of Good Corporate Governance which stating that all members of the Committee should be the Company's directors. As such, the new *Corporate Governance and Ethics Committee* composes

four Company's directors with relevant knowledge, competence and experience in various business lines which is reviewed to fit with the Company's organization structure and nature of business.

The Corporate Governance and Ethics Committee holds or calls a meeting as deemed appropriate at least two times a year and has the power to additionally call a meeting as deemed fit.

The Corporate Governance and Ethics Committee performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the *Corporate Governance and Ethics Committee Charter*. The Company has a policy to disseminate the Company's *Corporate Governance and Ethics Committee Charter* through the GRAMMY Group's Intranet to ensure it is communicated to all people across the organization.

In 2012, the Corporate Governance and Ethics Committee held three meetings. Details of list of the committee members, scope of duties and responsibilities, term of office and the individual members' meeting attendance in 2012 appear under the title "Management Structure".

Besides, the Board of Directors promotes and encourages the Corporate Governance and Ethics Committee to regularly review the GRAMMY Group's policy on corporate governance and business ethics and to propose the Code of Best Practices to the Company's Board of Directors and/or the sub-committees for approval.

Policy Setting and Governance

The Board of Directors is responsible for setting policies and ensuring that the Company operates under code of business ethics, good corporate governance principles, laws, and various regulations, along with social and environmental responsibility. The Board of Directors is jointly responsible for determining the Company's vision, mission, strategies, objectives, business plans, corporate governance policy, the GRAMMY Group's *Corporate Governance and Business Ethics Handbook*, policy on conflict of interest prevention, and policy on development of human resources and internal control system, to serve as a guideline for the Management to formulate operational procedures as well as rules and regulations that are helpful to the business management and administration.

The Board of Directors has arranged for corporate-wide communication of the Company's strategies, goals, vision, mission, corporate governance policy and *Corporate Governance and Business Ethics Handbook* to directors, management and employees through various channels including the Group's Intranet and the Company's website, so as to ensure that the directors, management and all staff members could, by adhering to these principles, perform their duties with a sense of responsibility, transparency, honesty and ethics towards themselves, the organization, shareholders, and stakeholders.

Moreover, the Board of Directors carefully monitors the progress and performance of the organization's internal control and risk management systems to see whether they are sufficient and appropriate for the nature of the Company's business. The Board of Directors also provides guidelines on performance measurement of the Management and operating staff to make sure they efficiently and effectively conform with the business plans and targets, rules and regulations issued by regulatory bodies and concerned authorities, and resolutions of the shareholders' meetings, to generate the greatest economic value to the business.

In 2012, the Company did not act against the SET and SEC's rules and regulations.

Internal Control, Internal Audit and Risk Management

1. Internal control system

Recognizing the importance of an internal control system, the Board of Directors has put in place an internal control system that governs the financial, management and operational aspects for greater effectiveness and efficiency in accordance with related laws and regulations. Meanwhile, an emphasis is placed on continuous improvement according to COSO (The Committee of Sponsoring Organization of Treadway Commission) with respect to organizational and control environment, risk management, management control, information and communication, and monitoring.

The Board of Directors has clearly defined in writing the duties, authorization and procedure for the Management, and has controlled and ensured an efficient utilization of the Company's assets. To maintain proper checks and balances, the roles and duties of front-line operators, supervisors and evaluators are clearly delineated. In addition, the Company ensures that there is a financial reporting to those in the direct line of responsibility.

The Board of Directors has stipulated that there be an assessment of the adequacy of the Company's and its subsidiaries' internal control system and a reporting of the assessment results to the Board of Directors' meeting on a yearly basis. The assessment results are also to be disclosed in the Company's annual registration statement (Form 56-1) and annual report.

All Board of Directors members, the Management, and Internal Audit Department had collaboratively evaluated the sufficiency of internal control during 2012. The Board of Directors Meeting on 28 February 2013 comprising of the Board of Directors, Audit Committee, and the Management convened a meeting for the adequacy of the internal control systems of the Company and its subsidiaries in five areas, namely, organization and the environment, risk management, management operation control, management information system, information communication and monitoring system. The Board of Directors and the Audit Committee shared the same opinion that "the overall internal control system of GMM Grammy Group, in both financial and operational aspects, is efficient, adequate, and appropriate to the business's nature; no errors were found in the internal control system that could have material effects on the correctness and reliability of the financial report and the efficiency and effectiveness of the achievement of the organization's goals. Including having adequate and appropriate internal control regarding related transactions with major shareholder, director, management, or connected party with those persons. The Audit Committee and the Management share the same aspect for the importance of good corporate governance, internal control and continuing risk management in order to encourage the Company to have good corporate governance, sufficient and appropriate internal control in accordance with business operations, acceptable risk management, correct and reliable accounting system and financial reports, and compliance with laws as well as regulations related to business operations of the Company.

2. Internal audit

The Board of Directors has arranged for formation of Internal Audit Department, which reports to the Audit Committee and the Group Chief Executive Officer and is responsible for reviewing the internal control system pertaining to operating processes of all other units, as well as providing advice and opinions on the internal control system, risk management, and corporate governance on a regular basis. This is to enable the Board of Directors to efficiently follow up on the Company's operations and rest assured that the Company's and its subsidiaries' core operations and financial activities are conducted efficiently and in line with the guidelines, policy and objectives set by the Management. The Department also has the duty to ensure whether the Company abides by relevant laws and regulations. To enable the Company to develop its internal process towards business excellence, the Internal Audit Department has to operate according to international standards by using the COSO Internal Control Integrated Framework which is linked to the COSO Enterprise Risk Management Framework.

To make certain that the Internal Audit Department remains independent and able to fully perform its duty with proper checks and balances, the Board of Directors has stipulated that the Internal Audit Department report directly to the Audit Committee and perform internal auditing according to an annual audit plan approved by the Audit Committee. The Department is to report the audit results and provide recommendations to the Audit Committee, Group Chief Executive Officer, and Chief Executive Officers of related business lines, in a timely and consistent manner.

3 Risk management

The Board of Directors gives priority to management of risks arising from internal and external factors that could adversely affect the Company so that such risks are contained at an appropriate and acceptable level for the working environment of each business unit. To such end, the Board has actively encouraged the participation of the Management and employees at all levels in risk management process and promoted the creation of a corporate-wide risk management system and embedment of such system as part of the organization culture across the Group.

Thus, the Company has taken steps to achieve the above goal and conform to good corporate governance practices, major developments of which could be summarized chronologically as follows:

1. In 2005, the Board of Directors formed a Risk Management Committee (RMC) pursuant to a resolution of the Board of Directors' meeting No. 1/2005 on February 3, 2005.
2. In 2008, the Board of Directors' meeting No. 1/2008 on February 28, 2008 resolved to approve GRAMMY Group's Risk Management Policy and Framework as recommended by RMC and stipulated that the said *Risk Management Policy and Framework* can be reviewed as deemed necessary and appropriate and be proposed for the Board of Directors' approval.

Moreover, RMC appointed the Risk Management Sub-committee on February 26, 2008 and clearly defined the subcommittee's duties and responsibilities, whereby the subcommittee is to report its performance to RMC on a regular basis.

3. In 2011, the Company set up Risk Management and Internal Control Department (with the Risk Management Sub-committee which was appointed on February 26, 2008 being dissolved) to undertake the tasks of risk management system development to meet international standards and support good corporate governance practices; identification and evaluation of risk level that could impact the Company's operation; integration of risk management approaches at all levels; and assessment of performance as well as support of the operation of RMC. At the same time, a Group Risk Management Working Committee was appointed, consisting of senior executives from the core business units, to work jointly with Risk Management and Internal Control Department.

Additionally, RMC meeting No. 2/2011 on December 7, 2011 approved a three-year Group Risk Management System Development Roadmap 2012-2014 with a view to creating a corporate-wide risk management system in accordance with the Group's Risk Management Policy and Framework and engendering a risk-conscious culture across the Group.

Risk Management Policy and Framework

Realizing the significance of a systemized risk management development throughout the organization, the Board of Directors at its meeting No. 1/2008 approved the Group's Risk Management Policy and Framework, taking effect on February 28, 2008, details of which are summed up as follows:

The Management and all employees have to realize that risks are unavoidable in operating a business. At work, risks may arise either from carrying out duties and responsibilities or from external factors, which will affect the ability to achieve the organization's objectives. Therefore, there is a need to manage risks according to the type of business conducted. To be able to systematically manage risks, it is necessary to determine risk appetite and risk tolerance to form a basis for key risk rating and devise measures for managing those risks that deviate from the standards or the indexes that measure the degree to which objectives are achieved. In order to manage risks, it is essential to gauge the relationship between risks and benefits through different techniques and steps that form the risk management framework. By doing so, it will enable the organization to identify and evaluate the risks that exist and may arise and to decide on approaches to manage those risks and accept risks that can be controlled and quantified.

Risk management is everyone's responsibility, from the Board of Directors, Audit Committee, Risk Management Committee, Group Executive Committee, the Management, and/or related working committees, as well as employees at every level. Everyone has a responsibility to become acquainted with the principles of risk management within the scope of each person's work, and takes the responsibility for making appropriate decisions to manage risks. The key risks have to be identified and managed with a risk management approach on a comprehensive basis, while the risk management process requires continuous development to ensure that the way the risk is being managed serves as a role model in conducting business, adds value to the organization, and is in line with the organization's annual goal and mission. The Risk Management Committee and senior management will play significant roles in promoting risk management in the entire organization.

Therefore, there must be regular reviews and updates to the Risk Management Policy and Framework to ensure that they are in tandem with the ever-changing corporate environment. Any changes made to the policy and framework are subject to approval from the Risk Management Committee and the Board of Directors, respectively.

The Company has publicized its *Risk Management Policy and Framework* through the GRAMMY Group's Intranet to allow all staff members to take note of and recognize the importance of the said policy and framework.

In 2012, the Company's *Risk Management Policy and Framework* was reviewed and was thereby deemed to remain compatible with the working environment of each business unit.

Board of Directors and Sub-Committee Performance Reports

1 Board of Directors' report

The Board of Directors has stipulated that there be an annual performance report over the past year presented to investors and stakeholders. This is to reflect the concept of conducting business ethically and under the guidelines of good corporate governance and corporate social and environmental responsibility such that these factors become a part of corporate culture. These reports appear in the Company's annual report under the title, "Message from the Chairman and Group Chief Executive Officer" and "Corporate Governance Report".

The Board of Directors is also responsible for the GRAMMY Group's consolidated financial statements (audited and certified by an external auditor) and all financial information by ensuring that they are prepared in accordance with generally accepted accounting

principles, using appropriate accounting policies which are practiced on a regular basis, and that key information is sufficiently disclosed in the notes to the financial statements. The Board of Directors has presented a Report on the Board of Directors' Responsibility towards the Financial Statements along with a Report of Independent Auditor in the annual report.

In 2012, the Company submitted quarterly and yearly financial reports within the specified timeline and under the regulations of SET and did not receive any notice from SEC to amend these financial statements.

2 Sub-committee reports

The Board of Directors has indicated that the sub-committees are required to report their performances to the Board of Directors on a regular basis and also in the Company's annual report to ensure that the sub-committees have performed their duties as assigned and in compliance with good corporate governance standards.

In 2011, all board committees regularly reported their performances to the Board of Directors. The Audit Committee, Nomination and Remuneration Committee, and *Corporate Governance and Ethics Committee* reported its performance to the Board of Directors' Meeting No. 1/2012 on February 27, 2012. The Risk Management Committee reported its performance to the Board of Directors' Meeting No. 2/2012 on March 23, 2012, and also report its performance to shareholders as appears on "The Audit Committee's Report", "The Nomination and Remuneration Committee's Report", "The Risk Management Committee's Report", and "The *Corporate Governance and Ethics Committee's Report*".

Policy on Vested Interest and Conflict of Interest

The Board of Directors is aware of the importance of conflict of interest prevention and has thus adopted the following policy:

1. To safeguard against a conflict of interest, the Board of Directors exercises due care when there occurs any transaction involving a potential conflict of interest by observing a policy and procedure for approval of connected transactions, established in writing in the *Authorization and Procedure Manual*, and/or seeking approval from shareholders in line with the SET regulations, as well as complying with the SET's regulations, with transaction price and conditions executed on an arm's length basis.
2. If the connected transaction is subject to approval from the Board of Directors, there must be independent directors or Audit Committee members participating in the relevant Board meeting.
3. The Audit Committee is to regularly propose any conflicted transactions and connected transactions to the Board of Directors and the person with a potential conflict of interest is not entitled to cast vote on or approve any such transactions.
4. Before entering into a connected transaction which is required to be disclosed publicly or be approved by the shareholders in accordance with the SET regulations, the Company shall clearly disclose to the shareholders details such as names and nature of relationship of the connected persons, policy on determination of transaction price, rationale for entering into the transaction, and opinion of the Board of Directors on the transaction.
5. For transactions that involve financial assistance, the Board of Directors has established a guideline on this type of connected transactions in the Corporate Authorization Index which was duly approved by the Board of Directors.
6. The Board of Directors has prohibited directors, management and employees who have access to insider information from trading the Company's securities during a one-month period before a release of the Company's financial statements to the public.
7. The Board of Directors has set a policy requiring that the directors, Executive Committee members and management (as defined by SEC and SET), including their respective related persons according to Section 59 of the Securities and Exchange Act, report their holding of the Company's securities, and that the Company Secretary submit a summary report on the said securities holding and changes in securities holding in the Company to the Board of Directors' meeting for acknowledgement on a semi-annual basis.
8. The Board of Directors has stipulated that the directors, management and their related persons (as defined by SEC and SET) must prepare and submit a report on interests to the Company and the Company Secretary has the duty to submit a summary report on the interests of the directors, management and their related persons and any subsequent changes thereof to the Board of Directors' meeting for acknowledgement on a semi-annual basis.
9. The Board of Directors has stipulated that all material connected transactions, with details regarding the conflicted persons, nature of relationship, type of the transactions, conditions for the transactions, pricing policy, transaction value, rationale and necessity of the transactions, and opinion rendered by the Audit Committee and/or the Board of Directors, must be revealed in an information memorandum and/or the Company's annual registration statement (Form 56-1) and annual report.

Information on independent directors' business relations or professional services

According to the qualifications of an independent director and the Notification of the Capital Market Supervisory Board No. Tor Jor 28/2008, an independent director shall not be or not have been a provider of any professional service, including a legal advisor or financial advisor, with the value of service fees exceeding Baht 2 million per year from the Company, parent company, subsidiary, joint company, or juristic person that may have a conflict of interest. But in case an independent director provides professional services with the value of service fees exceeding the prescribed amount, the requirement can be waived at the opinion of the Board of Directors on the matter. Therefore, the information is disclosed for acknowledgement as follows:

- (a) **Director with business relations or professional services:** Mr. Weerawong Chittmittrapap (Independent Director, Member of the Audit Committee, Chairman of the Corporate Governance and Ethics Committee)
- (b) **Characteristics of business relations or professional services:** Weerawong, Chinawatra and Peangpanor Ltd. is a legal advisor of the Company and its affiliated companies, with Mr. Weerawong being an indirect shareholder of Weerawong, Chinnawat and Peangpanor Co., Ltd. at 22.30%.
- (c) **Reason and necessity for the nomination of the person to serve as independent director again:** Mr. Weerawong has experiences and good understandings of the Company's business, and expertise in providing legal advice. He is well recognized, available to give useful opinions and recommendations on legal issues to the Company throughout the time, enabling the Company to operate business smoothly, appropriately, and in compliance with relevant laws.
- (d) **Board of Directors' opinion on the nomination of the person to serve as independent director:** The Board of Directors (excluding the director with a conflict of interest, namely, Mr. Weerawong) with support of the Nomination and Remuneration Committee, considered the matter with Section 89/7 of Securities and Exchange Act B.E.2535 being taken into consideration and unanimously resolved that the professional service had no effect on the performance of duties and the provision of independent opinion of Mr. Weerawong in his capacity as independent director and audit committee member, because Mr. Weerawong has devoted time to the performance of his duties with responsibility, due care and integrity, in compliance with laws and the Company's objectives and regulations, and the resolutions of the Board of Directors and the Shareholders' meetings throughout the time of his directorship in the past.

Policy on Confidentiality and Treatment of Insider Information

The Board of Directors is committed to conducting business with integrity, transparency, fairness and equal treatment of all stakeholders, and adopts a policy on confidentiality and treatment of insider information by instituting a code of ethics on confidentiality, protection of information and treatment of insider information in the Company's Corporate Governance and Business Ethics Handbook, which could be summarized as follows:

- 1) The Company shall provide the directors and management (including their spouse and minor children) with knowledge and understanding about reporting of their securities holding and changes in securities holding in the Company to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535, whereby they must also provide such report to the Company Secretary for further notification to concerned parties. They must also be informed of punishment clauses for any violation or non-compliance with the said regulation.
- 2) The directors, members of Group Executive Committee and management (as defined by SEC and SET), including their respective related persons according to Section 59 of the Securities and Exchange Act, have the duty to report their holding of the Company's securities at the first chance of their being appointed to assume such position and upon any later change in their said securities holding. The Company Secretary is to submit a summary report on the said securities holding and changes in securities holding in the Company to the Board of Directors' meeting for acknowledgement on a semi-annual basis.
- 3) The Company will inform, in writing or electronic mail (email), the directors, management and employees who have access to crucial insider information that could affect trading prices of the Company's securities of their being prohibited from trading the Company's securities during a one-month period prior to announcement of the Company's working results (the period specified for such announcement is 45 days from the end of quarter and 60 days from the end of accounting period) or disclosure of such information to the public.
- 4) It is stated in the employment contract, working principles, and employee best practices towards the Company, and also is deemed to be employees' business ethics, that employees shall strictly protect confidential information and shall not, due to their position in the Company, seek to benefit themselves or their related parties by unethically using or publicly disclosing the Company's

information or news which is confidential and has not yet been released to the public, or to cause a decrease in the Company's benefits, or take any actions that create conflicts of interest.

- 5) Importance is attached to the strict and consistent protection of customers' confidential information and prevention of the use of such information for personal benefits or related parties' benefits, except for the information that must be disclosed publicly according to relevant laws.
- 6) In cases where external parties are involved in special projects dealing with information undisclosed to the public and is in the negotiation stage, such projects fall into the scope of insider information as it may affect the price of the Company's securities. These external parties must sign a confidentiality agreement with the Company until the information is disclosed to SET and SEC.
- 7) The Company has established a code of ethics on the use of computers, information and communication technology so as to control and protect data security in information systems and/or prevent outsiders from gaining access to such information. The Company also sets the levels of employees' data accessibility according to their authority and responsibility.
- 8) The Company will levy, according to its regulations, the maximum penalty on any member of the Management, employees or related parties found to have unethically used insider information or behaved in such a way that could cause damage to the Company.
- 9) The Management will report any unethical use of insider information or behavior that could cause damage to the Company to the Board of Directors for information on a yearly basis.

The 2012 yearly report to the Board of Directors showed that the Company's approach to prevention of unethical use of insider information was still effective.

Human Resources

GRAMMY Group's total numbers of workforce, both full-time and part-time employees (with a definite contract term), as of December 31, 2012 were 3,062.

(Unit: Person)

Company	2012		
	Full-time	Part-time	Total
GMM Grammy	1,073	167	1,240
Subsidiaries	1,805	530	2,335
Total	2,878	697	3,575

Note : Full-time employees are employees whose employment contracts do not indicate the date of their employment termination.
: Part-time employees are employees whose employment contracts clearly indicate the date when their employment with the Company ends, such as contractual employees and freelancers.
: Subsidiaries exclude Index Creative Village Plc.

The GRAMMY Group places great importance on human resources as they are key drivers of the Company's optimum operational efficiency and effectiveness, as well as achievement of targets and success guided by the Company's vision. Therefore, the Board of Directors has established a **Human Resources Management Policy**, as follows:

1. The Company regards each employee as a respected and honored colleague who should be well cared for.
2. The Company will ensure fair employment and offer fair career advancement opportunities.
3. The Company will operate under the basis of teamwork, where everyone works together as a single unit, and will work to build excellent morale among employees at every level.
4. The Company will develop all employees in terms of their knowledge, ability, expertise, operational and management skills as appropriate so that they can continue to advance and grow.
5. The Company will promote and retain all talented employees to ensure they work with the Company as long as possible.
6. The Company will promote and support employees to ensure stability in their profession, with promotions being granted to employees who have suitable quality before seeking to recruit externally sourced candidates to fill the positions.

7. The Company will review benefits and other remuneration to remain on par with other companies in the same industry and commensurate with the position, experience, qualifications and quality of each employee. The pay will also be based on the Company's performance, as well as the country's socio-economic environment.
8. The Company considers that human resources management is a duty to be directly handled by immediate supervisor, and that the human resources department serves as a consulting unit. Therefore, it is the supervisor's responsibility to closely monitor and ensure the well-being of their staff.

The Company has established a set of **Company Employment Regulations** so that employees would be aware of the rules and regulations at work, perks and welfare benefits the Company has provided. The handbook also includes ways to foster good working relations between employees and the Company and their collaboration under the said regulations, based on fair practices that comply with labor laws.

Significant changes in the number of employees in the past 3 years

- None-

Major labor disputes in the past 3 years

- None-

Employee Remuneration and Benefits

Among one of the missions that the Board of Directors has highlighted, "*promote employees' job satisfaction and skill and better quality of life,*" human capital is the Company's most valuable asset. Therefore, the Board of Directors has prescribed a set of policies and guidelines on employee remuneration and benefits, as follows:

Remuneration

The Company's policy on employee remuneration is:

1. Salary and bonus

The GRAMMY Group's policy in remunerating its employees is on the basis of reasonableness, fairness, knowledge, capability, performance, and compatibility with the industry's average pay scale, as well as growth of the business and the Company.

2. Other benefits

For the provident fund which is a post-retirement benefit, the percentage of employees' and employer's contribution rate is equivalent. The rate of contribution is dependent upon the period of employment, namely:

- Less than 5 years, contribution rate of 3%
- 5 years or more, contribution rate of 5%

In 2012, total salaries, bonuses, and employer's contributions paid for the entire Group were amounting to 1,490 million baht, details are as follows:

(Unit: Million Baht)

Company	2012			
	Salary	Bonus	Employer's contributions	Total
GMM Grammy	532.39	83.10	17.02	632.51
Subsidiaries	736.84	100.12	20.63	857.49
Total	1,269.23	183.22	37.65	1,490

Note : Subsidiaries refer to Index Creative Village Plc.

Employee Welfare

Improving the quality of work life requires more than offering various benefits for staff according to the law. Therefore, the Company has adjusted and increased its welfare and fringe benefit offering to better match the Company's businesses. Some of these benefits are, for example, healthcare payments (in-patients, out-patients, dental and eye care), in-house medical care, group life and accident insurance and annual check-up for employees, and other types of financial and non-financial assistance (such as funds for funeral arrangements of employees, their parents, children or legal spouse, monk ordinations, preparing reliable sources providing loan with special interest rate for house purchasing. These measures are aimed to provide moral support and enhance confidence in working with the Company. Moreover, these benefits help to alleviate employees' financial burdens and provide some stability for employees and their families, taking into account the maximum benefits to employees. Therefore, the Company has documented these measures into a *Welfare Handbook*.

The Company has publicized the *Company Employment Regulations* and *Welfare Handbook* through the GRAMMY Group's Intranet so that all employees can study, understand, and use as a reference. The Company constantly revises and updates the content so that it remains appropriate for the Company's business operations, based on fairness and/or changes in rules, regulations, and laws of concerned authorities.

Moreover, the Employee Self Service (ESS) system was developed to allow employees to easily and promptly view information about themselves such as personal information, employment terms, income, education, work experience, information about their parents, children and spouse, tax deductible, salary slips, and summary of their annual income. Employees are allowed to make changes to information pertaining to themselves and tax deduction at all times, while data security is adequately and properly in place.

In 2012, the Company reviewed and ensured that the Human Resources Management Policy, Company Employment Regulations, and Welfare Handbook were fully and constantly complied with.

Human Resource Development Policy

From a mission set out by the Board of Directors to "*develop the Company into a knowledge-based organization and promote employees' job satisfaction and skill and better quality of life,*" the Board of Directors has therefore incorporated a human resource development policy in the Corporate Governance and Business Ethics Handbook, focusing on personnel development that is aligned with short-term and long-term corporate strategies and is provided continuously for all positions. The areas of personnel development cover both professional skills and management skills such as leadership, management, planning, job assignment, team-working, and follow-up, as well as knowledge about ethics that appear in the *Corporate Governance and Business Ethics Handbook*. The aim is to enable employees to perform their duties with originality of mind, quality, efficiency, integrity and morality, while responding to customers' satisfaction and expectation and being well prepared for competition and self-adjustment of the Company.

To achieve the personnel development goals set by the Board of Directors, the Company has implemented the following programs:

1. Arrangement of in-house and off-site training and seminar programs, as well as study trips at home and overseas, designed based on training needs, corporate strategies and occupation standard.
2. Support of on-the-job training as a means of developing junior management's leadership skills and operating staff's professional knowledge, skills and capabilities so that they are well prepared to serve customers' needs. The training is provided for employees at all levels, developing them from basic knowledge and skills in their respective work until they gain dependable experience and competence for promotion to a higher ranking position.
3. Fostering of employees' creative thinking through various activities that allow them to fully demonstrate their creative potential and readiness for their own professional success and also for the Company's business competition and self-adjustment.
4. Arrangement of activities to constantly promote a pleasant, warm and united working ambience in the entire organization, including socially and environmentally responsible activities.

Furthermore, the Company has established the "Berg Fah Library" to facilitate additional study and research and encourage a sharing and exchange of knowledge among staff members. There is also dissemination of information, news, announcements, rules and procedures, and all activities of GRAMMY Group and staff relations through channels such as the GRAMMY Group's Intranet (Electronic mail and ClickNews), PR signboards, etc. This is an effective way to facilitate coordination among employees across the group and prepare them for business competition and self-adjustment of the Company, as well as enable them to perform their assigned duties efficiently while upholding integrity and morality.

In 2012, the GRAMMY Group organized various human resources developing programs as follows:

1. 19 in-house training courses and dispatched its employees to attend 37 external courses conducted by various institutions, focusing on managerial, professional and team-working skill development.
2. Encouraging employees to participate in an array of activities regularly arranged by the Group such as social, environmental and energy conservation activities, blood donation, disaster victim aids programs, and playing games to win free tickets for concerts, movies and theatrical performances through many different channels.

Safety and Sanitation Policy at Workplace

Realizing that management and employees are greatest assets and a key success factor contributing to the Company's sustainable growth, the Board of Directors has accordingly established the *Corporate Governance and Business Ethics Handbook* Re: Workplace Safety and Sanitation to provide a safe and hygienic working atmosphere for management and employees. Employee well-being is a part of the Company's mission which is to "*promote employees' job satisfaction and skill and better quality of life.*" Therefore, the Board of Directors has adopted guidelines on occupational health and safety as follows:

1. Executives at all levels have the duty of and must lead a behavioral correction and must control and maintain a working environment in which employees' life and assets are always safe by way of.
 - 1) Ensuring, promoting and supporting workplace improvement and effective management;
 - 2) Providing appropriate and adequate safety equipment and ensuring it is always ready for use; and
 - 3) Joining with all employees in correcting occupational behaviors that are prone to accident and illness and devising appropriate working procedures.
2. Executives at all levels are duty-bound to determine guidelines on compliance with laws, regulations and measures governing workplace safety and sanitation, and to take a lead in strictly and constantly observing these policies so as to be a role model in creating a safe workplace, as well as to promote and support activities arranged to enhance employees' knowledge, understanding and good attitude of workplace safety and sanitation.
3. All employees must acknowledge, cooperate in, convey opinion and advice on, and abide by the above policies in a strict and consistent manner, and must communicate the policies to stakeholders such as customers, partners, suppliers and contractors so that they take note of and well understand the policies.
4. Executives at all levels must arrange for a continuous and regular follow-up and evaluation of workplace safety and sanitation to rest assured that the laws and regulations governing workplace safety and sanitation are strictly and efficiently complied with.
5. Executives at all levels shall not be negligent of any accident or disaster that undermines workplace safety and sanitation and shall provide assistance for the affected employees promptly to the best of their ability, as well as identify causes and devise a clear, effective and efficient remedial measure to prevent repetition of such incident.

Executives at all levels have the duty of and must lead a behavioral correction and must control and maintain a working environment in which employees' life and assets are always safe by ensuring, promoting and supporting workplace improvement and effective management and providing appropriate and adequate safety equipment that is always ready for use. Besides, executives at all levels must join with all employees in correcting occupational behaviors that are prone to accident and illness and devising appropriate working procedures.

Executives at all levels have the duty to determine guidelines on compliance with laws, regulations and measures governing workplace safety and sanitation, and to take a lead in strictly and constantly observing these policies, as well as to promote and support activities arranged to enhance employees' knowledge, understanding and good attitude of workplace safety and sanitation. In this regard, all employees must acknowledge, cooperate in, convey opinion and advice on, and abide by the above policies in a strict and consistent manner, and must communicate the policies to stakeholders such as customers, partners, suppliers and contractors so that they take note of and well understand the policies. Executives at all levels must arrange for a continuous and regular follow-up and evaluation of workplace safety and sanitation to rest assured that the laws and regulations governing workplace safety and sanitation are strictly and efficiently complied with. Executives at all levels shall not be negligent of any accident or disaster that undermines workplace safety and sanitation and shall provide assistance for the affected employees promptly and to the best of their ability, as well as identify causes and devise a clear, effective and efficient remedial measure to prevent repetition of such incident.

In adhering to the law on occupational safety, health and environment (B.E. 2549), the Company has, since 2009, appointed 14 Safety Management Officers who represent various business units and have duties to propose working safety measures for each unit, support, promote and monitor the safety measures at the workplace, and enforce changes and amendments to ensure the safety of all employees, as well as issue directives to staff who report directly to the Safety Management Officers.

The Company has also appointed 23 Safety Supervisors who represent various business units and are responsible for ensuring that their colleagues comply with the safety standards and regulations at work and analyzing areas in their workplace that may be at risk or in danger. These supervisors may cooperate with senior technical officers and technical officers in carrying out preliminary surveys of the workplace condition, machinery, equipment and tools to make certain that they are safe before daily work commences. Safety supervisors are also required to report any dangers, illnesses, or important problems arising from employees' working to employers and related parties, and to always promote and support workplace safety activities.

In 2012, the Company valued the importance of work safety and therefore implemented the following:

1. Employed work safety professionals and formed another work safety and environment committee at the Goods Distribution Center to be responsible for work safety and occupational health directly at the Goods Distribution Center.
2. Sent staff to attend work safety training courses, at supervisor level and executive level, and work safety committee course.
3. Organized training on occupational health in the workplace, such as pest control, etc.

Besides, the Company has organized training courses on fire drill for employees. Geurt Fah Co., Ltd. (the owner of the building), in coordination with the Bangkok Fire and Rescue Department's 4th Fire Division, regularly provides employees with a simulated fire evacuation practice on a yearly basis.

In 2012, the fire evacuation practice training was arranged at the Auditorium on the 21st Floor of GMM Grammy Place during December 12-13, 2012 and the simulated fire evacuation practice was held on December 14, 2012 around the building between 14.00 hrs. and 16.00 hrs.

Connected Transactions

1. Parties which may have conflicts of interest that have entered into connected transactions with the Company and its subsidiaries

In 2012, the Company and its subsidiaries entered into connected transactions with the Company and connected persons where conflicts of interest may have occurred. These included both transactions which were the normal course of business by the Company and subsidiaries, and transactions which were not. Business groups that conducted connected transactions are divided into 3 categories as follows:

A) The Group

The Group comprises GMM Grammy Pcl. ("the Company") and subsidiaries of the Company.

Details of the Group are as follows:

Company	Business Type	% Holding by the Company (As at 31 December 2012)
GMM Grammy Public Company Limited	Complete one-stop music business: creates and produces various types of music products and in digital formats, collects music copyrights, manages artists, organizes concerts, production of satellite television programmes, and animation	
Subsidiaries Directly held by the Company		
GMM Media Public Company Limited	Produces radio programs	99.92%
GMM Holdings Company Limited	Invest in other companies	100%
GMM Music Publishing International Company Limited	Manage music copyrights	100%
GMM Thai Hub Company Limited	Produces and distributes television programs	51%
Fan TV Company Limited (Formerly known as "Clean Karaoke Company Limited") (Another 49% is held by GMM Holdings, a subsidiary)	Manages Karaoke Booths and produces satellite television programmes	51%
3-RD Company Limited	Provides customer service via telephone	70%
GR Vocal Studio Company Limited	Music Academy	100%
GMM CJ O Shopping Company Limited	Wholesale and retail of goods, by taking orders by phones	51%
GMM Z Company Limited	Production and distribution of satellite television receivers	100%
GDC Company Limited	Providing service to games members, distribution of games playing cards	100%
MGA Company Limited	Currently inactive	100%
G S-one Company Limited (Formerly known as "One Sky Multimedia Company Limited") (Another 50% is held by GMM Media Public Company Limited)	Currently inactive	50%
Digital Gen Company Limited	Currently inactive	100%
Extraorganizer Company Limited	Currently inactive	100%
More Music Company Limited	Currently inactive	100%
Jointly controlled entities and held by the company		
K Arena Company Limited	Karaoke service and rental	50%
Subsidiaries held by GMM Media Public Company Limited		
A - Time Media Company Limited	Subleases radio stations	100%
GMM TV Company Limited	Produces television programs	100%
Teen Talk Company Limited	Provides visual effect or multimedia service	100%

Details of the Group are as follows: (continued)

Company	Business Type	% Holding by the Company (As at 31 December 2012)
Subsidiaries held by GMM Media Public Company Limited		
Bliss Publishing Company Limited	Produces and distributes books	100%
Image Publishing Company Limited	Produces and distributes magazines	70%
Exact Company Limited	Produces television programs	100%
GMM Inter Publishing Company Limited	Produces and distributes magazines	70%
GMM Times Company Limited	Produces and distributes magazines	70%
Deetalk Company Limited	Produces television programs	100%
Index Creative Village Public Company Limited	Events organizer for all forms of marketing	50%
In Publishing Company Limited	Produces and distributes magazines	70%
Radio Concept Company Limited	Currently inactive	100%
Subsidiaries held by GMM Holding Company Limited		
GMM Studio Company Limited	Provider of studio related services	100%
Grammy Publishing House Company Limited	Distribute educational publications and media	100%
GMM Fitness Club Company Limited	Manage fitness center	100%
Mifa Company Limited	Currently inactive	100%
GMM Digital Domain Company Limited	Currently inactive	100%
Magic Film Company Limited	Currently inactive	90.91%
Global Music and Media (China) Limited (Registered in Hong Kong)	Currently inactive	100%
Subsidiaries held by GMM Tai Hub Company Limited		
Sawasdee Taweewuk Company Limited	Designs productions, coordinate with media, advertisers and films; PR service for films	100%
GTH On Air Company Limited (Another 30% is held by GMM Z Company Limited, a subsidiary, and 20% is held by Image Publishing, a subsidiary)	Produces satellite television programmes	50%
Subsidiary held by GMM Digital Domain Company Limited		
Digital Arms Company Limited	Provider of digital contentt	100%
Subsidiary held by GMM Z Company Limited		
STGMM Company Limited	Produces satellite television programmes	50%
GMM B Company Limited	Pay-TV service	100%
GMM Z Trading Company Limited	Production and distribution of satellite television receivers	100%
Bang Channel Company Limited	Produces satellite television programmes	100%
Green Channel Company Limited	Produces satellite television programmes	100%
Maxxi TV Company Limited	Produces satellite television programmes	100%
The News TV Company Limited	Production of News programmes	51%
Subsidiary held by GTH On Air Company Limited		
J K Network Company Limited	E-Commerce Business	100%
Subsidiary held by A - Time Media Company Limited		
A Gen Event Agency Company Limited	Business events advisor and organizer	70%

Details of the Group are as follows: (Continued)

Company	Business Type	% Holding by the Company (As at 31 December 2012)
Subsidiary held by GMM TV Company Limited		
Me Miti Company Limited	Production of television programmes	70%
Subsidiary held by Image Publishing Company Limited		
Image On Air Company Limited	Production of television programmes and business events advisor and organizer	100%
Subsidiary held by Exact Company Limited		
Acts Studio Company Limited (Another 50% is held by Scenario Co., Ltd., an associate)	Lease of studio	50%
Subsidiaries held by Index Creative Village Public Company Limited		
Event Solutions Company Limited	Provide equipment for entertainment at events	100%
Tresbien Company Limited	Personal event organizer – decorations and equipment for all types of events	100%
Media Vision (1994) Company Limited	Colour, lights, sound systems equipment rentals	51%
G Communications Company Limited	Public relations and organizer for all types of exhibitions	50%
Inspire Image Company Limited	Design, produce and remove posters and media that supports sales	60%
I Think Ad Company Limited	Consultant for creative advertising and public relations	40%
D-63 Company Limited	Design and set up stage backdrops	50%
Index Creative Online Company Limited	Consultant and designer, producer and adjusts Websites/Flash Media	70%
Envirosell (Thailand) Company Limited	Consults, arranges seminars, and provides research and statistics	60%
Index and M Company Limited	Business events advisor and organizer	50%
Index and V Company Limited	Business events advisor and organizer	50%
Subsidiary held by Event Solutions Company Limited		
Aspen Index Event Company Limited (Based in United Arab Emirates)	Events advisor and organizer in the Middle East	50%
Subsidiaries held by Index Creative Village Public Company Limited		
Joint Venture I D 2	Design, construct and manage exhibition halls in Thailand OR Thai-style exhibition halls	67%
Joint Venture Index City Neon	Recruit contractor for exhibition at Siriraj Hospital	50%
Joint Venture Index D 103 Maco	Design, construct, and manage exhibition halls at Yeosu International Exposition 2012	70%

B) Associated Companies

Company	Business Type	% Holding by the Company (As at 31 December 2012)
Associated company held by the Company		
Family Know-how Company Limited	Produce television programs and publishing media	50%
JSL Channel Company Limited	Production of satellite television programs	30%
Associated companies held by GMM Media Public Company Limited		
Scenario Company Limited	Produce television programs and plays	25%
Channel (V) Music (Thailand) Company Limited	Produce television programs	25%
Lucks Satellite Co., Ltd.	Production of satellite television programs	25%
Associated company held by GMM Tai Hub Company Limited		
Na Dao Bangkok Company Limited	Produces films and casts actors	30%
Subsidiaries held by Index Creative Village Public Company Limited		
Blue Media Communications Company Limited	Design, produce and distributes print media and other media	40%
Max Creative Company Limited	Public relations and marketing communication	50%

C) Related Companies through Common Directors

Company	Type of Business	Relationship
Hou Yuu Company Limited	Japanese restaurant	<ul style="list-style-type: none"> Mr. Paiboon Damrongchaitham, a Director of the Company, is also a Director with signing authority at Hou Yuu Company Limited Mr. Paiboon Damrongchaitham, the major shareholder of the Company, is a major shareholder (46.20%) of Hou Yuu Company Limited Mr. Chai Nasylvanta who is an Independent Director and a member of the Company's Audit Committee holds 4% shares in Hou Yuu Co. Ltd.
Geurt Fah Company Limited	Property rental and related services	<ul style="list-style-type: none"> Mr. Paiboon Damrongchaitham, a Director of the Company, is also a Director with signing authority at Geurt Fah Company Limited Mr. Paiboon Damrongchaitham, a major shareholder of the Company and shareholder of many subsidiaries, is the largest shareholder of Geurt Fah Company Limited with 99.99% holdings
Jaktranubhab Limited Partnership	Property rental and other on-site services	Mr. Kamron Pramroj na Ayutthaya is a shareholder and Director of the Company's subsidiary is a member of the management team of Jaktranubhab Limited Partnership
Methee 1 Company Limited	Produces and directs theatrical plays on radio, television. Produces magnetic picture and sound recordings.	Mr. Takonkiet Viravan, a Director of the Company, is Methee 1's largest shareholder (99.95%) and its Chairman.
Weerawong, Chinnawat, and Piangpanor Company Limited	Provides legal advice	Mr. Weerawong Chittmittrapap, an independent Director of the Company, is a director of this company.

2 Characteristics of Connected Transactions

The Company creates and produces music, distributes music products including digital music, organizes concerts, manages its artists, and satellite television business. Many of the Company's subsidiaries operate a variety of media businesses to support the core business. Therefore, there are many connected transactions between the Company and its subsidiaries, as well as with the Group, associated companies and related companies with common directors. Connected transactions can be divided into 2 major categories, as follows:

- **Transactions which are the normal course of business** consists of revenue from the sale of music products and copyrights, production and distribution of motion pictures, advertising fees, public relations and sales promotions, profit sharing from tape sales, studio rental services fees, artist management fees, production fees, rental of radio stations, concert production services fees and event organization fees.
- **Transactions which are not the normal course of business** such as rental of office space, loans to subsidiaries, shared administrative management fees, professional fees, and purchase of assets which are not related to the Company's normal course of business.

Connected transactions between the Group and Related Companies with Common Directors, which are the normal course of business

Parties that may have conflicts of interest	Parties that may have conflicts of interest	
	1) Hou Yuu Company Limited (operates a Japanese restaurant)	Relationship shown in 12.1 C)
	2) Geurt Fah Company Limited (Property rental and related services)	Relationship shown in 12.1 C)
	3) Methee 1 Company Limited (Produces and directs stage plays, and produces magnetic sound and picture recordings)	Relationship shown in 12.1 C)
	4) Weerawong, Chinnawat, and Piangpanor Company Limited (Provides legal advice)	Relationship shown in 12.1 C)
Types of Transaction	Service related expenses for the Company consists of: 1) Food expenses for entertainment and meetings 2) Utilities, parking fees and parking space 3) Creative agency, director 4) Legal advice	
Total Consideration	Baht 64.34 million is the mutually agreed upon prices (divided into the Company's service expenses of Baht 28.26 million and subsidiaries' service expenses of Baht 36.08 million.)	
Outstanding Accounts Payables	As at 31 December 2012, the amount is Baht 9.43 million (Company's accounts payable of Baht 4.86 million and subsidiaries' accounts payable of Baht 4.57 million)	
Opinion of the Audit Committee	Referring to the executives and management of the Company that has reviewed the charges and other expenses, production and directing stage theatrical fees, including the hiring of a consultant and legal and professional services, by considering the scope, difficulty of the task, and experience of the service providers and agreed that the prices are determined by market rates and the contract prices are according to the normal course of business and reasonable. The Audit Committee has the opinion that such price setting is likely to be appropriate and reasonable, as agreed by the management.	

Connected transactions between the Group and Associated Companies, which are the normal course of business

Parties that may have conflicts of interest	1) Scenario Company Limited (Produce television programs and theatrical productions)	Relationship shown in 12.1 B)
	2) Channel (V) Music (Thailand) Company Limited (Produce television programs)	Relationship shown in 12.1 B)
	3) Blue Media Communications Company Limited (Design, produce, and sale of books and other media)	Relationship shown in 12.1 B)
	4) Na Dao Bangkok Company Limited (Produces films on commission and provides marketing services)	Relationship shown in 12.1 B)
	5) Family Knowhow Company Limited (Produce television programs and publications)	Relationship shown in 12.1 B)
	6) Lucks Satellite Company Limited (Produce satellite television programmes)	Relationship shown in 12.1 B)
	7) Max Creative Company Limited (Provider of Integrated Marketing communication and Imagine advisor and management services)	Relationship shown in 12.1 B)
	8) JSL Channel Company Limited (Production of satellite television programmes)	Relationship shown in 12.1 B)
Types of Transaction	Revenue from: 1) Selling products 2) Producing television programs that generate revenue from advertisement sales 3) Producing satellite television programs that generate revenue from channel management 4) Organizing concerts and staging theatrical performances 5) Artist management 6) Commissions to produce programs, equipment sourcing service fees, and other services 7) Interest 8) Other revenue	
Total Consideration	In the amount of Baht 30.77 million. Price is set at actual cost of production and operations plus profit. (Revenue belonging to the Company is Baht 4.31 million and Baht 26.46 million goes to its subsidiaries)	
Outstanding Accounts Receivable	As of 31 December 2012 the amount is Baht 14.63 million (The Company is a trade creditor owed Baht 0.44 million while its subsidiaries are owed Baht 14.19 million)	
Opinion of the Audit Committee	The Audit Committee has the opinion that revenues derived from advertisements in producing television programs, determined by using the cost of production and operation plus a profit is according to the normal course of business. Therefore, such price setting is reasonable and fair.	
Types of Transaction	Service fees, consisting of: 1) Cost of advertisement spots on television and sponsorship fees. 2) Share of copyrights from the sale of television programs such as dramas and drama soundtracks on tapes, CDs and VCDs. 3) Operating costs of sourcing equipment related to light, sound and picture 4) Operating costs in sourcing artists 5) Fees for program hosts	
Total Consideration	The amount is Baht 378.00 million. The price is determined on the basis of the quality of the work and services rendered, where the final price depends on negotiations between the service recipient and service provider. (The Company's cost of services is Baht 3.92 million and Baht 374.08 million to its subsidiaries).	
Account payables and other payables	As of 31 December 2012, Baht 88.27 million (These companies are trade creditors of the Company and its subsidiaries at Baht 0.92 million and Baht 87.35 million respectively)	
Opinion of the Audit Committee	The Audit Committee has the opinion that these service expenses are based on market rates and contract prices that are also based on market levels, is according to the normal course of business; the Audit Committee has the opinion that such price setting is reasonable and fair.	

Connected transactions between the Group and Related Companies with Common Directors

Parties that may have conflicts of interest	Directors in the Company and its subsidiaries who are skilled in composing music, serving as program hosts, directing and writing scripts.
Types of Transaction	The Group paid copyright fees, program host fees, director's fees and screenwriter's fees to these Directors.
Total Consideration	Amount of Baht 1.49 million. Prices are determined by the unit cost of products/goods sold at market prices. Prices also depend on the quality and services received. The final service fee will depend on negotiations between the companies receiving the services and service providers (All Company's expense.)
Trade payables and other payables	As of 31 December 2012, Baht 0.77 million (The Company owes this entire amount)
Opinion of the Audit Committee	The Audit Committee has the opinion that composing songs and providing other services by the Company's Directors who possess extensive expertise and experience in the business has benefited the Company. Therefore, fees to compose music and other services depends on many factors such as the scope and complexity of the work, creativity, reputation and experience of the service provider. The Company has taken these factors into consideration in setting the preliminary price, but the final price depends on negotiations between the customer and service provider. The Audit Committee has the opinion that setting prices by taking into consideration the scope and level of difficulty of the work, and the creativity.

Connected transactions that are not the normal course of business between the Group and Related Companies with Common Directors

Lessee :	The Group
Lessor (Company or Individual that may of Conflicts of Interest)	Geurt Fah Company Limited
Relationship :	1. Mr. Paiboon Damrongchaitham is a director of the Company and is also a Director at Geurt Fah Company Limited 2. Mr. Paiboon Damrongchaitham who is a major shareholder of the Company and holds shares in many subsidiaries, is also a major shareholder of Geurt Fah Company Limited
Characteristic of connected transaction :	The Group rents a 43 storey office building, located at 50 GMM Grammy Place, Sukhumvit 21 Rd. (Asoke), Khlongtoeinuea, Wattana, Bangkok from Geurt Fah Company Limited
Size of rented space :	Approximately 33,600 sq.m. on floors 2-3, 5-6, 9-14, and 16-43, accounting for 82% of total rental space
Contract tenure :	3 years (from 1 May 2010 to 30 April 2013), where the lessee can renew the lease another 3 times, for a period of 3 years each time
Rental and service rates :	Increased by 5 % from original rental and service rate of Baht 378 per sq.m. per month to Baht 397 per sq.m. per month
Price setting policy :	In compliance with the original contract conditions of having renewal options every 3 years at market rates, except for the first rental renewal, where the rental and service rates increase cannot exceed 15%.
Total rent and service fees that the Group pays to Geurt Fah in 2012 :	Baht 146.73 million (The rental and service fees from the Company in the amount of Baht 77.53 million and subsidiaries in the amount of Baht 69.20 million)
Total consideration :	Approximately Baht 408 million throughout the 3 year period (excluding VAT and related taxes)
Opinion of the Audit Committee :	The Audit Committee has the opinion that the rental rate which the Company and subsidiaries paid to Geurt Fah Company Limited in the amount ranging between Baht 350 - 397 per sq.m. per month is reasonable and fair. This rate is in the range of market rental rates, which currently runs between Baht 400 - 600 per sq.m. per month, according to an appraisal report by Siam Appraisal and Services Company Limited, an independent appraiser on the SEC's approved list.

**Connected transactions that are not the normal course of business between the
Group and Related Companies with Common Directors (continued)**

Lessee :	Image Publishing Company Limited
Lessor (Company or persons which may have conflict of interest) :	Jaktranubhab Limited Partnership
Relationship :	As lessee : Mr. Kamron Pramroj na Ayutthaya is a director and member of the management team of the Company's subsidiary As lessor : Mr. Kamron Pramroj na Ayutthaya is the managing partner of Jaktranubhab Limited Partnership
Characteristic of connected transaction :	Image Publishing Company Limited rents an office building located at 217/7 Sukhumvit 63 (Ekamai), Sukhumvit Road, Wattana, Bangkok from Jaktranubhab Limited Partnership
Size of rented space :	Approximately 1,440 square meters
Contract tenure :	3 years (from 1 January 2012 - 31 December 2014) with plans to adjust rent at the end of the third year.
Rental and service rate :	Baht 300 baht per sq. m. or Baht 432,000 per month
Price setting policy :	Conventional conditions according to market rates
Rent paid by the Group to Jaktranubhab Limited Partnership in 2012 :	Baht 5.18 million (Entire amount is for the Company's subsidiary's rent and services)
Total consideration :	Baht 15.55 million for the 3 year period (excluding VAT and other related taxes)
Opinion of the Audit Committee :	The Audit Committee has the opinion that the rental rate of 250 baht per sq.m. per month which Image Publishing Company Limited paid to Jaktranubhab Limited Partnership is reasonable. Such a rate is comparable with average office rental rates in the vicinity.

Corporate Social Responsibilities

1. Fair Business Operation

The Board of Directors has been adhering to the business operation under business ethics, related laws, standards and code of best practices as defined in the *Corporate Governance and Business Ethics Handbook*.

2. Respecting Human Right Law and Practice

The Board of Directors gives importance to respecting international human rights, as indicated in the *Corporate Governance and Business Ethics Handbook* Re: Respect of Human Right Law and Practice. This could well signify the Board's commitment to conducting business in compliance with laws, while embracing human rights which are the basic rights ensuring that all human beings are born free and equal in dignity and rights without discrimination against birth, race, nationality, color, gender, religion, age, language, physical and health condition, personal status, economic and social status, social value, education or political opinion. The Board also promotes employees' awareness of their rights, duties and responsibilities to society and other fellows, under the following principles:

- 1) Performing business in strict compliance with human right law and practice and provide employees with knowledge about human right law and practice for their further adoption in their work.
- 2) Ensuring that all employees familiarize themselves with laws related to their duties and responsibilities and strictly observe such laws.
- 3) Promoting the respect of and adherence to human right practice on the basis of human dignity.
- 4) Treating all employees on the basis of human dignity and respect their personal rights and duties.
- 5) Offering a non-discriminative and equal career opportunity for women, the disabled, incapacitated persons, and all other under privileged groups.
- 6) Neither give a special favor to nor discriminate against any individuals due to race, nationality, color, gender, religion, age, language, physical and health condition, personal status, economic and social status, social value, education and political opinion.
- 7) Ensuring the incapacitated employees are provided with appropriate facilitating equipment and welfare.
- 8) Putting in place a policy or measure for screening key trade partners such as suppliers and contractors and ensure that these key trade partners undertake their businesses with fair practices and non-violation of human rights.
- 9) Encouraging employees' participation and respect their right to unify and come forward with their suggestions or ideas on operational directions and corrective measures that will be beneficial to all parties and strengthen a good working relation and cooperation.
- 10) Establishing a follow-up and monitoring process to prevent the Company and employees from conducting business, acting or participating in an act or failing to act in such a way that violates human rights.

3. Fair Treatment to Employees

The Board of Directors realizes that employees are the most valuable resource of the Company and is a key to success of achieving the Company's goal. Therefore, the Company takes care of and treats employees fairly in terms of opportunities, returns, appointment, transfer, termination of employment, as well as establishment of policies of personnel development, and encourages employees to develop and exhibit potential and personal value in order to help the organization grow continuously and sustainably.

In 2012 company group had many activities to support and develop employees as follows:

- 1) Annual check-up for employees, the program provides a consistent and appropriate for the age of each employee, negotiations with the hospital for the Company's staff to add more check-up items in the package with a special price, including provision of annual mobile check-up service at the office building .
- 2) Employee welfare, for example, healthcare payments, in-house medical care, group life and accident insurance and other types of financial and non-financial assistance, such as funds for funeral arrangements of employees, their parents, children or legal spouse, monk ordinations, etc.
- 3) Preparing reliable sources providing loan with special interest rate for house purchasing.
- 4) 19 in-house training courses and dispatched its employees to attend 37 external courses conducted by various institutions, focusing on managerial, professional and team-working skill development.
- 5) Encouraging employees to participate in an array of activities regularly arranged by the Group such as social, environmental and energy conservation activities, blood donation, disaster victim aids programs, and playing games to win free tickets for concerts, movies and theatrical performances through many different channels.
- 6) The Company valued the importance of work safety and therefore implemented the following:



- 6.1) Employed work safety professionals and formed another work safety and environment committee at the Goods Distribution Center to be responsible for work safety and occupational health directly at the Goods Distribution Center.
- 6.2) Sent staff to attend work safety training courses, at supervisor level and executive level, and work safety committee course.
- 6.3) Organized training on occupational health in the workplace, such as pest control, etc.
- 6.4) The fire evacuation practice training was arranged at the Auditorium on the 21st Floor of GMM Grammy Place during December 12 - 13, 2012 and the simulated fire evacuation practice was held on December 14, 2012 around the building.

4. Responsibilities for Customers and Consumers

The Board of Directors is committed to creating and producing all forms of media and entertainment to bring satisfaction to customers continuously. Supply channels for products and services that customers can access with reasonable price to meet the needs of all our customers. Guidelines for treatment towards customers and consumers are defined in the *Corporate Governance and Business Ethics Handbook* Re: Awareness of the Role of Stakeholders.

5. Community Involvement and Development

The Board of Directors is committed to operating the business under the principles and practices of good corporate governance, coupled with a commitment to the society, community, and environment. Guidelines for treatment towards the community, environment, and society are defined in the *Corporate Governance and Business Ethics Handbook* Re: Ethics on Roles and Responsibilities for the Community, the Environment, and the Society.

In the past, GMM Grammy Group had important roles on social responsibility and environment, with key persons in various areas taking part in activities as operators, organizers or supporters, aiming to enable communities to be self dependent, help each other, have good quality of life, and live together with happiness continuously. In 2012, the Group's major projects on social responsibility and environment were as follows:

Projects in honor of Their Majesties

Being conscious of the kindness of Their Majesties the King and the Queen, GMM Grammy Group, initiated projects in honor of Their Majesties as follows:

- On the auspicious occasion of His Majesty the King's 84th Birthday Anniversary, GMM Grammy Group presented three-dimension TV series animated cartoons "Bird Land....Land of Miracles" on a special series "Following the King's Footsteps," aiming for children and viewers to learn and appreciate the Royal duties and talents of His Majesty the King in solving problems for Thai people, especially to learn how to follow the King's footsteps.



- On the auspicious occasion of Her Majesty the Queen's 80th Birthday Anniversary on August 12, 2012, the Company issued a song in honor of Her Majesty "Sai Yai Phaen Din," as sung by Byrd - Thongchai McIntyre.



Damrongchaitham Foundation, 14 Years of Education Opportunity for Thai Youth

On 13 September 2007, Ministry of Finance declared Damrongchaitham Foundation as a Public charity organization No. 643. The foundation has given education opportunity for Thai youth for 14 years. It was founded by Mr. Paiboon Damrongchaitham, Chairman of GMM Grammy Public Company Limited to provide scholarships for good students lacking of funds until they get Bachelor's degrees.



For the educational year 2012, there were 259 active students and 10 classes, totaling 208 students, already receiving their Bachelor's degrees.



“Sunshine Road” Project, For better quality of life in the society

The “Sunshine Road” project is the cooperation among Grammy, governmental agency, and various entities to promote activities that benefit the society, such as activities of Green Charity, projects to help the disabilities, projects to help under-privileged children and youths, project to promote “World AIDS Day”, project to relieve the suffer under Thai Red Cross.

For Children and the Youths Project

The projects were created to promote and develop children and the youths to have good attitudes towards themselves, others around them, and the society as a whole. They encompassed gifts for children on Children Day, activities on Youth Day, food for under-privilege children, etc



Blood Donation Project

The Company has regularly held a ‘blood donation’ activity to offer a chance to the Company’s employees, organizations and communities nearby, and interested persons, to join this great giving activity four times a year since 2005. In addition, Green Wave



106.5 FM has held activities or publicized for the public and private sectors regularly to invite listeners to donate blood when a great amount of blood is required, such as an unrest situation, accident or disaster, natural disaster, etc. In 2012, the Company organized the ‘blood donation’ activity on February 21, May 23, August 22, and November 21. Total number of blood donors was 1,097.

“Just Say No” Project

“Just Say No” is a project to campaign against drugs that the Company has played a leading role continuously. With awareness of drug problems that can pose serious threats to society and national security, the Company has implemented various campaign projects such as “Just Say No”, “World No Smoking Day”, “World Anti-Drug”, “No Alcohol Day,” etc.



Building Awareness of Intellectual Property Project

GMM Grammy Public Company Limited has a policy to promote the use of legal products and cooperates with various related government and private entities to build awareness of Intellectual Property and encourage the public to stop buying, selling and using counterfeit products. This will help reduce the violation of copyrights in the long term.



“Power of Thai” Project

The Company led a team of famous artists in cooperation with 12 private organizations and associates in mobilizing volunteers to join hands in rehabilitating the country to bring smiles back to schools by restoring schools damaged by floods, improving landscapes, planting trees, and providing educational equipment to help teachers and students affected by floods in 84 schools.

To Be Number One Project

The Company participated in “To Be Number One” Project in the anti-drug campaign project initiated by Mental Health Department, Ministry of Public Health, by sending artists to join in concert shows with students, members of To Be Number One club to display anti-drug power in 2012, marking the 10th anniversary of To Be Number One Project. The concert shows were organized in educational establishments in 19 provinces.





"United Fan TV Caravan" Activity

Fan TV Co., Ltd. led artists to organize "United Fan TV Caravan" Activity to provide entertainments and make merit with music fans in various provinces, such as Kanchanburi, Nakhon Pathom, etc. In 2012, fans joined merit-making activities and musical shows for 12 times.

Green Charity Activity



Green Wave 106.5 F.M. Radio of A Time Media Co., Ltd. organized Green Charity Activity, involving artists, stars, and listeners in various activities such as Green Charity Blood Volunteers, where they participated in donating blood, organs, eyes at the National Blood Center, Thai Red Cross Society, in one day, or "Green Charity the Hero" where about 1,000 volunteers joined hands in doing good deeds in various activities, such as receiving donations of milk boxes under Green Roof Project for Princess Pa Foundation, receiving donations of consumer goods for packing into relief kits for the Relief and Community Health Bureau, Thai Red Cross Society, receiving blood donations, receiving volunteers in preparation for assistance to victims of disasters, and making a donation of 100,000 Baht as a contribution to the Relief and Community Health Bureau, Thai Red Cross Society.

6. Environmental Management

The Board of Directors recognizes the importance of efficient use of resources and save-the-earth campaign as incorporated in the Corporate Governance and Business Ethics Handbook regarding ethics on roles and responsibilities toward the community, the environment, and the society. The Board of Directors supports campaigning and instilling conscience in employees as regards preservation and smart and efficient use of resources and energy, as well as supporting activities which are beneficial to conservation and use of natural resources, the environment, and energy on a continuous basis. Every employee has direct duty to take care of the Company's assets under their own responsibility against deterioration, loss, or waste, and use other resources of the Company, the public, and the country efficiently. The Company has had guidelines drawn up and campaigns launched in various forms so that business units and employees will have a collective awareness of the benefits of efficient use of resources. This includes saving electric power, water, fuel, and other forms of energy at workplace, at home, and in daily life. Guidelines which all employees should follow are as below:

Ways to save electricity includes turning off the light and electrical appliances when they are not in use, i.e. switching off air-conditioner when we vacate the room for more than one hour, and turning off all the lights during lunch, using energy efficient appliances with Label 5, regularly cleaning the air-conditioning filters, setting the thermostat to 25 degrees Celsius, checking rooms for leaks and closing the door whenever the air-conditioner is on, avoiding storing unnecessary items in rooms that are air-conditioned, using energy saving lightbulbs, electronic ballasts with slim fluorescent lights, and lights with metal reflector panels, installing lights in specific places instead of turning lights on the entire room, painting building interiors a light shade to increase brightness, and maximizing the use of natural sunlight, removing half the lightbulbs from fixtures where low-lighting is permissible, regularly maintaining and checking electrical equipment and air-conditioning systems every 3-6 months.

Ways to save water includes regularly checking leaks, turning off the tap while brushing your teeth or soaping up, washing hands with liquid soap instead of bar soap as they use less water, not wasting drinking water, pouring water just enough for your needs, and using water-saving sanitarywares, etc.

Ways to save fuel includes carpooling, calling by phone instead of traveling, making an appointment before traveling, studying a route well before traveling, studying shortcuts to save time and fuel, setting and planning routes and times appropriately, using facsimiles or internet instead of hand delivery, checking tire pressure regularly, swapping the tires at regular intervals, turning off the engine when parking a car for a long time, checking engine regularly, not overloading, cleaning and changing air filters as appropriate, changing the engine oil and filters as appropriate, not adding any car decorations which will make the engine work harder, using fuel octane suited to the car, not setting the air-conditioning temperature to be too low, and parking car in a shade to help reduce the car temperature, etc.

Ways to save energy at workplace involves double-sided use of paper, sending information through computer network system, using the stairs when going up or down one floor, separating garbage, using products which can be recycled, using products whose containers can be recycled, using sturdy multiple use brown envelopes (unbleached) for sending documents internally and externally, etc.

In 2012, relevant units communicated to employees and various departments to follow the resource saving measures, as well as, participated in various. As a result that GRAMMY Group is committed to the conservation of energy to benefit both organization and the country, the Company has been awarded as follows:

1. ESCO Project Award from “Thailand ESCO Fair 2012”, GMM Grammy Public Company Limited received the Best Energy Management Company Award for its success in applying ESCO system with two energy-conserving technologies as follows:

- 1.1. Voltage regulator to adjust the voltage to the level suitable for electrical appliances in buildings and help prevent damage from occurring to the appliances and save electrical power by 15 - 20% per month by investing in the installation of a voltage regulator between the transformer and the main distribution board.

- Investment, only 9.63 million Baht
- Average power saving and break-even time 1.145 MWh/year
Cost saving at 4.681 million Baht/year
Break-even time, 2.06 years

- 1.2. Change of electric light bulbs to LED bulbs which are more efficient in emitting light energy up to 70 lumens/watt. Moreover, LED bulbs are more efficient than fluorescent bulbs and they are able to control the quality of lights, tolerate vibrations and last longer, up to 100,000 hours, while a fluorescent bulb lasts 30,000 hours and a coil electric bulb lasts only 1,000 - 2,000 hours.

- Investment, only 1.99 million Baht
- Average power saving and break-even time 0.138 MWh/year
Cost saving at 0.545 million Baht/year
Break-even time, 3.65 years

2. Energy Conservation and Alternative Energy Best Award (Mass Media)

Green Wave 106.5 F.M. Radio of A Time Media Co., Ltd. on October 12, 2012 received the award for the third year in “Thailand Energy Awards 2012 Contest from the Department of Alternative Energy Development and Efficiency, Ministry of Energy, for reporting news and organizing activities continuously on promoting energy conservation and alternative energy, reflecting the leadership of radio media in promoting the conservation of environment and energy of the country.

In 2013, the Company is still committed to cooperating in energy conservation on a continued basis, with projects under implementation including a study on the adjustment of the air conditioning system to Mini Chiller type for use as a model building for energy conservation, etc.

Awards received in 2012

The Company received a “Top Corporate Governance Report Award” under the SET Awards 2012 Program, which was jointly created by SET and Money and Banking Magazine to honor and award the listed companies, securities companies, member companies, asset management companies and top executives who

display outstanding performance and ability in leading their respective organizations to achieve successes “Top Corporate Governance Report Award” is an award given to listed companies with outstanding reports on compliance with the principles of corporate governance, based on the information disclosed by the listed companies in their disclosure of annual registration statement (Form 56-1), annual report, and website, as well as notices of shareholders’ meetings and minutes of shareholders’ meetings. A total of 10 listed companies in the Stock Exchange of Thailand were given such awards (and one listed company in the Market for Alternative Investment-MAI).



Mr. Paiboon Damrongchaitham, Chairman of the Board of Directors of GMM Grammy Public Company Limited received Red Cross Medal of Appreciation, First Class, from H.R.H. Princess Sirindhorn, for his continued support to the Thai Red Cross Society at Chulalongkorn Hospital, Thai Red Cross Society.

Mr. Paiboon Damrongchaitham, Chairman of the Board of Directors of GMM Grammy Public Company Limited received an honor award “Phet Phanit” or Diamond Commerce Award from Mr. Boonnsong Teriyapirom, Minister of Commerce, for being an entrepreneur with good images and outstanding performance in commerce at national and international levels, at the Ministry of Commerce.



GMM Grammy Public Company Limited’s Corporate Governance Rating was raised to the highest level of Excellence (5 stars), according to the Corporate Governance Report of Thai Listed Companies 2011 and 2012.

GMM Grammy Public Company Limited was rated by the Thai Investors Association for Year 2012 “Very good and should be a role model” with full score of 100 points, for the quality of organizing shareholders’ meetings.





Mrs. Saithip Montrikul Na Ayudhya, Chief Executive Officer (Media Business) of GMM Grammy Public Company Limited received an award from Prime Minister Ms. Yingluck Shinawatra on the occasion that Green Wave 106.5 F.M. Radio of A Time Media Company Limited was given an outstanding award for promoting energy conservation and alternative energy (mass media) for the third year in “Thailand Energy Awards 2012” Contest organized by the Department of Alternative Energy Development and Efficiency, Ministry of Energy.

Besides, many more social awards were given to the Company for participating in social activities and honor awards to the Company’s artists for their leading roles in campaigns and being role models in carrying out charity activities for society in various areas.



- Byrd - Thongchai McIntyre received Red Cross Medal of Appreciation, First Class, for his continued support to the Thai Red Cross Society
- Byrd - Thongchai McIntyre, Kan The Star - Naphat Inchai-eau, Ann - Thitima Prathumthip, Mike Phiromporn - Pornphirom Phinthapathang, Paowali - Pornphimol Fuangfu, and Wichian Tantiphimonphan received “Diamond in Song Award” organized by Literature and History Bureau, Department of Fine Arts, Ministry of Culture
- Praphavadi Manee-in, Assistant Managing Director for Public Relations and Corporate Affairs, GMM Grammy Public Company Limited, received an honor plaque for the Company as an organization participating in creating a smoke-free society in “25 Years for Smoke - Free Thai Society” Fair, organized by Foundation for Non-Smoking Campaigns:
- Paowali - Pornphimol Fuangfu, Dona - Pakhin Khamwilaosak, Kaem - Wichayanee Piaklin were elected to receive “Grateful Child to Mother Award” on the occasion of National Mother’s Day 2012, organized by the National Council on the Social Welfare of Thailand Under Royal Patronage.
- Mike Phiromporn, Toomtam - Yutthana Puangklang, received an award for being an artist with outstanding records, both in terms of occupation and behavior, suitable to be a role model for a non-smoking new generation, organized by the Department of Disease Control, Ministry of Public Health.
- Paowali - Pornphimol Fuangfu, received an Outstanding National Youth Award on Mass Media for children and youths in preventing social problems, organized by the Office of Welfare Promotion, Protection and Empowerment of Vulnerable Groups, Ministry of Social Development and Human Security
- Taktan - Cholada Thongchuklang and Ratchanok Silaiphan, received an honor plaque for their support to the organizing of Disabled Day 2012, as organized by the National Council on the Social Welfare of Thailand Under Royal Patronage.

GMM Grammy is committed to the implementation of various activities on a continue basis for sustainable development of Thai society throughout the time.

Companies in which GMM Grammy holds more than 10% of their shares

GMM Grammy Public Company Limited, and Its Subsidiaries

Company	Business Type	Issued Shares	
		Type	Number
Parent company			
GMM Grammy Plc.	Fully-integrate entertainment businesses, including music and digital business, showbiz business, motion pictures business, television programmes business, satellite television programmes business, radio programmes business, event advisor and organizer business, publishing media business and other entertainment businesses	Common Shares	530,264,947
Subsidiaries			
1 GMM Music Publishing International Co., Ltd.	Manage music copyrights	Common Shares	50,000
2 Fan TV Co., Ltd. (Formerly known as “Clean Karaoke”)	Karaoke service provider and production of satellite television programmes	Common Shares	2,000,000
3 K Arena Co., Ltd.	Karaoke business	Common Shares	200,000
4 J K Network Co., Ltd.	E-Commerce Business	Common Shares	100,000
5 GMM Tai Hub Co., Ltd.	Produce and distribute movies	Common Shares	30,000,000
6 Sawasdee Thaweesuk Co., Ltd.	Design and post production of advertising media and films and public relations for films	Common Shares	10,000
7 GMM Studio Co., Ltd.	Studio service	Common Shares	500,000
8 Teen Talk Co., Ltd.	Rental TV program production equipment, Motion graphic and multimedia service	Common Shares	400,000
9 Acts Studio Co., Ltd.	Lease of studio	Common Shares	3,150,000
10 GR Vocal Studio Co., Ltd.	Vocal and musical schools	Common Shares	50,000
11 3-RD Co., Ltd.	Provide call center outsourcing service, design marketing strategy and create electronic media via internet	Common Shares	180,000
12 GMM Holding Co., Ltd.	Invest in other businesses	Common Shares	2,500,000
13 GMM Media Plc.	Responsible for marketing and distribution channel management and production of radio programmes including production of television programmes and satellite television	Common Shares	200,255,500
14 A-Time Media Co., Ltd.	Sublease of radio stations	Common Shares	10,000
15 Exact Co., Ltd.	Responsible for marketing and distribution channel management and production of television programmes including production of television programmes and satellite television	Common Shares	600,000
16 GMM TV Co., Ltd.	Responsible for marketing and distribution channel management and production of television programmes including production of television programmes and satellite television	Common Shares	200,000
17 Deetalk Co., Ltd.	Market, find distribution channels and produce television programmes	Common Shares	10,000
18 GTH on Air Co., Ltd.	Production of satellite television programmes	Common Shares	600,000
19 GMM Z Co., Ltd.	Production and distribution of satellite television receivers	Common Shares	1,000,000
20 GMM B Co., Ltd.	Pay-TV service	Common Shares	10,000
21 GMM Z Trading Co., Ltd.	Production and distribution of satellite television receivers	Common Shares	10,000
22 GDC Co., Ltd.	Providing service to games members, distribution of games playing cards	Common Shares	500,000
23 STGMM Co., Ltd.	Production of satellite television programmes	Common Shares	400,000

Company	Business Type	Issued Shares	
		Type	Number
24 Me Miti Co., Ltd.	Production of satellite television programmes	Common Shares	60,000
25 GMM CJ O Shopping Co., Ltd.	Home shopping business through various media channels. Including the establishment of distribution center and receiving phone orders	Common Shares	5,400,000
26 Image Publishing Co., Ltd.	Market, find distribution channels and produce magazines	Common Shares	1,000,000
27 GMM Inter Publishing Co., Ltd.	Market, find distribution channels and produce magazines	Common Shares	100,000
28 GMM Times Co., Ltd.	Market, find distribution channels and produce magazines	Common Shares	3,100,000
29 Bliss Publishing Co., Ltd.	Production and distribution of pocket books	Common Shares	425,000
30 In Publishing Co., Ltd.	Responsible for marketing and distribution channel management production and distribution of magazine	Common Shares	500,000
31 Index Creative Village Plc.	Business events advisor and organizer	Common Shares	172,000,000
32 Media Vision (1994) Co., Ltd.	Light and sound system installation services for entertainment events	Common Shares	408,910
33 Event Solutions Co., Ltd.	Provision of equipment for entertainment events	Common Shares	330,000
34 Aspen Index Event Co., Ltd.	Provision of service and organization of activities in the Middle East	Common Shares	800
35 Tresbien Co., Ltd.	Decoration and provision of equipment for conferences and ceremonial events	Common Shares	120,000
36 G Communications Co., Ltd.	Provision of public relations and event services	Common Shares	50,000
37 Inspire Image Co., Ltd.	Responsible for creative design printing/billboard and marketing promotion	Common Shares	60,000
38 I Think Ad Co., Ltd.	Responsible for advertising creation and public relations consulting	Common Shares	50,000
39 D-63 Co., Ltd.	Designs and sets up stage backdrops and theatres	Common Shares	30,000
40 Index Creative Online Co., Ltd.	Design and develop computer programme and internet, design and production website, domain name registration	Common Shares	50,000
41 A Gen Event Agency Co., Ltd.	Business events advisor and organizer	Common Shares	30,000
42 Envirosell (Thailand) Co., Ltd.	Seminar, consultancy services, observational research specialized and statistical survey	Common Shares	80,000
43 Index and V Co., Ltd.	Provision of service and organization of activities in The Socialist Republic of Vietnam	Common Shares	120,000
44 Index and M Co., Ltd.	Provision of service and organization of activities in The Republic of the Union of Myanmar	Common Shares	120,000
45 MGA Co., Ltd.	Currently non-active	Common Shares	1,200,000
46 More Music Co., Ltd.	Currently non-active	Common Shares	160,000
47 GMM Digital Domain Co., Ltd.	Currently non-active	Common Shares	500,000
48 Digital Arms Co., Ltd.	Currently non-active	Common Shares	7,000,000
49 Digital Gen Co., Ltd.	Currently non-active	Common Shares	50,000
50 Global Music and Media (China) Limited	Currently non-active	Common Shares	1,507,500
51 Extraorganizer Co., Ltd.	Currently non-active	Common Shares	10,000
52 Magic Film Co., Ltd.	Currently non-active	Common Shares	22,000
53 Radio Concept Co., Ltd.	Currently non-active	Common Shares	200,000
54 G S-one Co., Ltd. (Formerly known as "GMM One Sky")	Currently non-active	Common Shares	1,000,000
55 Image On Air Co., Ltd.	Currently non-active	Common Shares	100,000
56 Bang Channel Co., Ltd.	Currently non-active	Common Shares	10,000
57 Green Channel Co., Ltd.	Currently non-active	Common Shares	10,000
58 Maxxi TV Co., Ltd.	Currently non-active	Common Shares	10,000
59 The News TV Co., Ltd.	Currently non-active	Common Shares	10,000

Company	Business Type	Issued Shares	
		Type	Number
60 Mifah Co., Ltd.	Currently non-active	Common Shares	450,000
61 Grammy Publishing House Co., Ltd.	Currently non-active	Common Shares	1,650,000
62 GMM Fitness Club Co., Ltd.	Currently non-active	Common Shares	4,000,000
Associated companies			
1 Scenario Co., Ltd.	Market, find distribution channels and produce television programmes	Common Shares	14,000,000
2 Channel (V) Music (Thailand) Co., Ltd.	Responsible for marketing and distribution channel management for music	Common Shares	1,100,000
3 Blue Media Communication Co, Ltd.	Design, produce and distribute publishing related media and products	Common Shares	50,000
4 Nadao Bangkok Co., Ltd.	Produces movies, conduct artist management and provide advisories for the movie industry	Common Shares	20,000
5 Family Know-how Co., Ltd.	Media business, specializing in economic, financial and stock market investment information	Common Shares	2,500,000
6 Lucks Satellite Co., Ltd.	Production of television programmes and satellite television	Common Shares	200,000
7 JSL Channel Co., Ltd.	Production of television programmes and satellite television	Common Shares	1,000,000
8 Max Creative Co., Ltd.	Consulting and managing on branding and integrated marketing communication	Common Shares	50,000
Other companies			
1 Matchon Plc.	Production and distribution of newspapers magazines and pocket books	Common Shares	185,349,200
2 Post Publishing Plc.	Production and distribution of newspapers magazines and pocket books	Common Shares	500,000,000
3 Karaoke Center Co., Ltd.	Produce and sell singing equipments	Common Shares	120,000
4 A-Time Traveller Co., Ltd.	Responsible for domestic and international trip service	Common Shares	20,000
5 SE-Education Plc.	Produce, distribute and retail books, publications, periodicals and pocket books	Common Shares	356,313,209
6 TVMINDEX Advertising Co., Ltd.	Advertising services	Common Shares	13,020,000,000

1. GMM Grammy Plc., subsidiaries and associated companies have registered office at 50 GMM Grammy Place, Sukumvit 21 Rd.(Asoke), Khlongtoeinuea, Wattana, Bangkok except the following companies

1.1 J K Network Co., Ltd.	Office : 105 Soi Sukhumvit 39, Sukhumvit Rd., Klongtonnuea, Wattana, Bangkok
1.2 GMM Tai Hub Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnuea, Wattana, Bangkok
1.3 Sawasdee Thaweesuk Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnuea, Wattana, Bangkok
1.4 Acts Studio Co., Ltd.	Office : 49/107 Moo 6, Ladsawai, Lamlukka, Pathumthani
1.5 3-RD Co., Ltd	Office : 222 14 th - 16 th Fl., Woravit Building, Sipraya, Bangrak, Bangkok
1.6 GTH on Air Co., Ltd.	Office : 105 Soi Sukhumvit 39, Sukhumvit Rd., Klongtonnuea, Wattana, Bangkok
1.7 GMM CJ O Shopping Co., Ltd.	Office : 46/7 Rungrojthanakul Building (Building A), Floor 8 - 9, Ratchadaphisek Rd., Huaykwang, Bangkok
1.8 Image Publishing Co., Ltd.	Office : 217/7 Soi Sukhumvit 63 (Akamai), Sukhumvit Rd., Klongton, Wattana, Bangkok
1.9 Index Creative Village Plc.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.10 Media Vision (1994) Co., Ltd.	Office : 999, 999/9 Moo 2, Bangkhen, Mueng nonthaburi, Nonthaburi
1.11 Event Solutions Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.12 Aspen Index Event Co., Ltd.	Office : P.O. Box 21994, Dubai, United Arab Emirates
1.13 Tresbien Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.14 G Communications Co., Ltd.	Office : 92/56 - 57 E Sathontanee tower 2, 19 th floor, Sathonnuea Rd., Silom, Bangrak, Bangkok

1.15 Inspire Image Co., Ltd.	Office : 957/28-30 Sukhumvit Soi 71 Klongtonnuea, Wattana, Bangkok
1.16 I Think Ad. Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.17 D-63 Co., Ltd.	Office : 555 Soi Ladprow 107 Ladprow Rd. Klongjan, Bangkapi, Bangkok
1.18 Index Creative Online Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.19 A Gen Event Agency Co., Ltd.	Office : 1755/4 Soi Ladprow 94 (Panjamitr), Plub-Pla, Wangthonglang, Bangkok
1.20 Envirosell (Thailand) Co., Ltd.	Office : 957/28 - 30 Sukhumvit Soi 71 Klongtonnuea, Wattana, Bangkok
1.21 Index and V Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.22 Index and M Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.23 MGA Co., Ltd.	Office : 38 Chawanich Building Soi Sukhumvit 69 (Saleenimitr), Sukhumvit Rd., North Prakanong, Wattana, Bangkok
1.24 Global Music and Media (China) Limited	Office : 6 th Floor, Sunning Plaza, 10 Hysan Avenue, Causeway Bay, Hong Kong
1.25 Image On Air Co., Ltd.	Office : 217/7 Soi Sukhumvit 63 (Akamai), Sukhumvit Rd., Klongton, Wattana, Bangkok
1.26 Channel (V) Music (Thailand) Co., Ltd.	Office : 989 6 th Fl. Siam Discovery, Unit No. 608-609 Rama 1 Rd., Pathumwan, Bangkok
1.27 Blue Media Communication Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.28 Nadao Bangkok Co., Ltd.	Office : 92/14 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd, Klongtonnuea, Wattana, Bangkok
1.29 Family Know How Co., Ltd.	Office : 62 Ratchadaphisek Rd., Khlongtoei, Bangkok
1.30 Lucks Satellite Co., Ltd.	Office : 1417 Soi Ladprow 94 (Panjamitr), Plub-Pla, Wangthonglang, Bangkok
1.31 JSL Channel Co., Ltd.	Office : 154 Soi Ladprow 107 (Deesomchok) Ladprow Rd., Klong-Jan, Bangkapi, Bangkok
1.32 Max Creative Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok

2. The registered office of the other companies are follows;

2.1 Matichon Plc.	Office : 12 Tethsaban-Narueman Rd., Prachanivate 1, Ladyao, Chatuchuk, Bangkok
2.2 Post Publishing Plc.	Office : 136 Bangkok Post, Sunthorn Kosa Rd., Kwang Klong Toey, Khet Klong Toey, Bangkok
2.3 Karaoke Center Co., Ltd.	Office : 21/38-39 Moo. 2 Soi Vipavadee 60, Luk Si, Bangkok
2.4 A-Time Traveller Co., Ltd.	Office : 50 GMM Grammy Place, Sukumvit 21 Rd.(Asoke), Khlongtoeinuea, Wattana, Bangkok
2.5 SE-Education Plc.	Office : Nation Tower, Floor 19, 1858/87-90, Bangna-Trad Rd., Bang Na, Bangkok
2.6 TVMINDEX Advertising Co., Ltd.	Office : 12 Nguyen Thi Minh Khai, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam

Details of the Board of Directors and Executives

As of December 31, 2012

Mr. Paiboon Damrongchaitham (Age: 63 years)	
Education	
<ul style="list-style-type: none"> Bachelor of Arts (Mass Communications) (Honors) Chulalongkorn University Doctoral of Business Administration (Honorary) Christian University 	
Number of Share Holding (%) (as of 31/12/12)	
289,201,630 shares (54.54%)	
Including related parties, according to Section 59 of the Securities and Exchange Act	
Relationship among Executives	
-None-	
Experience during the past 5 years	
Jul 2011 - Present	Member of the Nomination and Remuneration Committee GMM Grammy Plc.
2008 - Present	Chairman of the Company Advisor GMM Grammy Plc.
1998 - Present	Chairman of the Board GMM Grammy Plc.
2009 - Present	Vice Chairman Family Know How Co., Ltd.
2008 - Present	Chairman of the Company Advisor GMM Media Plc.
2007 - 2008	Advisor to the Executive Committee GMM Media Plc.
2005 - Jul 2011	Chairman of the Nomination and Remuneration Committee GMM Grammy Plc.
2005 - 2009	Chairman of the Nomination and Remuneration Committee GMM Media Plc.
2005 - 2007	Chairman of the Risk Management Committee GMM Media Plc.
2002 - 2009	Chairman of the Board GMM Media Plc.
2002 - 2007	Chief Executive Officer GMM Media Plc.
1998 - 2008	Advisor to the Executive Committee GMM Grammy Plc.

Mr. Chai Nasylvanta (Age: 54 years)	
Education	
<ul style="list-style-type: none"> Bachelor of Engineering (Electrical Engineering) Chulalongkorn University M.B.A. (Finance) University of Pennsylvania, U.S.A. 	
Number of Share Holding (%) (as of 31/12/12)	
-None-	
Relationship among Executives	
-None-	
Experience during the past 5 years	
2009 - Present	Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee GMM Grammy Plc.
1999 - Present	Independent Director GMM Grammy Plc.
2011 - Present	Director Advance Aviation Jet Co., Ltd.
2006 - Present	Director / Vice Chairman Advance Aviation Co., Ltd.
2006 - Present	Independent Advisor Benchachinda Holding Co., Ltd
1993 - Present	Director AON (Thailand) Ltd.
1989 - Present	Director AON Group (Thailand) Ltd.
2006 - Apr 2009	Director Post Publishing Plc.
2005 - Feb 2009	Member of the Nomination and Remuneration Committee GMM Media Plc.
2005 - 2006	Director Total Access Communication Plc.
2002 - Feb 2009	Independent Director / Chairman of the Audit Committee GMM Media Plc.
1999 - Feb 2009	Member of the Audit Committee GMM Grammy Plc.
1995 - 2006	Independent Advisor United Communication Industry Plc.
1984 - 1995	Senior Vice President, Project Finance Department Bangkok Bank Plc.

Mr. Dej Bulsuk (Age: 62 years)	
Education	
<ul style="list-style-type: none"> Bachelor of Business Administration Thammasat University 	
Seminar Accomplishment:	
<i>The Thai Institute of Directors (IOD):</i> Director Accreditation Program (DAP) (Class 23/2004)	
Number of Share Holding (%) (as of 31/12/12)	
-None-	
Relationship among Executives	
-None-	
Experience during the past 5 years	
July 2011 - Present	Chairman of the Nomination and Remuneration Committee GMM Grammy Plc.
2009 - Present	Member of the Audit Committee GMM Grammy Plc.
2002 - Present	Independent Director GMM Grammy Plc.
2011 - Present	Member of the Audit Committee Siam Future Development Plc. Independent Director Patum Rice Mill and Granary Plc.
2004 - Present	President CCC Business Development Co., Ltd. Independent Director / Member of the Audit Committee The Erawan Group Plc.
2004 - Present	Independent Director Siam Future Development Plc.
2002 - Present	Independent Director / Member of the Audit Committee Jay Mart Plc.
2001 - Present	Independent Director / Member of the Audit Committee AEON Thana Sinsap (Thailand) Plc.
2007 - 2009	Chairman of the Good Governance, Recruitment and Remuneration Committee Thailand Convention and Exhibition Bureau (TCEB) (Public Organization) Director Thailand Convention and Exhibition Bureau (TCEB) (Public Organization)

2006 - Jul 2011	Member of the Nomination and Remuneration Committee GMM Grammy Plc.
2006 - Feb 2009	Chairman of the Audit Committee GMM Grammy Plc.
2006 - 2009	Advisor to the Board President Bakery Plc.
2004 - 2006	Honorary Chairman McThai Co., Ltd. (McDonald's Thailand)
2002 - 2009	Independent Director / Member of the Audit Committee GMM Media Plc.
2002 - 2006	Member of the Audit Committee GMM Grammy Plc.
2001 - 2006	Chairman Ronald McDonald House Charities Foundation
1984 - 2004	President & Joint Venture Partner McThai Co., Ltd. (McDonald's Thailand)

Mr. Weerawong Chittmittrapap (Age: 54 years)**Education**

- Bachelor of Laws Chulalongkorn University
 - Master of Laws University of Pennsylvania U.S.A.
- Thai Barrister-at-Law and the first Thai lawyer admitted to the New York State Bar*

Seminar Accomplishment:

The Thai Institute of Directors (IOD):

1. Director Certification Program (DCP) (Class 0/2000)

Other Institutes:

1. Capital Market Academy Leader Program (Class 12/2011), Capital Market Academy

Number of Share Holding (%) (as of 31/12/12)

-None-

Relationship among Executives

-None-

Experience during the past 5 years

Apr 2012 - Present	Chairman of Corporate Governance and Ethics Committee GMM Grammy Plc.
2006 - Present	Independent Director / Member of the Audit Committee GMM Grammy Plc.
Dec 2012 - Present	Independent Director / Member of the Audit Committee Golden Land Property Plc.
2011 - Present	Director Minor International Plc. Independent Director / Member of the Audit Committee SCB Life Assurance Plc. Member of the CSR Committee Thai Airways International Plc. Independent Director/Member of the Audit Committee BerliJucker Plc.
2009 - Present	Independent Director / Member of the Audit Committee / Member of the Good Corporate Governance Committee Thai Airways International Plc.
2008 - Present	Chairman Weerawong, Chinnavat & Peangpanor Ltd. Director National Power Supply Plc.
2009 - Present	Director Nok Airlines Co., Ltd.

2008 - 2010	Director National Power Co., Ltd.
2007 - 2011	Independent Director / Member of the Audit Committee Siam Food Products Plc.
2005 - 2006	Director Nutrix Plc.
2001 - 2007	Independent Director / Member of the Audit Committee ITV Plc.
1996 - 2008	Executive Partner White & Case (Thailand) Ltd.

Other Present Works:

- Qualified Member to Trade Competition Committee, Ministry of Commerce
- Special Speaker, The Thai Institute of Directors (IOD)
- Special Advisor, Thai Listed Companies Association
- Special Lecturer, Institute of Legal Education, Thai Bar Association

Ms. Suvabha Charoenying (Age: 49 years)	
Education	
<ul style="list-style-type: none"> Bachelor of Business Administration (Finance) Assumption University Master of Business Administration Assumption University 	
Seminar Accomplishment:	
<i>The Thai Institute of Directors (IOD):</i>	
1. Financial Institution Governance Program (FGP 2012) 2. Audit Committee Program (ACP) (Class 35/2011) 3. Successful Formulation & Execution of Strategy (Class 6/2010) 4. DCP Refresher (Class 1/2005) 5. Finance for Non Finance Director (Class 1/2003) 6. Director Certification Program (DCP) (Fellow Member) (Class 1/2000)	
Other Institutes:	
1. Thammasat Leadership Program (TLP1/2012), Thammasat University 2. Certified Financial Planner (CFP) (Class 1/2009) 3. TLCA Executive Development Program (EDP 2) (Class 2/2008), Thai Listed Companies Association 4. Capital Market Academy Leader Program (Class 1/2005), Capital Market Academy 5. Certificate in Families Business : Generation to Generation Year 2004, Harvard Business School	
Number of Share Holding (%) (as of 31/12/12)	
-None-	
Relationship among Executives	
-None-	
Relationship among Executives	
Apr 2012 - Present	Member of the Corporate Governance and Ethics Committee GMM Grammy Plc.
2010 - Present	Independent Director / Member of the Audit Committee GMM Grammy Plc.
2009 - Present	Director / Executive Director Thanachart Securities Plc.
2001 - Present	Managing Director Thanachart Securities Plc.
2010 - 2011	Director / Executive Director Nakornluang Thai Securities Co., Ltd.
1996 - 2001	Chief Executive Officer Schroder Asset Management Ltd.
1993 - 1996	Vice President KGI Securities Plc.
1990 - 1993	Vice President Morgan Grenfell Thai Company Limited
1988 - 1990	Manager, Business Development Department Kasikorn Bank Plc.

Ms. Boosaba Daorueng (Age: 60 years)	
Education	
<ul style="list-style-type: none"> Bachelor of Liberal Arts Thammasat University 	
Number of Share Holding (%) (as of 31/12/12)	
1,500,200 shares (0.28%)	
Including related parties, according to Section 59 of the Securities and Exchange Act	
Relationship among Executives	
-None-	
Experience during the past 5 years	
May 2012 - Present	Chairman of the Group Executive Committee GMM Grammy Plc.
Feb 2012 - Present	Group Chief Executive Officer (Group CEO) GMM Grammy Plc.
2008 - Present	Vice Chairman GMM Grammy Plc.
2005 - Present	Chairman of the Risk Management Committee GMM Grammy Plc.
1994 - Present	Director GMM Grammy Plc.
Oct 2010 - Present	Director GR Vocal Studio Co., Ltd.
May 2010 - Present	Director Acts Studio Co., Ltd.
2008 - Present	Advisor GMM Media Plc.
Jul 2005 - Present	Director Index Creative Village Plc.
Apr 2004 - Present	Director Scenario Co., Ltd.
2009 - May 2012	Co-Chief Executive Director GMM Grammy Plc.
2009 - Feb 2012	Co-Chief Executive Officer GMM Grammy Plc.
2003 - 2008	Advisor to the Board of Directors GMM Media Plc.
	Advisor to the Executive Committee GMM Media Plc.
2002 - Feb 2009	Chief Executive Director / Chief Executive Officer GMM Grammy Plc.
2001 - 2002	Chief Creative Officer (Creative Division) GMM Grammy Plc.

Mrs. Saithip Montrikul Na Audhaya (Age: 56 years)**Education**

- Bachelor of Arts (Mass Communications)
Chulalongkorn University
- Honorary Bachelor of Technology (Mass Communication of Technology) Rajamangala University of Technology Rattanakosin

Number of Share Holding (%) (as of 31/12/12)

100 shares (0%)

Including related parties, according to Section 59 of the Securities and Exchange Act

Relationship among Executives

-None-

Experience during the past 5 years

May 2012 - Present	Member of the Group Executive Committee GMM Grammy Plc.
Feb 2012 - Present	Chief Executive Officer (Media Business) GMM Grammy Plc.
2009 - Present	Member of the Risk Management Committee GMM Grammy Plc.
2002 - Present	Director GMM Grammy Plc.
Mar 2012 - Present	Director GMM Z Co.,Ltd.
Sep 2010 - Present	Director A Gen Event Agency Co., Ltd.
May 2010 - Present	Director Acts Studio Co., Ltd.
Apr 2010 - Present	Director Image On Air Co., Ltd.
2009 - Present	Chairman of the Board GMM Media Plc.
2007- Present	Chief Executive Officer GMM Media Plc. Director / Managing Director A-Time Traveler Co., Ltd.
2002 - Present	Director / Managing Director GMM Media Plc.
1989 - Present	Director / Managing Director A-Time Media Co.,Ltd.
2009 - May 2012	Co-Chief Executive Director GMM Grammy Plc.

2009 - Feb 2012	Co-Chief Executive Officer GMM Grammy Plc.
2008 - Feb 2009	Vice Chairman GMM Media Plc.
2007 - Feb 2009	Chairman of the Risk Management Committee GMM Media Plc.
2005 - 2007	Member of the Risk Management Committee GMM Media Plc.
2002 - 2007	Executive Director GMM Media Plc.
1989 - Feb 2009	Executive Director GMM Grammy Plc.

Mr. Krij Thomas (Age: 52 years)	
Education	
<ul style="list-style-type: none"> Bachelor of Arts (Mass Communications) Chulalongkorn University 	
Number of Share Holding (%) (as of 31/12/12)	
1,327,200 shares (0.25%)	
Including related parties, according to Section 59 of the Securities and Exchange Act	
Relationship among Executives	
-None-	
Experience during the past 5 years	
May 2012 - Present	Member of the Group Executive Committee GMM Grammy Plc.
Apr 2012 - Present	Member of the Corporate Governance and Ethic Committee GMM Grammy Plc.
Feb 2012 - Present	Chief Executive Officer (Music Business) GMM Grammy Plc.
Feb 2011 - Present	Member of the Risk Management Committee GMM Grammy Plc.
2008 - Present	Director GMM Grammy Plc.
2003 - Present	Managing Director (Grammy Gold Division) GMM Grammy Plc.
Jul 2012 - Present	Director GMM Z Co., Ltd.
2007 - Present	Director 3-RD Co., Ltd.
1997 - Present	Managing Director Krij Thomas Co., Ltd.
2011 - Feb 2012	Senior Executive Vice President (Music Business Division) GMM Grammy Plc.
2008 - 2010	Executive Vice President (Music Business Division) GMM Grammy Plc.
2005 - 2006	(Acting) Managing Director (GMM International Division) GMM Grammy Plc.
2004 - May 2012	Executive Director GMM Grammy Plc.
2004 - Feb 2009	Executive Director Dokya Poojong Co., Ltd.
2001 - 2003	Deputy Managing Director (Grammy Gold Division) GMM Grammy Plc.
1999 - 2001	Assistant Vice President (Grammy Gold Division) GMM Grammy Plc.

Ms. Suwimon Chungjotikapisit (Age: 60 years)	
Education	
<ul style="list-style-type: none"> Bachelor of Political Science (Honors) Chulalongkorn University 	
Seminar Accomplishment:	
<i>The Thai Institute of Directors (IOD):</i> Director Certification Program (DCP) (Class 12/2001)	
Number of Share Holding (%) (as of 31/12/12)	
-None-	
Relationship among Executives	
-None-	
Experience during the past 5 years	
Nov 2010 - Present	Director GMM Grammy Plc.
Aug 2008 - Present	Company Advisor GMM Grammy Plc.
Oct 2010 - Present	Director GR Vocal Studio Co., Ltd.
Sep 2010 - Present	Director A Gen Event Agency Co., Ltd.
May 2010 - Present	Director Acts Studio Co., Ltd.
Apr 2010 - Present	Director Image On Air Co., Ltd.
2005 - Jul 2008	Advisor to the Chairman GMM Grammy Plc.
2001 - 2004	Executive Vice President Central Pattana Plc.
2001 - 2003	Director Central Pattana Plc.
1997 - 2001	Vice President Central Pattana Plc. Vice President - Leasing and Marketing Central Pattana Plc.

Mr. Kreingkarn Kanjanapokin (Age: 50 years)**Education**

- Bachelor of Political Science Chiang Mai University

Seminar Accomplishment:

The Thai Institute of Directors (IOD):

1. Financial Statement for Directors, 2008
2. Director Accreditation Program (DAP) (Class 30/2004)

Number of Share Holding (%) (as of 31/12/12)

1,866,200 shares (0.35%)

Including related parties, according to Section 59 of the Securities and Exchange Act

Relationship among Executives

-None-

Experience during the past 5 years

2009 - Present	Director GMM Grammy Plc.
May 2012 - Present	Director Index and V Co., Ltd.
Apr 2012 - Present	Director Index and M Co., Ltd.
2008 - Present	Director GMM Media Plc.
2004 - Present	Director / Co-Chief Executive Officer Index Creative Village Plc.
2009 - May 2012	Executive Director GMM Grammy Plc.
2001 - 2004	Managing Director Index Event Agency Co., Ltd.

Other Present works:

- Special Speaker, Master Degree Program, School of Communication Arts, University of the Thai Chamber of Commerce, Bangkok University and National Institute of Development Administration (NIDA)
- Special Speaker for Reputable Institutes and Organizations

Mr. Takonkiet Viravan (Age: 46 years)**Education**

- Bachelor of Communication & Theatre Boston College U.S.A.
- M.S. (Broadcasting) Boston University U.S.A.
- Honorary Doctor of Science (Mass Communication of Technology) Rajamangala University of Technology Thanyaburi

Number of Share Holding (%) (as of 31/12/12)

5,775,700 shares (1.09%)

Including related parties, according to Section 59 of the Securities and Exchange Act

Relationship among Executives

-None-

Experience during the past 5 years

2009 - Present	Director GMM Grammy Plc.
Jul 2012 - Present	Director Rachadalai Co., Ltd.
Sep 2010 - Present	Director A Gen Event Agency Co., Ltd.
May 2010 - Present	Director / Managing Director Acts Studio Co., Ltd.
2009 - Present	Director / Managing Director Methi 1 Co., Ltd.
May 2007 - Present	Director BEC Tero - Scenario Co., Ltd.
2004 - Present	Director / Managing Director Scenario Co., Ltd.
2003 - Present	Director / Managing Director Teentalk Co., Ltd.
2002 - Present	Director GMM Media Plc.
1991 - Present	Director / Managing Director Exact Co., Ltd.
2009 - May 2012	Executive Director GMM Grammy Plc.
2002 - Feb 2009	Executive Director GMM Media Plc.
1985 - Nov 2009	Director Noble Development Plc.

Mr. Sataporn Panichraksapong (Age: 45 years)**Education**

- Bachelor of Journalism and Mass Communications (Cinematography) Thammasat University

Number of Share Holding (%) (as of 31/12/12)

-None-

Relationship among Executives

-None-

Experience during the past 5 years

Apr 2012 - Present	Member of the Corporate Governance and Ethics Committee GMM Grammy Plc.
2009 - Present	Director GMM Grammy Plc.
2009 - Present	Member of the Risk Management Committee GMM Grammy Plc.
2008 - Present	Assistant to Executive Vice President (Music Business Division) GMM Grammy Plc.
2009 - Present	Director GMM Media Plc.
2007 - Present	Director / Managing Director GMM TV Co., Ltd.
2009 - May 2012	Executive Director GMM Grammy Plc.
2007 - Feb 2009	Member of the Risk Management Committee GMM Media Plc.
2005 - 2006	Senior Vice President, Chief Executive Officer Office GMM Grammy Plc.
2005 - 2007	Deputy Managing Director Grammy Television Co., Ltd.
2002 - 2005	Deputy Managing Director (Music Business) RS Promotion Plc.

Mr. Thana Tienachariya (Age: 43 years)**Education**

- Bachelor of Economics (Second Honors)
Chulalongkorn University
- Master of Business Administration Washington State University, U.S.A.

Seminar Accomplishment:

1. TLCA Executive Development Program (Class 8/2011), Thai Listed Companies Association
2. Political Leadership in New Era (Class 1/2011), King Prajadhipok's Institute
3. Leadership Program (Class 8/2009), Capital Market Academy (CMA)

Number of Share Holding (%) (as of 31/12/12)

-None-

Relationship among Executives

-None-

Experience during the past 5 years

May 2012 - Present	Member of the Group Executive Committee GMM Grammy Plc.
Feb 2012 - Present	Chief Executive Officer (Broadcasting Business) GMM Grammy Plc.
Mar 2012 - Present	Director / Chief Executive Officer GMM Z Co., Ltd.
May - Dec 2011	Chief Executive Officer P.K. Garment (Import - Export) Co., Ltd.
June 2010 - 2011	Chief Corporate Affairs Officer Total Access Communication Plc.
May 2005 - 2010	Chief Commercial Officer Total Access Communication Plc.
1996 - 2005	Vice President Total Access Communication Plc.

Mr. Premon Pinskul (Age: 56 years)**Education**

- Master of Accounting (Commerce and Accountancy) Thammasat University
- Master of Arts (Economics) University of Detroit, U.S.A.
- Master of Business Administration University of Detroit, U.S.A.

Number of Share Holding (%) (as of 31/12/12)

-None-

Relationship among Executives

-None-

Experience during the past 5 years

Jul 2011 - Present	Member of the Risk Management Committee GMM Grammy Plc.
Jul 2011 - Mar 2012	Member of the Corporate Governance Committee GMM Grammy Plc.
Jun 2011 - Present	Chief Financial Officer GMM Grammy Plc.
Mar 2012 - Present	Director GMM Z Co., Ltd.
Jul 2011 - May 2012	Executive Director / Secretary to the Executive Committee GMM Grammy Plc.
2005 - 2011	Assistant Chief Financial Officer Total Access Communication Plc.

Mrs. Jiraporn Rungsirithong (Age: 44 years)**Education**

- Bachelor of Arts (German) Silpakorn University
- Master of Business Administration Winthrop University, SC, U.S.A.

Seminar Accomplishment:

1. Director Certification Program (DCP) (Class 167/2012), Thai Listed Companies Association
2. TLCA Executive Development Program (EDP2) (Class 2/2008), Thai Listed Companies
3. Capital Market Academy Leader Program (Class 2/2006), Capital Market Academy
4. The Theory and Practice of Investor Relations (2004), University of Michigan, U.S.A.

Number of Share Holding (%) (as of 31/12/12)

5,000 shares (0%)

Relationship among Executives

-None-

Experience during the past 5 years

Dec 2012 - Present	Secretary to the Nomination and Remuneration Committee GMM Grammy Plc.
Aug 2012 - Present	Member of the Risk Management Committee GMM Grammy Plc.
23 Jul - Present	Chief Investment Officer and Acting Chief Administrator Officer GMM Grammy Plc.
1 Jul - Present	Member of the Group Executive Committee GMM Grammy Plc.
2001 - Present	Director Thai Investor Relations Club
1 - 22 Jul 2012	Chief Investment Officer GMM Grammy Plc.
1996 - June 2012	Senior Vice President - Investor Relations Electricity Generating Plc.
1995 - 1996	Business Analyst Moody's Investor Services, U.S.A.

Other Reference Persons

Registered office

GMM Grammy Public Company Limited

50 GMM Grammy Place, Sukhumvit 21 Rd. (Asoke), Khlongtoeinuea, Wattana, Bangkok 10110

Tel. (662) 669-9000

Fax: (662) 669-9737

Share Register

Thailand Securities Depository Co., Ltd.

62 The Stock Exchange of Thailand Building, 4, 6-7th Floor, Rajadapisek Rd., Khlongtoey, Bangkok 10110

Tel. (662) 229-2800

Fax: (662) 359-1259

Auditor

Ernst & Young Office Limited

193/136-137 Lake Rajada Office Complex, 33rd Floor, New Rajadapisek Rd., Bangkok 10110

Tel. (662) 264-0777, (662) 661-9190

Fax: (662) 264-0789-90, (662) 661-9192

Legal Advisor

BAKER & MCKENZIE Co., Ltd.

990 Abdulrahim Place, 22nd-25th Floors, Rama IV Rd., Silom, Bangrak, Bangkok 10500

Tel. (662) 636-2000

Fax: (662) 636-2111

Weerawong Chinnavat and Peangpanor Ltd.

540 Mercury Tower, 22nd Floor, Plearnjit Rd., Lumpini, Pathumwan, Bangkok 10330

Tel. (662) 264-8000

Fax (662) 657-2222



GMM Grammy Public Company Limited

50 GMM Grammy Place, Sukhumvit 21 Rd. (Asoke), Khlongtoeinuea, Wattana, Bangkok 10110 Thailand

Tel: (66) 2669-9000 Fax: (66) 2669-9009

www.gmmgrammy.com