



Form 56-1 One Report

Annual Registration Statement / Annual Report 2021

Ending 31 December 2021

WAVE Entertainment Public Company Limited

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Report of The Chairman*Matthew Kichodhan**Chairman & CEO*

We continue to consolidate Wave businesses in 2021 with the overall aim to reduce our Total Debt burden, and reset the Group's business on a more sustainable financial path given the scale of our businesses, and the current Economic situation. We have reduced our Total Interest Bearing Debt from Baht 1.8 billion to Baht 0.3 billion over the past 7 years.

We reaffirm our Long Term commitment to realize our Vision to become a leading "Lifestyle and Entertainment" Company to provide our consumers with unique quality products, services, programs and entertainment to further enrich their lives. We still believe that the Lifestyle sector to Food, and Education still have growth opportunities tapping into teens and young adults as Thailand's middle class develops and the opportunities that AEC presents. We believe that Wave's transformation into a "Lifestyle & Entertainment" Company offers a unique combination that will enable Wave to leverage its Entertainment and Media business to support and grow its new Lifestyle businesses. However, given the current Economic situation and taking into account changes in the market, we have begun to review our businesses to reset and refocus our efforts on areas of strength, and opportunities where we can grow profitability and with scale into the future.

The COVID-19 pandemic and countermeasures issued by the Thai government have resulted in temporary closures and limited business operations through the year which impacted group's top line significantly. Nevertheless, the Wall Street English business managed to reduce its cost and expenses and, as result, EBITDA turned positive at 7%. We plan to refurbish and relocate centers in Seacon and Fashion Island and also open our second up-country WSE franchisee in Udun Thani and Cambodia in 2022 as part of our growth model for the WSE business.

Jeffer Restaurant sales declined significantly as a result of the COVID-19 pandemic impact. We continue to consolidate our stores to strengthen the overall total portfolio. Nonperforming stores were closed, resulting in the net drop in stores number from 47 to 32 by end 2021. Jeffer continues to offer organic and regional growth opportunities to expand Jeffer's unique value position in the Western Dine-In segment targeting teens, young adults and families. This year we have added many more Asian dishes such as Korean and Thai available through all channels: take away, delivery and dine-in to cater to more local consumers during their economic situation. We also opened Jeffer's first franchise in Chumphon with plans to grow franchising business. We continue to roll out Jeffer's new Brand Corporate Identity with a refresh look and feel to testify with our "Lifestyle" positioning.

Our investment in the Thai Solar Energy Public Company (TSE) continues to be a valuable asset. We continue to hold 2% of TSE. The market capital of TSE as of December 31st was around Baht 113.49 million.

The Company continues our emphasis on Good Corporate Governance by maintaining an "Excellent" rating of 93% in the Corporate Governance Report of Thai Listed Companies in 2021 from the Thai Institute of Directors (IOD), supported by the Stock Exchange of Thailand, as well as maintaining an "Excellent and deserve as an example" rating of 100% from the Thai Investors Association in their assessment of our Annual General Meeting in 2021. We will strive to improve our standing and rating in Good Corporate Governance in the upcoming years.

We are optimistic on the future of our businesses in the years ahead through cautious expansion, improving margins, and driving growth through franchising opportunities. We will continue to transform and reset Wave into a leading "Lifestyle and Entertainment" company with further opportunities to expand organically and expansion into AEC countries. On behalf of the Board of Directors, I would like to thank our shareholders, investors, customers, strategic partners, government agencies and our employees for their continual support and confidence in the Company.

Warmest regards,

Matthew Kichodhan
Chairman & CEO

Board of Directors



Mr. Matthew Kichodhan

- Chairman,
- Chief Executive Officer,
- Member of the Nomination and Remuneration Committee and
- Authorized Director



Mr. Prasert Patradhilok

- Independent Director and
- Chairman of the Audit Committee



Mr. Somsak Phayapdacharchai

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



M.L. Naline Hastintra

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



Mr. Chaipranin Visudhipol

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



Mr. Philipp Oliver Piaz

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



Dr. Cathleen Maleenont

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



Mr. Kijcharnpit Sukangwanwit

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



Mrs. Angkanee Rerksirisuk

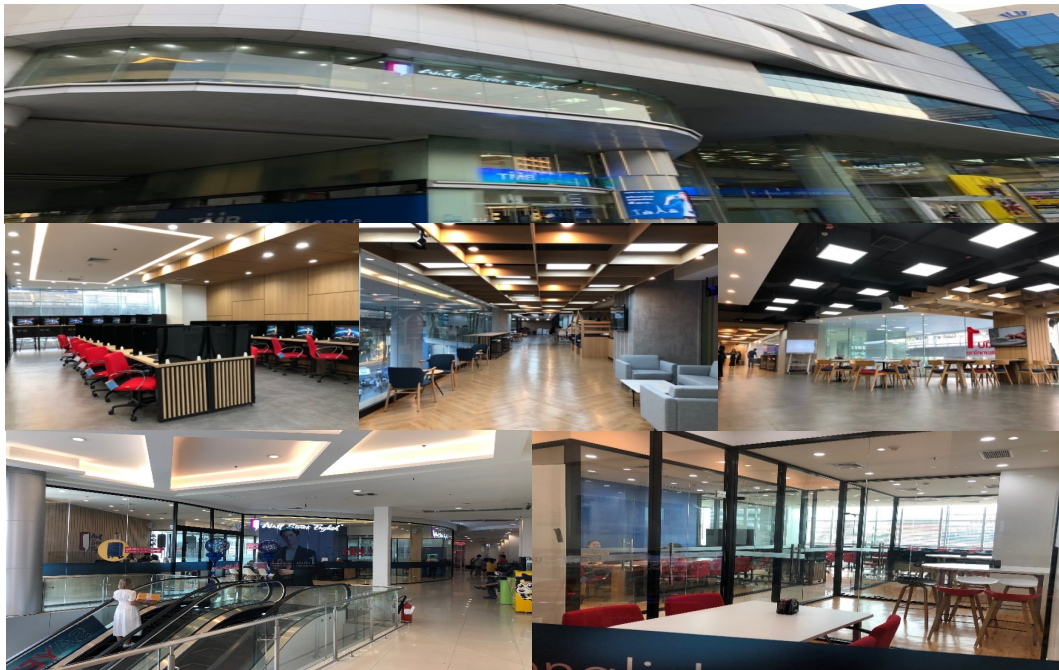
- Director and
- Authorized Director

1. WAVE Group Structure and Operation

1.1 Policy and business overview

Wave Entertainment Public Company Limited (“WAVE” or the “Company”) had been changed from its former name “CVD Entertainment Public Company Limited” to its current name since 30 April 2009, was incorporated on 2 September 1993 with the current registered capital of Baht 1,415 million, divided into 1,415 million ordinary shares with a par value per share of Baht 1 and paid-up capital of Baht 785.26 million. The initial objective of WAVE was to manufacture blank video tape cassettes (V-O) and video tape cassettes with magnetic tapes (V-cassettes). At present, WAVE Group has changed from Entertainment to Lifestyle & Entertainment. WAVE Group conducts the following businesses:

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



(2) Restaurant business under the trade name of “Jeffer Steak & Seafood”



1.1.1 Vision, Mission and Objectives

Vision

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

Mission

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

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

Core Values

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

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

The Company's plan or strategy to attain such goals and objectives include creating products with quality, uniqueness, and variety to reach the target group, being competitive, having innovative and flexible marketing strategy, having efficient teamwork and staff, and conducting businesses in accordance with the principles of good corporate governance. The Company shall have ethics, respect rights and be responsible to shareholders and stakeholders, make contributions to the society, reduce negative impact on the environment, and can adapt under the changing environment. "The Company's business plan, is in accordance with the objectives and vision of the company listed above with target financial of income not less than 10%."

1.1.2 Key milestones and development of the Company

Year	Key Milestones and Development
2002	The Company ceased the manufacturing of video tape cassettes.
2007	The Company terminated the procurement and distribution of copyright movies.
2010	The Company expanded its entertainment business by being a television programs producer and distributor.
2011	<ul style="list-style-type: none"> The Extraordinary General Meeting of Shareholders No. 1/2011 approved the Company to additionally invest in Thai Solar Energy Co., Ltd (“TSE”), doing business on electricity producing from solar energy for sale to public and private sectors, from 10% to not exceeding 35% of the registered capital of TSE. TSE’s shareholders’ meeting approved the Company to invest in TSE at 25% of the registered capital of TSE. The Company made an additional payment for newly issued shares in TSE in an amount of Baht 117.5 million, the total investment was Baht 149.5 million of which is deemed as investment in TSE at 10.9% of the registered and paid-up of TSE.
2012	The Company expanded its entertainment business by being an organizer of concerts and other events.
2013	<ul style="list-style-type: none"> The Company expanded its entertainment business by being a movie producer and distributor. On 10 September 2013, Mr. Pracha Maleenont resigned from the position of director and management of the Company and Mr. Matthew Kichodhan was appointed as replacement on 7 October 2013. The Company made an additional payment for newly issued shares in TSE in an amount of Baht 104.7 million, the total investment was Baht 341.2 million of which is deemed as investment in TSE at 25% of the registered and paid-up capital of TSE.
2014	<ul style="list-style-type: none"> On 30 April 2014, the Company expanded its business to lifestyle business, i.e. an English language school under the name of “Wall Street English”, by acquiring all shares in Efficient English Services Ltd. (“EES”). The Company purchased 22 million shares in TSE, which were offered through initial public offering (IPO) at Baht 3.90 per share, the total investment was Baht 85.80 million of which is deemed as investment in TSE at 20% of the registered and paid-up capital of TSE. On 4 December 2014, the Company expanded its lifestyle business by acquiring restaurant business under the name of “Jeffer Steak & Seafood” through WAVE Food Group Co., Ltd., the Company’s subsidiary, of all shares in Jeffer Restaurant Co., Ltd.
2015	On 30 June 2015, the Company expanded its entertainment business by acquiring 86 million shares, representing 50% of the issued and paid-up shares of Index Creative Village Pcl., which provide service business for creation and management of integrated marketing communications under the name “Index”.
2016	<ul style="list-style-type: none"> Capital increase under general mandate In March 2016, the Company allotted newly issued shares under general mandate scheme of up to 97.20 million shares with a par value of Baht 1 to all existing shareholders of the Company (Right Offerings) at the offer price of Baht 3.50 per share.
	<ul style="list-style-type: none"> Partial disposal of holding in TSE In November 2016, the Company sold 181.50 million TSE shares, accounting for 10% of the registered and paid up capital of TSE. As a result of such disposal, the Company subsequently holds 10% of the registered and paid up capital of TSE.

Year	Key Milestones and Development
	<ul style="list-style-type: none"> Restructure of education business <p>In December 2016, the Company restructured its shareholding in education business to accommodate for business expansion to CLMV by selling all EES shares or 100% of paid-up ordinary and preferred shares to Wave Education Group Company Limited (former name is CVD Organizer Company Limited) ("Purchaser") which is a 100% subsidiary of the Company.</p>
2017	<p>Restructure of television programs producer and distributor</p> <p>In December 2017, the Company restructured its shareholding in television programs producer and distributor business by selling all shares in WAVE TV Company Limited or 100% of paid-up capital to WAVE Pictures Company Limited ("Purchaser"), which is a 100% subsidiary of the Company.</p>
2018	<ul style="list-style-type: none"> Offering of newly issued ordinary shares to specific investor (Private Placement) <p>On 29 March 2018, the Company issued and offered new ordinary shares in the number of 46.75 million shares to The Mall Group Co., Ltd.</p>
	<ul style="list-style-type: none"> Disposal of shares in Index Creative Village Public Company Limited <p>On 24 December 2018, the Company entered into share sale and purchase agreement to dispose not exceeding 86 million shares, representing 50% of paid-up capital of Index Creative Village Public Company Limited (Index) to Kanjanapokin Family (Seller Group), which is an existing shareholder of Index.</p>
2019	<p>During Quarter 4 of the year 2019, the Company has expanded its business through franchising:</p> <ul style="list-style-type: none"> Wave Education Group Co., Ltd. which is a parent company of Wall Street English (Thailand) Co., Ltd. and a master franchisee of English language institution under the name "Wall Street English". As master franchisee, Wave Education Group Co., Ltd. has the right to sub-franchise to investors in Thailand, Kingdom of Cambodia, and Lao People's Democratic Republic. At present, there is one branch opened by sub-franchisee in Khon Kaen Province in the Northeastern region of Thailand. In respect of Jeffer Restaurant Co., Ltd., Jeffer opened 1 franchisee branch in Chomphon Province.
2020	<p>The Company invested in The Megawatt Company Limited</p> <ul style="list-style-type: none"> The Board of Directors' Meeting No. 3/2020 held on 24 June 2020 has resolved to approve investment in The Megawatt Company Limited ("Megawatt"), which conducts energy business Thailand and overseas in an amount of not exceeding Baht 500 million, representing 28.36% of the total registered capital of Megawatt in an amount of Baht 1,763 million. On 5 November 2020, the Company made a payment for 2.85 million shares in Megawatt with a par value of Baht 100, totaling Baht 285 million, representing 29.20% of the total issued and paid-up capital of Megawatt in an amount of Baht 976 million.
	<p>The issuance and offering of newly issued ordinary shares to existing shareholders proportionate to their respective shareholdings (Rights Offering).</p> <p>In October 2020, the Company has allotted newly issued ordinary shares in the number of not exceeding 701,927,387 shares at a par value of Baht 1 per share to the existing shareholders proportionate to their respective shareholdings (Rights Offering) at the ratio of 1 existing share to 1.5 newly issued ordinary share, at the offering price of Baht 0.70 per share and has allotted the warrants to purchase newly issued ordinary shares no. 2 of the Company (WAVE-W2)(the "Warrants") in the number of not exceeding 350,963,694 units to the existing shareholders who have subscribed the newly issued shares in proportion to their shareholding under the Rights Offering at the allocation ratio of 2 newly issued shares to 1 warrant unit, at the offering price of 0 baht per unit.</p>

Year	Key Milestones and Development
2021	<p>The decrease of the Company's registered capital by canceling unsold shares</p> <p>In June 2021, the Company decreased its registered capital of 576,925,916 shares at a par value of Baht 1 per share, from the existing registered capital of Baht 1,520,842,672 to the new registered capital of Baht 943,916,756 by canceling the unsold shares which are used to accommodate the rights offering and the warrants to purchase newly issued ordinary shares no. 2 of the Company (WAVE-W2)(the "Warrants")</p>
	<p>The increase of the Company's registered capital under the General Mandate</p> <p>In June 2021, the Company increased its registered capital of 471,083,244 shares at a par value of Baht 1 per share, from the existing registered capital of Baht 943,916,756 to the new registered capital of Baht 1,415,000,000 under the General Mandate.</p>

1.1.3 Use of fundings

-None-

1.1.4 WAVE's obligations as stipulated in the filing form

-None-

1.1.5 General Information

(1) Company details

Name	WAVE Entertainment Public Company Limited
Head Office	Maleenont Tower, 15th floor, No. 3199, Rama IV Road, Klongton Sub-district, Klong-toey District, Bangkok 10110
Type of business	1. Copyright owner and distributor of Thai drama series of Channel 3 2. Holding company
Register No.	0107536000978 (former: Bor Mor Jor 171)
Tel	(02) 665 – 6705
Fax	(02) 665 – 6750
Web site	www.wave-groups.com
Registered capital	Baht 1,415 million
Number and type of share	1,415 million ordinary shares with a par value of Baht 1 each
Paid-up capital	Baht 785.26 million
Number and type of share	785.26 million ordinary shares with a par value of Baht 1 each

(2) Reference persons

Share registrar	Thailand Securities Depository Co.,Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. (02) 009 - 9000 Fax (02) 009 - 9991
Auditor	PricewaterhouseCoopers ABAS Ltd. 15 th floor Bangkok City Tower 179/74-80 South Sathorn Road, Bangkok 10120 Tel. (02) 844-1000 Fax. (02) 286-5050 Ms. Tithinun Vankeo Certified Public Accountant (Thailand) No. 9432 and / or, Mr. Paiboon Tunkoon Certified Public Accountant (Thailand) No. 4298 and / or, Ms. Nuntika Limviriyalers Certified Public Accountant (Thailand) No. 7358 have been appointed by auditors
Legal counsel	Capitalbox Consulting Co., Ltd. 93 Soi Chan 6, Thung Waddon Sub-District, Sathorn District, Bangkok 10120

1.2 Nature of Business

1.2.1 Revenues Structure of WAVE Group for the past 3 years

(Unit: Million Baht)

Products / Services	Operated by	% Shareholding by WAVE or its subsidiary	2019		2020		2021	
			Revenues	%	Revenues	%	Revenues	%
Total revenues								
1. Restaurant business	JEFFER	100	511	46	0	0	0	0
2. English language school business	WSE	100	545	50	435	94	286	86
3. Entertainment	WAVE,	100	31	3	20	4	0	0
	WAVE TV							
4. Other income	All companies		15	1	8	2	47	14
Total revenues			1,102	100	463	100	333	100
Growth rates				(3%)		(58%)		(28%)

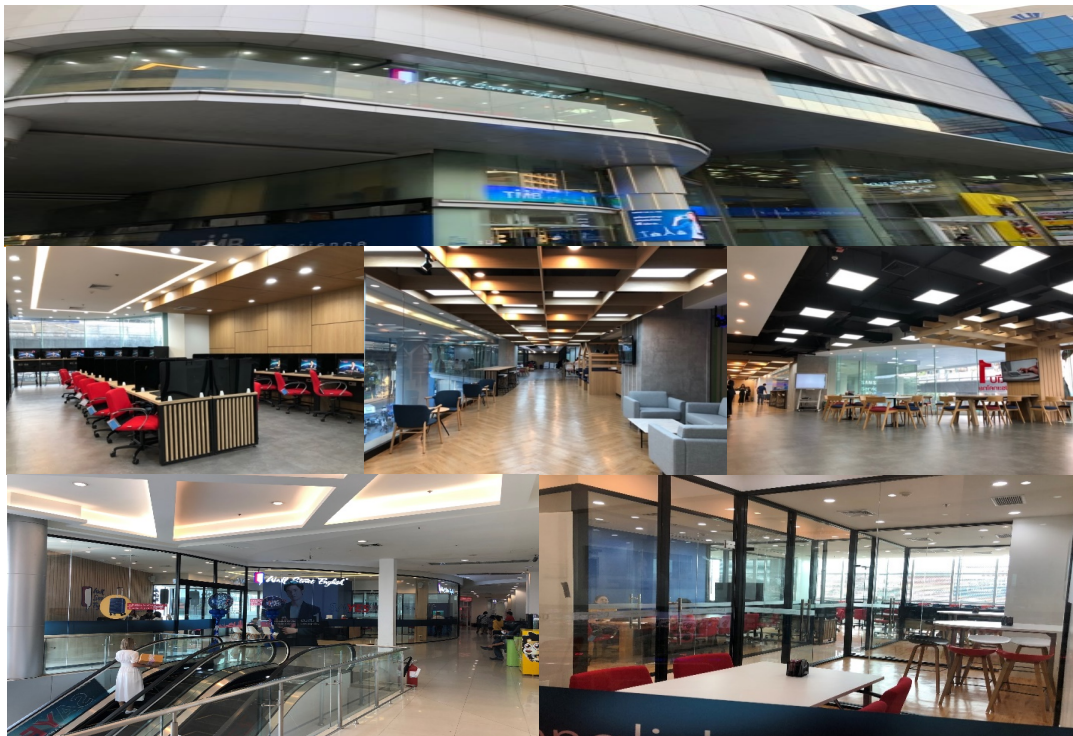
1.2.2 Information on products and services

(1) Characteristics of products and services

Nature of Business

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

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



Nature of business

Wall Street English (Thailand) Co., Ltd (“WSE”) is the company which operates and provides English language courses and services for adult learners under the name “Wall Street English”. Its products and services are operated under copyright of WSE Hong Kong Limited. In addition, WSE is a licensed operator in Thailand under the Private School Act B.E. 2550 (2007).

At the international level, WSE has been an English language institute with over 48 years of experience, 450 centers in 29 countries worldwide and over 3 million alumni students. In Thailand, WSE which is the subsidiary company of Wave Education Group and it's the company that owns the copyright to operate the institute in the country. WSE has been operating for more than 18 years in Thailand since 2003 with over 92,000 graduates, and in 2021, WSE has 7,300 current students. Currently, WSE has 11 centers in Bangkok and its perimeters plus 2 centers in the economic provincial region of Chiangmai at the Central Festival Mall and in Passione Shopping Destination, Rayong. Consequently, WSE currently has 13 centers spread across the country.

Around the end of 2021, WSE closed 1 center which is Ladprao center as the lease agreement came to an end and for the effective management during the outbreak of the Coronavirus Disease 2019 (COVID-19) that occurred again in 2021.

Besides the company's expansion plan, Wave Education Group which is the parent company and the entrepreneur that owns copyright of Master Franchise Agreement to operate English school business under the name Wall Street English in Thailand, Kingdom of Cambodia and Lao People's Democratic Republic. Therefore, Wave Education Group can operate the business by itself and/or by subsidiary company or associated company. Also, Wave Education Group has the right to give permission to other entity (Sub Franchisee) to operate English School business under the name of Wall Street English via Franchise system. With the plan of expanding centers via Franchise system, we aim to increase service bases and open more business to various areas in Thailand. In 2019, we opened 1 center by Franchisee in Khon Kaen province in northeastern region of Thailand. Therefore, the number of centers which operated by the company and by Franchise is in total of 14 centers.

Furthermore, business expansion plans via Franchise system in Kingdom of Cambodia and Lao People's Democratic Republic were postponed in 2021 due to the outbreak of Covid-19 in both countries. However, the expansion plans will be resumed once the situation is better.

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

Furthermore, the copyright owner makes a continuous development in the learning method by investing in technology aspect in order to develop online learning to become more up-to-date which make the course more interesting and meet the students' needs even more. In 2021, the learning format was developed to be All access which students can choose 2 options to study. The first one is studying both in-center and online while the second one is studying online only. Both options successfully met target groups' needs and were appropriate to the situation of the COVID-19 outbreak that took place in 2021. In addition, to fulfill extra needs for certain groups of students, WSE also provides a special one-on-one course (VIP Course) with native teachers to ensure quickest success of learners.

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

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

Industry outlook and competition

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

Wall Street English has been operating for more than 18 years in Thailand with constant expansion, and being well-known and recognized for its unique learning method. Moreover, WSE's course levels officially correlated to Common European Framework of Reference (CEFR) and certified by University of Cambridge in England. Therefore, WSE can certainly be considered as a high potential English language school in the Thai market.

- **Target customers**

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

- **Competitive strategy**

With the demand for learning and development in English language of Thai people has been increasing recently which leads to high competition in teaching and training English language school business, several new schools opened for business which easily competed with the current ones. However, WSE has set goal to become a business leader in private school providing teaching and training English language by employing experienced personnel with suitable qualifications, locating its centers in good locations, providing online solution to match the changing lifestyle of target customers, building up strong and quality sales team, organizing campaigns which are suitable to each target group, and adjusting itself to the ever-changing environment. In addition, WSE set the up-to-date and interesting marketing plans to promote the brand and corporate image, promotional activities via various marketing strategies. At the same time, WSE continuously focuses on the alumnus by presenting various campaigns to meet the target group's needs and to boost the sales volume effectively.

- **Channel of Distribution**

The outbreak of COVID-19 in 2020 has changed customers' behavior to the new normal. So, the company has made adjustment to support and reach the new normal behavior in every customer group by providing 2 learning formats which are 100% online and all access as an alternative for students and the learning is still able to proceed continuously. Nevertheless, Wall Street English adds a new channel of distribution which is E-Commerce platform to customers who are not convenient to travel to the centers and customers who are in up-country (where there is no center located) can apply for the course. This is to expand customer base and cover service countrywide.

- **Marketing Overall Strategy**

In 2021 Wall Street English adjusted the marketing plans and service in accordance with the current economy situation and the challenge from the outbreak of Covid-19. The focuses were on the service and students' success despite the school wasn't able to operate onsite for several months. Therefore, the marketing plans and campaigns mainly focused on increasing the opportunity and the convenience to learn English from several platforms throughout the year. This is to emphasize how English helped opening the door for better opportunities, increasing communication skill effectively to achieve goals that each student set. The company utilized mix-and-match marketing tools that designed for 3 groups of target customers who have different goals. The main 3 groups of target customers are the followings;

1. High School and University students
2. Office workers and business owners
3. Parents

Nevertheless, WSE used public relations via several media channels especially online and social media to create awareness and increase interest of each target customer. WSE continuously launched marketing campaigns and sales promotions that fit to the customers who had the power purchasing throughout the year. In addition, WSE increased a clear and strong brand awareness through various types of content that meet customers' needs. The campaigns received positive responses from the customers and drew attention from target groups as well. The purpose of launching marketing campaigns was to provide information regarding to the service, the teaching method, the effective learning method which certified by several institutes, recognized by students from several countries worldwide. More importantly, to create opportunity for target customers to receive learning experiences with Wall Street English school before starting the course, inviting them to join a trial class, so, they trust in the course, want to study which led to creating sales volume to the company very well.

Procurement of products or services

WSE courses and training methods are operated under copyright. The courses were developed and determined by the copyright owner. Each WSE center can accommodate approximately 600-1,500 students. Staffs who are involved with the learning process are those with qualifications as prescribed by the Ministry of Education.

(1.2) Restaurant business under the name of “Jeffer Steak & Seafood” Operated by Jeffer Restaurant Co., Ltd. (“Jeffer”)



Nature of products or services

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

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

As of 31 December 2021, Jeffer has 32 branches across the nation – 9 branches in Bangkok and 23 branches in other provinces are located in leading department stores in Bangkok and leading provinces. The choices of branch location include business districts, schools, and communities to provide ease of accessibility to the customers.

Market and competition

- **Competitive strategy**

- **Cost management**

Jeffer gives importance to management of raw material costs. By creating bargaining power with suppliers, Jeffer is able to efficiently manage costs of supplies and raw materials and is ready to continuously serve 100,000 customers per year.

- **Brand building**

In the year 2021, with the changing consumer behavior from the Covid-19 pandemic, the Company focused on building a brand that responds to customer behavior by mainly focusing on online media and cooperation with various delivery companies in communication and public relations channels.

- **Pricing**

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

- **Business expansion**

The COVID-19 pandemic had an impact on the overall economy. There had been delays in spending and investment. Consumers had become frugal. Therefore, this was not the time for investment and the Company had deferred plan to expand outlets until market situation would improve, and return would be worth the investment. The Company terminated branches that did not generate profit causing a decrease in the total number of branches in order to reduce exiting costs.

- **Launch of new menu and promotions**

Customers want to reduce the risk of going out and behavior of ordering food delivery is increasing. Therefore, new menu and promotions focus more on takeaway items.

- **Target customers**

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

- **Distribution channels**

As of 31 December 2021, Jeffer had 32 restaurants nationwide. The restaurants are located in leading department stores in Bangkok, economical provinces, business areas, communities and near educational institutions. The Company had included delivery service through various delivery agents in order to meet customers' needs and the current trend.

- **Competition**

This was the year consumer behavior demanded more careful spending. Business operators must deploy various strategies to attract customers. This was also true for food business, creating strong competition this year, especially large-scale organizations who had made investment to win customers, adversely affecting medium and small operators.

In the year 2021, the Covid-19 pandemic had caused changes in consumer behavior. Dining behavior had also changed. People were dining out less and ordering food delivery or cooking their meals at home. On-line groups were created to exchange food recipes. Food business operators must significantly adapt themselves to attract attention and build customer rapport. Pricing had become key competition strategy, creating value for money to customers, as well as generating new forms of products to better suit group of Thai consumers.

For the year 2021, people start to have hope in recovery of the world's economy due to availability of vaccines that would be distributed to the public this year. This has helped in reducing people's fear and increasing willingness to spend. However, restaurant business must continue to adapt due to the change in consumer behavior from the Covid-19 pandemic.

Procurement of products or services

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

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

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

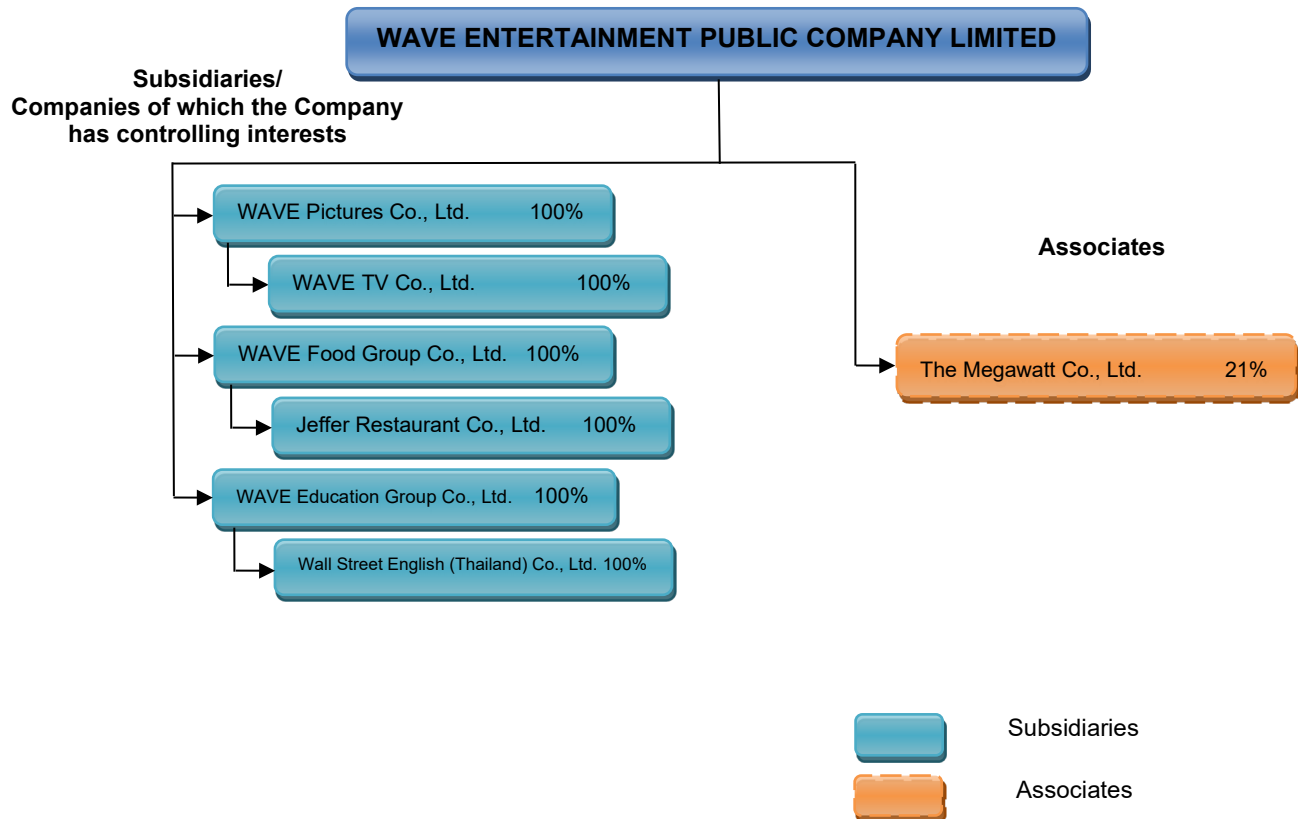
(2) Assets used in the Business

Details are shown in Attachment No. 4, Assets used in the Business.

1.3 Shareholding Structure of the Company

1.3.1 Shareholding Structure of the Company

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



Details of companies and nature of business of the Company and its subsidiaries and associates in which the Company has 10% shareholding and above

Company/ Business Type	Shareholding of the Company and others (if any) (as of 31 December 2021)	Paid-up Shares		
		Type	Number	Par value (Baht)
Wave Entertainment Pcl. 1. Copyright owner and distributor Thai dramas of Channel 3 2. Holding company	-	Common Shares	785,261,701	1
<u>Wave's subsidiaries</u>				
1. WAVE Pictures Co., Ltd. The Company has restructured the business for flexibility in management.	100%	Common Shares	1,000,000	100
2. WAVE Food Group Co., Ltd. The Company has restructured the business by changing its former name "WAVE TV and Movie Studios Co., Ltd." for clarity and flexibility in management.	100%	Common Shares	5,640,000	10
3. WAVE Education Group Co., Ltd. <ul style="list-style-type: none"> The Company has the rights as Master Franchisee to establish and operate English language centers under the name "Wall Street English" and license franchisees (sub-franchise right) to investors in Thailand, Kingdom of Cambodia and Lao People's Democratic Republic. The Company has restructured the business by changing its former name "CVD Organizer Co., Ltd." for clarity and flexibility in management. 	100%	Common Shares	100,000	10
<u>WAVE Pictures Co., Ltd.'s subsidiary</u>				
1. WAVE TV Co., Ltd. <ul style="list-style-type: none"> Television programs producer and distributor Seller of TV commercial air time 	100%	Common Shares	5,000,000	10

Company/ Business Type	Shareholding of the Company and others (if any) (as of 31 December 2021)	Paid-up Shares		
		Type	Number	Par value (Baht)
<u>WAVE Food Group Co., Ltd.'s subsidiary</u>				
1. Jeffer Restaurant Co., Ltd. • Purchase and procurement of raw materials and equipment for conducting food and beverages business • Restaurant business including sale of food and beverages	100%	Common Shares	10,049,000	10
		Preferred Shares	49,000	10
<u>WAVE Education Group Co., Ltd.'s subsidiary</u>				
1. Wall Street English (Thailand) Co., Ltd. Private English language school	100%	Common Shares	630,000	10
		Preferred Shares	1,026,600	10
<u>Wave's Associated</u>				
1. The Megawatt Co., Ltd. To produce electricity from solar energy and thermal.	21% (29% held by Millcon Steel Pcl., 36% held by Begistics Pcl. and 14% held by others)	Common Shares	13,760,000	100

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

Name	The Megawatt Co., Ltd.
Head Office	52 Thaniya Plaza Building, 28th floor, Silom Road, Suriyawong Sub-district, Bangrak District, Bangkok 10500 Tel 089-211-9473

1.3.2 The Company has persons that may have conflict of interest by holding shares in subsidiaries or associates of more than 10% of voting shares of such subsidiaries or associates

-None-

1.3.3 Relationship with the business group of major shareholder

-None-

1.3.4 Shareholders

The names of the top 10 shareholders (as of the book closing date on December 30, 2021) are as follows:

Name	Number of Shares	% of the total number of shares
1. Maleenont Family Group	220,786,224	28.12
1.1 Ms.Cathleen Maleenont	157,676,224	20.08
1.2 BEC World Public Company Limited	58,250,000	7.42
1.3 Ms.Piyawadee Maleenont	4,860,000	0.62
2. Mr.Nattapol Jurangkool	47,848,800	6.09
3. The Mall Group Co., Ltd.	46,750,000	5.95
4. Ms.Nattawan Piyamahachot	16,377,400	2.09
5. Ms.Orayaporn Karnchanachari	15,600,000	1.99
6. Mrs.Suvimol Leesuan	12,794,600	1.63
7. Thai NVDR Co., Ltd.	11,170,412	1.42
8. Mr.Veerarak Boonyaworamethee	10,000,000	1.27
9. Mr.Phornprasert Karnchanachari	7,658,300	0.98
10. Ms.Naruporn Karnchanachari	7,605,000	0.97
Others	388,670,965	49.50
Total	785,261,701	100.00

Source: The name list of shareholders of WAVE Entertainment Public Company Limited as of December 30, 2021.

1.4 Registered and paid-up capital

1.4.1 Registered and paid-up capital of the Company as of December 31, 2021:

Registered capital	:	Baht 1,415 million divided into 1,415 million ordinary shares with a par value of Baht 1
Paid-up capital	:	Baht 785.26 million divided into 785.26 million ordinary shares with a par value of Baht 1
Stock Exchange	:	The Stock Exchange of Thailand (SET)

1.4.2 Other type of shares with conditions and rights that are different from the ordinary shares

-None-

1.4.3 The Company's shares or convertible securities as underlying securities for the issuance of investment units of Thai Trust Fund and non-voting depository receipt (NVDR)

-None-

1.5 Issuance of other securities

1.5.1 Convertible securities

The Company has convertible securities which are warrants to purchase the Company's newly issued ordinary shares. The Company issued the warrants to purchase the Company's newly issued ordinary shares no. 2 (WAVE-W2) (the "Warrants") in the number of not exceeding 350,963,694 units to the Company's existing shareholders who have subscribed newly issued shares under the Company's rights offering in the ratio of 2 newly issued ordinary shares to 1 unit of warrant at the offering price of Baht 0 per unit. Details of the right to exercise the Warrants are as follows:

Date of issuance:	28 October 2020
Term of the Warrants:	3 years from the date of issuance of the Warrants (date of issuance is 28 October 2020, expiration date is 27 October 2023, and last exercise date is 27 October 2023).
Exercise period:	The first exercise date is the last business of December 2020, which is 30 December 2020. The next exercise dates are every 15 March, 15 June, 15 September and 15 December until the end of the term of the Warrants.
Exercise ratio:	1 unit of Warrant shall be entitled to purchase 1 newly issued ordinary share.
Exercise price:	Baht 0.70 per 1 newly issued ordinary share.

As of 31 December 2021, no warrant holders had exercised their rights.

1.5.2 Debt securities

-None-

1.6 Dividend Payment Policy

The Company and its subsidiaries have a dividend policy which is to pay dividend to shareholders at a rate of no less than 50% of net profit after corporate income tax.

2. Risk Management

2.1 Risk Management Policy and Plan

In year 2021, the Group's core business were (1) English language school business under the trade name of "Wall Street English" and (2) restaurant business under the trade name of "Jeffer Steak & Seafood". The Group is aware of the existing risks that may affect its business operations and performance. Risks may arise from internal or external factors. The Group has a risk management plan in comparison with the Group's strategies, goals and objectives. In this regard, the Risk Management Committee is in charge of the risk management policy formulation and the ongoing supervision and monitoring of the risk management framework and its implementation to ensure that such risks are adequately and properly managed and are within the Group's risk appetite. Moreover, the Group regularly reviews the risk management policy on a yearly basis and improves risk management to be in alignment with such policy. Risk that are relevant to the Group's operation are as follows:

2.2 Risk Factors on Business Operation

1) Financial stability and ability to borrow and comply with conditions of loan agreement

Apart from expansion of existing business, Wave Group may want additional funding to invest in new projects or acquire other businesses. Therefore, it has to maintain liquidity and reserve sufficient fund as working capital. Long-term financing must be obtained and source of financing should be diversified for highest benefits to the Company although Wave Group has outstanding long-term and short-term loans however, the well operating result and financial management, Wave Group can continue to comply with the conditions of loan agreements.

2) Risk from the spread of Coronavirus 2019 (COVID-19)

From the situation of the spread of coronavirus 2019, starting from 2020 until 2021. The government has announced enforcement measures and relief measures periodically. Which impacts the business of Wave Group to help reduce the effects of this situation. Wave Group has issued various measures such as

As for the office, some employees have been switched to work at home, to reduce the congestion in the office. Employees entering office spaces must wear a mask at all times.

Restaurant business, also focus on selling food delivery more on branch. When customers enter the store, they need to measure the temperature. When customers have finished their meal, tables and chairs are cleaned immediately with alcohol spray.

English language school business has developed a comprehensive online learning technology system to support and meet students' needs during covid-19 pandemics that took place in 2020 effectively. In addition, to fulfill extra needs for certain groups of students.

3) Business Risks

3.1) Restaurant business

From the uncontrollable spread of the coronavirus (COVID-19) and the government's measures that affect the group's sales, for example "half pay project" that cannot be used with the Group. This will result in customers changing their behavior to use the services of the authorized stores.

Another food business risk is in this economic crisis, having non-discounted rental costs. Or rental reduced cannot comparable with lost of sales. Causing the company has high expenses and resulted in a loss to occur. Therefore, one solution is to closing of branches with high rental costs compared to a large drop in store sales, as well as reducing expenses for branches that are still in operation to maintain as much liquidity as possible.

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

3.2) **English language school business**

English language school business is highly competitive due to the low barrier to entry. However, the Company provides unique English courses which are acceptable worldwide. The Company aims to become a leading private school which offers English language courses and training by having the right personnel with suitable qualifications, having good and appropriate locations, building a strong sales team, organizing up-to-date campaigns which are suitable for target customers and adaptive to current circumstances. Moreover, the Company uses innovative marketing to publicize the brand and to promote the sale through marketing strategy and to continue to focus on the existing customers by providing campaign that has attractive to the target and for encourage the sale volume.

The global outbreak of Covid-19 has made serious impacts on every sectors particularly in business. WSE, which is the English language school, has been directly affected from the government's protocols. Therefore, WSE wasn't able to operate onsite for the total of 8 months which directly affected the business' growth. Nevertheless, the Company has changed business strategies in order to achieve goals and meet customers' needs by adjusting the learning format that emphasizes the importance of online learning which fits to the new normal. In addition, there are brand promotions via various platforms, sales promotions via various marketing strategies. At the same time, the Company continuously focuses on both the alumnus and the target groups by offering promotional campaigns to drive their buying decision.

4) **Risk from payment collection process**

Customers can pay at the branch in many ways, including cash, credit cards or gift vouchers. If the Group has higher daily sales, make more cash in care of cashier. The Group is more risk of cash loss. The Group is aware of this risk, therefore the Group has been many measures to control cash incurred from sales in each branch in order to reduce of this risk. (1) Set a minimum limit for the cashier to take care. The rest shall be checked by the branch manager and stored in the safe. (2) Branch managers count the cash and reconcile sale at the end of the day and send to the head office. (3) Branch manager or assistant manager bring the cash from daily sales to deposit into the bank account. (4) There will be random check for the cash counting and handling procedures by internal audit office to ensure that every branch follows the steps that the Group set forth strictly. The Group also encourages more customers to pay for sales by non-cash forms. This will help reduce the amount of cash in each branch.

5) **Risks relating to procurement of the right locations for conducting businesses**

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

6) **Risks from shortage of personnel**

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

7) **Risk from economic and political instability, natural disasters, and force majeure on the business**

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

8) Risk of business interruption due to malfunction of information technology system

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

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

3. Business Sustainability Development

3.1 Sustainability Management Policy and Targets

Wave Group recognizes the importance of operating responsibly while ensuring the development of economic society and environmental sustainability, internal and external environment of the organization. The Board of Directors has set a mission to guide the operation of Wave Group as follow:

Vision

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

Mission

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

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

Wave Group recognizes the importance of sustainability development also commits to fair treatment of all stakeholders and to operate with best interest for the organization and with dedication, integrity, and transparency, along with making recommendations to improving our corporate governance policy to meet the constantly evolving standard of business management, social needs and international practices as follows.

3.1.1 Fairness in Operation:

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

3.1.2 Anti-corruption:

The Board of Directors is determined for the Company to operate honestly, with transparency and in pursuant to the principles of good corporate governance and implements anticorruption policy to combat the threat of corruption which obstructs free and fair competition and damage economic and social development. In 2021, the Company is in the process of joining the private sector's Collective Action Coalition Against Corruption (CAC).

The Board of Directors has considered and approved the latest issue of “Anti-Bribery and Corruption Policy” which is disclosed on the Company's website, and outlined the rules and principles of preventing the Company, the Company's employee and all other persons that are associated with the Company (including third persons) from violating the anti-corruption law. It also outlined below how to check, manage and monitoring of compliance with Anti-Bribery and Corruption Policy to ensure that the policy is being followed. The policy and guideline can be summarized as follows:

- (1) The directors, executives and all employees must follow the anti-bribery and corruption policy and not to take any action that is associated with all forms of corruption whether direct or indirectly.
- (2) The directors, executives and employees must not neglect nor ignore any action that is associated with corruption in the Company and notify their supervisor or the responsibly person through various channels such as email at hotline@wave-groups.com and also to be cooperative in all procedures of fact verifications. If one has doubts or questions, then one may consult their supervisor, or the person appointed to be responsible for the ethical behavior in the Company.

- (3) The Audit Committee has the duty and responsibility to administrate the anticorruption policy and laws to ensure that the Company is in pursuant of its legal and ethical duty. The internal auditor has the duty and responsibility to check and verify if the duty has been carried out in pursuant of the policy, principles, regulations and laws of the organization that are involved in the procedure to ensure that there is an appropriate system to counter any corruption that may occurred.
- (4) The Company's management has organized self-assessment (CSA: Control Self-Assessment) which covers risks that may arise from dishonesty or corruption on a regular basis and reconsider and update risk management measures to appropriately prevent risks to be at acceptable level.
- (5) The Company shall protect those that refuse or notify any corruption that occurred within the Company as specified in the Company's Whistleblower Procedures.
- (6) Those who have committed an act of corruption are taken as an unethical behavior that must be considered for disciplinary action in pursuant of the Company's regulations and also subjected to punishment by law, if such act is illegal.
- (7) The Company values the important of extending the knowledge and understanding of all persons that are associated with the Company and could affect its anti-bribe and corruption policy. The Company provides training and courses in relation to anti-bribe and corruption policy to all employees.
- (8) For clarity on how to proceed in situations with high risks of corruption, the Company will advise the employees to be cautious in relation to political aid, donations, funds, gifts and other services and expenses.

3.1.3 Respect for Human Rights:

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

Human Rights

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

Working Environment

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

3.1.4 Fair Treatment to Employee:

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

3.1.5 Customers and Consumers Responsibility:

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

- The quality and price of the products and services are in best interest of the customers and consumers;
- The products and services are delivered to the customers and consumers within the specified time;
- To operate in the best interest of the customers and the consumers under the confidentiality policy for, to recommend for products and services and to receive complaints.

3.2 Impact Management to Stakeholders in the Business Value Chain

3.2.1 Business Value Chains

Wave Group has always emphasized the importance of stakeholders and realizes that it is one part of the Company's business growth. The Company therefore analyzes and assesses the impact of the business operation process as well as the value chain to identify stakeholders. And assessing the expectations of both internal and external stakeholders to know the expectations of all stakeholders and screen all significant issues to cover all aspects of risk mitigation and mitigating the impact that could cause business disruption. Because each process is important to different stakeholders. This process will ensure that Process for creating engagement with stakeholders of the company to be efficient and effective.

3.3.2 Stakeholders Analysis in Business Value Chain

The Board of Directors emphasizes on the importance of all stakeholders, and has set out guidelines on stakeholder engagement equally and fairly in the business code of conduct. The guidelines were distributed to all employees since start working with the Company. The Company also takes care of stakeholders' rights according to related laws, and shall not perform any activity that would violate the stakeholders' rights. These codes can be summarized as follows

(1) Employees :

The Company shall respect human rights, and regularly promote the development of potential and competencies of the employees according to the individual capabilities and skills with fairness and equality, so that the employees are able to grow professionally with the Company. The Company shall strictly comply with the laws and regulations relating to labor laws, and employee welfare, and also take care of the quality of life, safety, health, environment, and security in workplace for the employees.

(2) Board of Directors :

There is a proper practice according to the law and correct according to the code of conduct. They are operating in a transparent and verifiable manner.

(3) Supplier and/or Creditors :

The company shall treat all supplier and/or creditors with strict abiding to the contracts and agreed conditions, and shall treat all parties with equality and fairness on the basis of mutual benefit for both parties. The company shall set up the rules for sourcing and organize all operations with transparency, without requesting nor receiving any benefits from supplier and/or creditors. The sourcing shall be environmental friendly as well.

(4) Shareholders/Investors :

The Company strives to operate the business with dedication, honesty, and transparency for the Company's best interest, and also to be fair to all shareholders, to create company's stability and long-term progress, and to generate return and continuous growth for the Company.

(5) Customers :

The Company provides quality services and products, and response to the customers' request with promptness and flexibility, in order to best serve customer satisfaction.

(6) Competitors :

The Company shall compete for trade under a fair framework, not destroy or defame competitors' reputation, and not seek confidential information through unethical means. The Company shall cooperate to develop and grow the industry.

(7) Community and Society :

The Company shall efficiently utilize resources, and reduce the impact on environment. The Company shall manage wastes and air pollutions, be consistently responsible for the society, community, environment, and to strictly abide by the laws.

3.3 Environmental Sustainability Management

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

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

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

In 2021, the Company has no incidents of accident or any employee taking significant leaves or sick leaves as a result of working. Nevertheless, Wave Group has purchased accident insurance, life insurance and other types of insurance relating to work for the employees.

3.4 Sustainability Management in Social Aspect

The Board of Directors realizes the importance of its responsibility to the community and society and the products and services of the Company are all things that the customers and consumers may use without any negative effects to the society. The Company also supports the activities of the community and mindful of all the effects that our operation could have on the community than specified by the law.

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

The Company joins the donation to the Social Foundation in various occasions. In 2021, Wave Group's executives and employees participated in the following activities for the benefits of society.

The Mirror Foundation

On 17 June 2021, the management and employees of Wave Group donated used computers and used equipments in good condition, to the computers for child project. Then the Mirror Foundation will have the computers and such equipments checked and repaired to be ready for use, to deliver to schools and communities in need.



4. Management Discussion and Analysis (MD&A)

4.1 Management Discussion, Analysis of Financial Positions and Operating Results

Operating Results

The spread of coronavirus (Covid-2019) that started since the end of the year 2019 has prompted the declaration of the Emergency Decree on Public Administration in Emergency Situations B.E. 2548 to control the spread of Covid-19, forcing closure of services from the end of Quarter 1/2020 to Quarter 4/2021, has adverse impact on the Group's revenues. Even though the government has relaxed its measures in the third quarter, where certain businesses could resume their activities but controls must be in place and comply with measures imposed by the government, there are still impacts on consumer spending and the Group's operating results in the year 2021.

As the Group is to set to divest the restaurant business, completion of which is expected in Quarter 1/2022, the Group is required to disclose the restaurant business accounting and finance information under the "non-current assets for sale" heading, and "liability directly related to the non-current assets for sale" in accordance to the IFRS 5 "Non-current assets for sale of businesses under cessation."

In the year 2021, the Group had total revenues of THB 286.04 million, a decrease of THB 168.94 million. Cost of sales and rendering of services was THB 214.29 million, a decrease of THB 76.98 million compared to that of the previous year. Gross margin was THB 71.75 million or 25% of total revenues. Selling and administrative expenses was at THB 131.64 million, a decrease of THB 55.41 million. Financial costs were at THB 22.96 million, slightly decreased by THB 3.50 million compared to that of the previous year. Sharing from associated companies was THB 25.26 million. The Group has amortized and set provision for business from COVID-19 impact at THB 634.85 million, resulting in a THB 692.76 million operating loss for the year 2021.

- Sale and service revenue

The Group's English language school business has been closed for COVID-19 for 8 months under the government's decree. In addition, the economy had not recovered and, therefore, private sector, retailers and consumers are cautious of their spending. As a result, the Group's cash sale from English language school decreased by 37%. THB 286.04 million of revenue has been recognized, down by THB 168.94 million, a 37% decrease compared to the prior year. The Group has modified its strategy by offering more courses online in order to respond to the change in consumer behavior. To reduce costs and administrative expenses and manage them effectively and efficiently, the Group has relocated its branches with high lease expense to a more suitable location, area with reasonable lease expense, reduced the operating areas for a more manageable rent, and closed the Ladprao branch upon expiration of contract. As a result, there are now 13 branches under the Group's operation.

Since the Group was granted the exclusive right as master franchisee of English language school business under the name "Wall Street English" in Thailand, Kingdom of Cambodia and Lao People's Democratic Republic, the Group has officially opened its first franchisee branch in Khon Kaen Province at the end of the year 2019 and has a plan to open one new branch in the Northeastern region of Thailand within the year 2022.

- Other income

Other income was THB 46.50 million, an increase of THB 38.67 million from the year before due to the rent discount received during the time of COVID-19.

- Cost of service and gross profit

The Group had a total service costs of THB 214.29 million, or 26% decrease year-on-year. The decrease in revenue is due to a 4-month operating time for the year, resulting in a gross profit of THB 71.75 million (25% of the total revenues compared to 36% for the prior year), a decrease of THB 91.96 million compared to that of the previous year, or a 56% drop from 2020.

- **Overall expenses**

The selling and administrative expenses was THB 131.64 million, a decrease of THB 55.41 million or 30% drop year-on-year from continuous efforts of the Group to control and reduce costs in all business units. The Group targets to control and reduce costs every year in order to improve its performance. In addition, the Group had financial costs of THB 22.96 million, a slight decrease of 13% owing to partial loan repayment in 2021.

- **Profit from associated companies and others**

The Group has received share of profit from associated companies at a total of THB 25.26 million in 2021. As the Group is to set to sell the restaurant business, completion of which is expected in Quarter 1/2022, the Group is required to disclose the restaurant business accounting and finance information under the “non-current assets for sale” heading, and “liability directly related to the non-current assets for sale” in accordance with the Accounting Report Standard number 5 “Non-current assets for sale of businesses under cessation.” As a result, the Group has set a provision for business from COVID-19 impact at THB 634.85 million.

Financial Positions

- **Assets**

As at end of 2021 the Group had a total asset of THB 877.23 million, a decrease of THB 1,051.75 million, of which 20% was from current asset and 80% from non-current asset as a result of the impairment provision on subsidiary businesses that were adversely impacted by Covid-19

- **Cash and cash equivalents**

The Group had cash and cash equivalents of THB 6.35 million in aggregate or 1% of total assets, a decrease of THB 7.73 million year-on-year.

- **Financial assets measured at fair value through profit or loss**

This item consisted of investment in subsidiary which conducts creative and marketing communication management service business due to the Group in the amount of THB 5 million.

- **Trade and other receivables – net**

As at the end of the year 2021, the Group had net trade and other receivables of THB 11.64 million or 1% of total assets, a decrease of THB 15.45 million year-on-year due to decrease in revenues in the year 2021.

- **Inventories and other non-current assets**

At the end of 2021, the Group had remaining inventories of THB 0.43 million or 0.05% of the total assets, and other non-current assets of THB 10.47 million, a decrease of THB 13.36 million or 56% drop compared to the last year due to the decrease in undue input VAT and withholding taxes.

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

As the Group is to set to sell the restaurant business, completion of which is expected in Quarter 1/2022, the Group is required to disclose the restaurant business accounting and finance information under the “non-current assets for sale” heading, and “liability directly related to the non-current assets for sale” in accordance to the IFRS 5 “Non-current assets for sale and Discontinued Operations.” As at end of 2021, the Group has non-current assets for sale at THB 196.52 million, a decrease of THB 99.20 million from last year’s THB 295.73 million.

- **Investment in associates**

Investment in associates was THB 308.53 million or 35% of the total assets, an increase of THB 25.26 million due to a share of profit from such associate company.

- **Improvement on property, plant and equipment**

Property, plant and equipment was THB 25.92 million or 3% of the total assets, a decrease of THB 45.56 million compared to that of the previous year’s THB 71.47 million. The decrease was mainly due to depreciation and transfer to the “non-current assets held for sale” in the restaurant business.

- Right-of-use assets

Right-of-use assets was THB 66.55 million or 8 % of the total assets decreased from THB 93.71 million due to depreciation and the transfer to the “non-current assets held for sale” in the restaurant business. This is a new classification in accordance with IFRS 16 – Leases, which was implemented in the year 2020.

- Intangible assets

This item is written off as expense each year with respect to copyrights, computer programs, and trademarks. The Group had intangible assets of THB 21.37 million or 2% of the total assets, a decrease of THB 133.85 million due to the amortization and impairment provision on trademark of businesses impacted by COVID-19.

- Goodwill

Goodwill is the value expected to be returned to the Company from its acquired businesses. At the end of 2021, the Group had goodwill of THB 180 million, a decrease of THB 518.14 million, representing 21% of total assets due to impairment of restaurant business and a COVID-19 provision in Educational business.

- Deferred tax assets

This item is the estimated tax on recognition of profit on investment in associated companies. The Group has realized such income at the amount of THB 32.86 million during the year 2021, leaving THB 0.97 million at the end of the year.

- Other non-current assets

Other non-current assets was THB 23.20 million or 3% of total assets, a decrease of THB 44.72 million due to decrease in rental deposit and transfer to the “non-current assets held for sale”.

- Liabilities

As at 31 December 2021, the Group had total liabilities of THB 746.96 million, a decrease of THB 362.87 million compared to the previous year. The current liabilities were THB 645.31 million, a decrease of THB 118.39 million compared to the previous year due to decrease in trade payables, advanced income and loans. The non-current liabilities were THB 101.65 million, a decrease of THB 244.48 million compared to the previous year, mainly due to decrease in long term loans.

- Shareholders' Equity

As at 31 December 2021, shareholders' equity of the Group was THB 130.27 million, a decrease of THB 688.88 million compared to the previous year due to the net loss in the year 2021.

The capital structure of the Group is as follows:

- Shareholders' equity of THB 130.27 million or 15% of the total assets;
- Total liabilities of THB 746.96 million or 85% of the total assets.

Key financial ratios are as follows:

- Debt to equity ratio of 5.73 times, an increase compared to the previous year ratio of 1.35 times;
- Interest-bearing debt to shareholders' equity of 2.08 times, an increase from the previous year ratio of 0.70 times;
- Book value of net assets is THB 0.17 per share, a decrease from the previous year value which was equivalent to THB 1.04 per share;
- Basic loss per share from continuing operations of THB 0.88, a decrease from the last year basic earnings per share from continuing operations of THB 0.22.

Cashflows

In 2021, the Company and its subsidiaries had cash and cash equivalents of THB 6.35 million, a decrease of THB 7.73 million compared to the previous year. Details of cash spent on each business activity are as follows:

- In respect of operating activities, the Group had net cash flows generated from operating activities of THB 78.60 million or a decrease of THB 150.68 million compared to the previous year due to a drop in cash from operation.
- In respect of investing activities, the Group had net cash flows from investing activities of THB 213.35 million from the sale of an associated company.
- In respect of financing activities, the Group had net cash flows used in financing activities of THB 321.88 million from repayment of loan due in the year 2021.

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

-None-

4.3 Significant Financial Information**Financial Statements****(1) Summary of Audit Report**

The audit results of the financial statements and the consolidated financial statements for the year 2019 - 2021 in accordance with generally accepted auditing standards. In the 2019 financial statements, the Company's Certified Public Accountant is Ms. Sakuna Yamsakul, Certified Public Accountant (Thailand) No. 4906, and the fiscal year 2020 and 2021, is Ms. Tithinun Vankeo Certified Public Accountant (Thailand) No. 9432 of PricewaterhouseCoopers ABAS Company Limited expressed an unqualified opinion on the financial statements. The Auditors commented that the financial statements as above showed the financial position, performance and cash flow properly as it should in accordance with generally accepted accounting standards.

(2) Summary of Consolidated Financial Statements and Cash Flows

Wave Entertainment Public Company Limited

Statements of Financial Position

As at 31 December 2021, 2020 and 2019

(Unit : Thousand Baht)						
	Consolidated financial statements					
	2019		2020		2021	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	70,063	2%	14,086	1%	6,355	1%
Short-term investments	2,179	0%	-	0%	-	0%
Financial assets measured at fair value through profit or loss	-	0%	67,003	3%	5,000	1%
Trade and other receivables	43,185	1%	27,092	1%	11,643	1%
Inventories	17,215	1%	10,598	1%	435	0%
Television programmes, concerts production, and events in progress	4,157	0%	-	0%	-	0%
Other current assets	37,425	1%	23,830	1%	10,469	1%
Non-current assets classified as held-for-sale	1,508,815	45%	295,727	15%	196,525	22%
Total current assets	1,683,039	50%	438,336	23%	230,427	26%
Non-current assets						
Deposits at bank used as collateral	1,500	0%	20,500	1%	20,250	2%
Investments in an associate	509,428	15%	283,276	15%	308,532	35%
Building improvement and equipment	117,982	4%	71,474	4%	25,917	3%
Right-of-use assets	-	0%	160,266	8%	66,555	8%
Intangible assets	167,586	5%	155,220	8%	21,369	2%
Goodwill	798,143	24%	698,143	36%	180,000	21%
Deferred tax assets	8,624	0%	33,826	2%	971	0%
Other non-current assets	83,528	2%	67,930	4%	23,205	3%
Total non-current assets	1,686,791	50%	1,490,635	77%	646,799	74%
Total assets	3,369,830	100%	1,928,971	100%	877,226	100%

Wave Entertainment Public Company Limited

Statements of Financial Position (Cont'd)

As at 31 December 2021, 2020 and 2019

(Unit : Thousand Baht)

	Consolidated financial statements					
	2019		2020		2021	
	Amount	%	Amount	%	Amount	%
Liabilities and equity						
Current liabilities						
Bank overdrafts	80,990	2%	63,513	3%	69,262	8%
Short-term borrowings from financial institutions	50,000	1%	-	0%	-	0%
Trade and other payables	98,841	3%	96,163	5%	37,908	4%
Unearned revenue	209,841	6%	149,813	8%	98,118	11%
Accrued expenses	56,637	2%	45,834	3%	27,286	3%
Short-term borrowing from third parties	60,000	2%	64,500	3%	17,500	2%
Short-term borrowings from related parties	42,500	1%	-	0%	-	0%
Current portion of finance lease liabilities	1,130	0%	-	0%	-	0%
Current portion of lease liabilities	-	0%	114,679	6%	41,488	5%
Current portion of long-term borrowings from financial institutions	222,394	7%	203,810	11%	125,346	14%
Accrued income tax	55	0%	8	0%	21	0%
Deposit received from sales of investment in a subsidiary	120,000	4%	-	0%	-	0%
Other current liabilities	25,558	1%	25,380	1%	20,097	2%
Liabilities included with assets classified as held-for-sale	544,918	16%	-	0%	208,282	24%
Total current liabilities	1,512,864	45%	763,700	40%	645,308	73%
Non-current liabilities						
Other payables - intangible assets	4,170	0%	-	0%	-	0%
Long-term finance lease liabilities	2,327	0%	-	0%	-	0%
Lease liabilities	-	0%	54,887	3%	26,645	3%
Long-term borrowings from financial institutions	269,149	8%	241,813	13%	59,423	7%
Employee benefit obligations	13,486	1%	15,829	1%	15,580	2%
Deferred tax liabilities	25,370	1%	24,355	1%	-	0%
Other non-current liabilities	12,188	0%	9,241	0%	-	0%
Total non-current liabilities	326,690	10%	346,125	18%	101,648	12%
Total liabilities	1,839,554	55%	1,109,825	58%	746,956	85%
Equity						
Share capital						
Authorised share capital						
Ordinary share, 1,415,000,000 shares						
(2020: 1,520,842,672 shares)						
of par Baht 1 each	510,070		1,520,843		1,415,000	
Issued and paid-up share capital						
Ordinary share, 785,261,701 shares						
(2020: 785,261,701 shares)						
of par Baht 1 each	467,950	14%	785,262	41%	785,262	90%
Share premium	448,802	13%	353,617	18%	353,617	40%
Retained earnings (deficits)						
Appropriated - legal reserve	46,796	1%	46,796	2%	46,796	5%
Unappropriated retained earnings (deficits)	(178,796)	(5%)	(351,228)	(18%)	(1,045,073)	(119%)
Other components of equity	50,869	2%	(15,301)	(1%)	(10,332)	(1%)
Equity attributable to owners of the parent	835,621	25%	819,146	42%	130,270	15%
Non-controlling interests	694,655	20%	-	0%	-	0%
Total equity	1,530,276	45%	819,146	42%	130,270	15%
Total liabilities and equity	3,369,830	100%	1,928,971	100%	877,226	100%
Book value (Baht) (Exclude Non-controlling interests)	1.79		1.04		0.17	
Of par Baht 1 each	1		1		1	
Ordinary shares at the end of the period (Million shares)	467.95		785.26		785.26	

Wave Entertainment Public Company Limited

Statements of Comprehensive Income

For the year ended 31 December 2021, 2020 and 2019

(Unit : Thousand Baht)

	Consolidated financial statements					
	2019		2020		2021	
	Amount	%	Amount	%	Amount	%
Sales	510,043	47%	-	0%	-	0%
Revenue from rendering of services	577,399	53%	454,977	100%	286,037	100%
Costs of sales	(182,730)	(17%)	-	0%	-	0%
Costs of rendering of services	(410,011)	(38%)	(291,266)	(64%)	(214,286)	(75%)
Gross profit	494,701	45%	163,711	36%	71,751	25%
Other income	14,454	1%	7,837	2%	46,503	16%
Selling expenses	(374,977)	(34%)	(39,697)	(9%)	(28,927)	(10%)
Administrative expenses	(229,366)	(21%)	(147,353)	(32%)	(102,711)	(36%)
Other (loss) income	(534)	(0%)	(99,275)	(22%)	(644,418)	(225%)
Finance cost	(43,003)	(4%)	(26,460)	(6%)	(22,958)	(8%)
Share of loss from an associate	-	0%	(1,724)	(0%)	25,256	9%
(Loss) profit before income tax expense	(138,725)	(13%)	(142,961)	(31%)	(655,504)	(229%)
Income tax income (expense)	(19,624)	(2%)	25,184	5%	(32,878)	(11%)
(Loss) profit for the year from continuing operations, net from income tax	(158,349)	(15%)	(117,777)	(26%)	(688,382)	(240%)
Loss (profit) from discontinued operations	178,475	17%	(108,980)	(24%)	(4,383)	(2%)
Profit (loss) for the year	20,126	2%	(226,757)	(50%)	(692,765)	(242%)
Other comprehensive (expense) income:						
- Continuing operations						
Items that will not be reclassified to profit or loss						
Remeasurements of post-employment benefit obligations	10,517	1%	-	0%	(1,080)	(0%)
Income tax on items that will not be reclassified to profit or loss	(953)	(0%)	-	0%	-	0%
Total comprehensive (expense) income for the year from continuing operations	(148,785)	(14%)	(117,777)	(26%)	(689,462)	(241%)
- Discontinued operation						
Profit (loss) from discontinued operation	(44,141)	(4%)	27,882	6%	-	0%
Total comprehensive income for the year from discontinued operation	134,334	12%	(81,098)	(18%)	(4,383)	(2%)
Total comprehensive (expense) income for the year	(14,451)	(1%)	(198,875)	(44%)	(693,845)	(243%)
(Loss) profit attributable to:						
Owners of the parent						
- Continuing operations	(158,349)	(15%)	(117,777)	(26%)	(688,382)	(240%)
- Discontinued operation	94,238	9%	(83,312)	(18%)	(4,383)	(2%)
Total (loss) profit attributable to owners of the parent	(64,111)	(6%)	(201,089)	(44%)	(692,765)	(242%)
Non-controlling interests	84,237	8%	(25,668)	(6%)	-	0%
	20,126	2%	(226,757)	(50%)	(692,765)	(242%)
Total comprehensive (expense) income attributable to:						
Owners to the parent						
- Continuing operations	(148,785)	(14%)	(117,777)	(26%)	(689,462)	(241%)
- Discontinued operation	59,391	6%	(55,822)	(12%)	(4,383)	(2%)
Total comprehensive (expense) income attributable to owners of the parent	(89,393)	(8%)	(173,599)	(38%)	(693,845)	(243%)
Non-controlling interests	74,942	7%	(25,276)	(6%)	-	0%
	(14,451)	(1%)	(198,875)	(44%)	(693,845)	(243%)
(Loss) earnings per share						
Basic and diluted (loss) earnings per share						
- Continuing operations	(0.34)		(0.222)		(0.877)	
- Discontinued operation	0.20		(0.157)		(0.006)	
Weighted average number of ordinary shares (shares)	467,950,000		530,372,700		785,261,701	

Wave Entertainment Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2021, 2020 and 2019

(Unit : Thousand Baht)			
	Consolidated financial statements		
	2019	2020	2021
Cash flows from operating activities			
(Loss) profit before income tax expense			
- from continuing operations	(138,724)	(142,962)	(655,504)
- from discontinuing operations	201,307	(109,978)	(28,738)
Profit (loss) before income tax expense	62,583	(252,940)	(684,242)
Adjustments for:			
Depreciation	144,347	41,967	30,158
Depreciation of right-of-use assets	-	175,742	111,045
Amortisation of intangible assets	21,282	13,407	10,948
Interest income	(2,399)	(3,498)	(2,162)
Dividends income	(9,228)	(419)	(2,641)
Loss from changes in fair value of financial assets	533	176	-
Realised loss (gain) from disposal of financial assets	-	(22)	9,572
Expected credit loss	(862)	14,377	-
Reversal of provision for obsolete inventories	(509)	(323)	(83)
Loss on write-off prepaid withholding tax	686	1,280	408
Provision for impairment withholding tax	10,899	578	-
Impairment loss from asset held-for-sale	1,400	-	-
Gain on disposal of investment in a subsidiary	-	(42,158)	-
Gain on liquidation investment in a subsidiary	-	(5,643)	-
Gain from disposal of investment in an associate	-	(915)	(15,267)
Gain from lease modification	-	-	(6)
Loss on classified investment in an associate as non-current asset held for sale	-	35,050	(5,198)
Loss on impairment on goodwill	-	100,000	518,143
Loss on impairment on intangible asset	-	-	116,703
Loss (gain) on disposal of building improvement and equipment	(6,017)	(1,341)	24
Loss from write-off of building improvement and equipment	1,674	7,194	2,793
Loss from write-off of right-of-use assets	-	8,729	(222)
Gain on disposal of intangible assets	-	(5)	-
Loss from write-off of intangible assets	-	674	2,188
Loss from write-off interests in a joint venture	198	-	-
Provision for employee benefit obligations	27,146	6,452	3,942
Finance costs	46,574	40,378	31,200
Share of profit from associates and joint ventures	(74,466)	(27,599)	(25,256)
	223,841	111,141	102,047
Changes in working capital			
- Trade and other receivables	(39,474)	138,439	12,322
- Inventories	2,696	6,744	4,466
- Television programmes, concerts and events in progress	16,721	(22,896)	-
- Other current assets	32,096	24,541	1,284
- Deposits at bank used as collateral	(250)	(19,000)	250
- Other non-current assets	(25,619)	(5,868)	10,333
- Trade and other payables	(27,223)	(18,376)	20,324
- Unearned revenue	106,107	106,541	(50,991)
- Accrued expenses	21,237	32,799	4,649
- Other current liabilities	(15,355)	(11,221)	(2,510)
- Employee benefit paid	(1,747)	(6,518)	(194)
- Other non-current liabilities	(1,022)	(3,554)	(1,304)
Cash generated from (used in) operations	292,008	332,772	100,676
Interest paid	(46,925)	(96,343)	(29,156)
Income tax paid	(47,267)	(7,148)	7,082
Net cash generated from (used in) operating activities	197,816	229,281	78,602

Wave Entertainment Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2021, 2020 and 2019

(Unit : Thousand Baht)			
	Consolidated financial statements		
	2019	2020	2021
Cash flows from investing activities			
Interest received	2,252	3,656	2,171
Dividends received	20,287	23,320	2,641
Proceed from disposals of financial assets measured at fair value through profit	7,000	75	2,431
Payment for financial assets measured at fair value through profit	(4,350)	(53)	-
Proceed from short-term borrowings to related parties	37,977	600	-
Payment for short-term borrowings to related parties	(38,577)	-	-
Cash (decrease) increase from disposal investment in a subsidiary, net of cash disposed	-	(283,810)	-
Cash decrease from liquidation of investment in a subsidiary	-	(86)	-
Payment purchase investment in an associate	-	(285,000)	-
Proceed from disposal investment in associates	-	207,985	207,673
Proceed from disposal of property, plants and equipment	18,610	4,647	4,542
Payment for property, plants and equipment	(155,884)	(44,674)	(3,872)
Proceed from disposal of intangible assets	-	75	-
Payment for intangible assets	(6,011)	(3,586)	(2,236)
Net cash (used in) generated from investing activities	(118,696)	(376,851)	213,350
Cash flows from financing activities			
Proceed from short-term borrowings from financial institutions	7,000	2,000	-
Repayment to short-term borrowings from financial institutions	(141,000)	(50,000)	-
Proceed from short-term borrowings from related parties	24,000	-	-
Repayment to short-term borrowings from related parties	-	(42,500)	-
Proceed from short-term borrowings from third party	60,000	49,500	5,000
Repayment to short-term borrowings from third party	-	(45,000)	(2,000)
Repayment to long-term borrowings from related parties	(17,956)	(9,515)	-
Repayment to long-term borrowings from related parties	(147,799)	(45,920)	(207,599)
Payment on lease liabilities	(13,338)	(164,608)	(117,284)
Proceed from issuance of shares	-	222,127	-
Proceed from disposal investment in a subsidiary	188,000	-	-
Deposit received from the sales of investment in a subsidiary	120,000	-	-
Dividend paid to non-controlling interests	(57,048)	(7,900)	-
Net cash (used in) generated from financing activities	21,859	(91,816)	(321,883)
Net (decrease) increase in cash and cash equivalents	100,979	(239,386)	(29,932)
Cash and cash equivalents at the beginning of the year			
Continuing operations	15,025	70,063	12,811
Discontinued operation	164,149	200,364	1,275
Bank overdrafts	(9,618)	(17,478)	24,410
Effect of exchange rate changes on translation of financial statements	(108)	523	-
Less Cash and equivalents of discontinued operation at the end of year	(200,364)	-	(2,209)
Cash and cash equivalents at the end of the year	70,063	14,086	6,355

Wave Entertainment Public Company Limited and Subsidiaries

Summary of WAVE' s Financial Ratios		(2019)	(2020)	(2021)
LIQUIDITY RATIOS				
Current Ratio	(time)	1.11	0.57	0.36
Quick Ratio	(time)	0.08	0.06	0.03
Operating Cash Flow to Current Liabilities	(time)	0.22	0.29	0.14
Account Receivable Turnover Ratio	(time)	9.39	75.17	67.83
Average Collection Period	(days)	38.85	4.86	5.38
Inventory Turnover Ratio	(time)	6.82	N/A	N/A
Average Sales Period	(days)	53.50	N/A	N/A
Account Payable Turnover Ratio	(time)	4.28	5.87	5.61
Average Payment Period	(days)	85.34	62.20	65.12
Cash Cycle	(days)	7.01	(57.35)	(59.74)
PROFITABILITY RATIOS				
Gross Profit Margin	(%)	45.49	35.98	25.08
Operating Profit Margin	(%)	(12.90)	(24.17)	(12.79)
Profitability Ratio	(%)	(139.20)	(205.00)	(184.77)
Net Profit (Loss) Margin	(%)	1.83	(49.00)	(208.33)
Return On Equity **	(%)	2.40	(27.41)	(145.93)
EFFICIENCY RATIOS				
Return On Assets	(%)	0.61	(8.56)	(49.37)
Return On Fixed Assets	(%)	39.95	(195.07)	(1,360.70)
Assets Turnover	(time)	0.33	0.17	0.24
FINANCIAL POLICY RATIOS				
Debt to Equity Ratio **	(time)	2.20	1.35	5.73
Interest Coverage Ratio	(time)	8.23	4.53	4.21
EBITDA Coverage Ratio (CASH BASIS)	(time)	1.20	1.03	0.88
Dividend Payout	(%)	0	0	0

** Exclude minority shareholders' equity

5. General Information and Other Significant Information

5.1 General information

Details are as set out under Item 1 WAVE Group Structure and Operation.

5.2 Other important information

- None -

5.3 Legal disputes

The Group does not have any legal disputes that may have a negative impact on the Company and its subsidiaries in the amount higher than 5% of the shareholders' equity according to the financial statements at the end of the latest fiscal year as of 31 December 2021.

5.4 Secondary market

- None -

5.5 Financial institutions in frequent contact (only applicable for company which has issued debt securities)

- None -

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Practices

6.1.1 Policy and Practice Concerning Directors

According to the Company's Articles of Association which authorize the Board of Directors to make decision and monitor the Company's operations, such as determining visions, strategies, business goals, plan and annual budgets, including monitoring, follow-up, and assessment of the Company's operations and performance of the management to ensure that laid-out policy and strategies have been implemented. In addition, the Board of Directors is responsible for monitoring the Company's financial positions, financial management, and ability to service debt so that the group company can comply with covenants under the facility agreements.

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

Corporate Governance Policy is part of the business operation policy which the Company's Corporate Governance Committee had monitored, amended and improved to match with the current circumstances, the changing conditions of the Company, economic and social situations, and to comply with the Principle of Good Corporate Governance for Listed Companies issued by the Stock Exchange of Thailand and the Corporate Governance Code 2017 (CG Code) for Listed Companies issued by the Securities and Exchange Commission.

Furthermore, the Company's Board of Directors had improved the corporate governance policy to match with the regulations on monitoring corporate governance policy of listed company of the Institute of Directors ("IOD") which introduces additional regulations to match with the evaluation rules of ASEAN CG Scorecard, and had informed the directors, executives, and employees to acknowledge such amendments.

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

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

The Company has a policy to encourage and develop directors to enhance their knowledge and skills related to the business operations so that they can apply knowledge to the performance of duties in a continuous manner. Moreover, the Company regularly conducts an annual performance assessment of directors to ensure improvement on performance. **Details of directors' remuneration, improvement, and performance assessment are as set out under Item 6.1.2 section 5: The Responsibilities of Directors.**

Not only implementing the principles of good corporate governance in the Company, but the principles of good corporate governance have also been implemented to the subsidiaries. All subsidiaries shall have business practices in compliance with the Company's corporate governance principles. However, the subsidiaries may apply and make some adjustment to such principles as in alignment with each company's business context to ensure that the Company's management, maintenance of interest, and the Group's management are carried out in the same directions. **The Board of Director has established a policy on governance of subsidiaries and associates, the details of which are as set out in Item 8.1.3.**

Details are shown in Attachment No. 5 Corporate Governance Policy and Code of Conduct.

6.1.2 Policy and Practices Concerning Shareholders and Stakeholders

The Company realizes the significance of business operation under good corporate governance principles, and prioritize to the liability and non-bias principle toward every relevant party, for instance, establish a clear structure, liability, independence and performance of the Board of Directors, transparent disclosure, and strict monitoring and risk management system, to increase confidence and add value to the shareholders. The Company has disclosed such information through various channels such as annual registration statement / annual report as at December 31, 2021 (Form 56-1 One Report), Stock Exchange of Thailand's website, and the Company's website to facilitate every stakeholder to access such information easily through various channels.

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

The Board of Directors realizes the importance of good corporate governance to have transparent business operations, increase competitive capacity, and increase confidence to all shareholders, investors, and relevant persons. Therefore, good corporate governance policy has been established to cover the following material issues:

- Provide fair and equal treatment to every shareholders and stakeholders;
- The Board of Directors determines to create additional values to the business in the long term, perform their duties and manage the business with due care and efficiency for the utmost benefit of every shareholders, including preventing the occurrence of conflict of interest and being responsible to his/her act and decision.
- Operate with transparency, verifiable, with adequate information disclosure to every relevant persons.

- The Company has complied with good corporate governance principles for the listed company, which is in accordance with the guidelines of the Stock Exchange of Thailand which divide into 5 parts:

Part 1: The Rights of Shareholders;

Part 2: The Equitable Treatment of Shareholders;

Part 3: The Role of Stakeholders;

Part 4: Disclosure and transparency;

Part 5: The Responsibilities of the Board of Directors.

Part 1: The Rights of Shareholders

The Company has its policy to facilitate every shareholders including institutional investor to be entitled to all basic rights, for instance, the right to buy, sell, or transfer their own shares freely, the right to receive dividends, the right to attend the shareholders' meeting, the right to express opinions freely, the right to make decisions on important affairs of the Company such as nomination of directors, approval of significant transactions, approval of directors' remuneration, appointment of an auditor and fix audit fee, amendment of memorandum of association, amendment of the Company's Article of Association, etc. However, shareholders have the right to vote at meeting according to the number of shares owned by each shareholder, whereby one share is for one vote and no particular share allows them privilege to limit the rights of other shareholders and also encourage shareholders to attend the shareholders' meeting and express their vote and opinions freely.

Apart from the abovementioned basic rights of the shareholders, the Company has the following tasks to encourage and facilitate shareholders in the exercising of their rights:

1. Provide essential, clear and up to date information for shareholders regarding the Company's business and notify through SETLink or the Company's website;
2. Prior to a meeting, each shareholder will receive significant and sufficient information relative to the date and the agenda of the meeting. This will be posted on the Company's website approximately one month before the meeting. Shareholders' rights to attend the meetings and the right to vote on resolutions will be clearly mentioned in the notice to shareholders' meeting;
3. Every shareholder is entitled to propose agenda of the meeting, nominate person to hold the director's office, and submit the question prior to the meeting date which the Company has notified timeline to accept any questions through channel of SET and the Company's website.

In 2021, the Company encourages shareholders to participate in the shareholders' meeting by allowing them to propose the agenda of which they view essential to be the agendas of the 2022 shareholder's meeting, nominate potential candidates with capabilities and qualifications to hold the director's office, including submitting questions prior to the 2022 AGM, which encourage shareholders to submit their questions through the Company's website (www.wave-groups.com) from 1 October 2021 to 31 December 2021. However, no shareholder propose any agenda, or nominate any person to hold the office of director, or submit any question within such designated period.

4. In case where the shareholders are unable to attend the meetings, they are entitled to appoint a representative e.g. an independent director or any person, to act as their proxy, using proxy forms attached to the notice of the meeting. The forms can also be downloaded from the Company's website.
5. Before the start of the meeting, the chairman of the meeting will declare the method of counting votes for each agenda and shareholders' rights. The Company shall start the meeting when the number of shareholders and authorized proxies have formed the required quorum. The chairman runs the meeting according to the agendas in order as specified in the notice of the meeting and shareholders could express their comments and queries on each agenda. On the meeting day, the registration to attend the meeting will be opened for 1.5 hours before the meeting commences.
6. In each annual general meeting of the shareholders, one third of the directors will finish their terms; hence, the election will take place on the day of the meeting. For the election of the directors, the Company informs the shareholders that in case where the number of nominated persons does not exceed the number of directors required for that election and/or if the number of nominated persons exceeded the number of directors required, each nominated persons is then elected individually. The shareholders are entitled to propose the name of an individual for the office of the Company's director freely.
7. In the annual general meeting, to vote in any agenda, the Company will collect vote cards from shareholders who disagree or abstain to support the voting results in each agenda. The shareholders may examine the details after the meeting.

The Company appointed Capitalbox Consulting Co., Ltd., legal counsel, to act as intermediary in the annual general meeting 2021 to carry on the meeting with transparency, completeness, in compliance with the regulation and articles of association, and verify the voting throughout the meeting.

8. At the meeting, the shareholders are allowed to freely express their opinions, give suggestion or raise questions on any agenda before calling for a vote on a resolution. The Company has provided shareholders with sufficient information on such matters. Should shareholders have questions or enquiries, specialists in the specific fields are available to answer those questions under the responsibility of the Board of Directors. Significant questions and answers as well as suggestions are recorded in the minute of the meeting.
9. For any agenda of the meeting, the shareholders can call for a secret ballot if one of them makes such request with approval of five other shareholders.
10. In respect of the agenda concerning remuneration of the directors, information regarding the amount and type of compensation to each director, comprising of fix remuneration and meeting fees, are disclosed to the shareholders. In case of any change in the amount of remuneration, such change must be approved by the shareholders' meeting.
11. The Company Secretary is responsible to prepare and keep the minutes of meeting, which has been reviewed by the Board of Directors during the next Board of Directors' meeting. Such minutes is also posted on the Company's website where shareholders could review the completeness before proposing to certify on the next meeting and submitted in time to relative agencies.

Part 2: The Equitable Treatment of Shareholders

The Company's Board of Directors has its policy to provide the equitable treatment to every individual shareholder, every group of shareholders, major or minor shareholders, institutions or foreign investors. For instance,

1. The Company had assigned responsibilities to the independent directors in the areas of minority shareholders' interests. The minority shareholders are allowed to contact independent directors which shall manage each issue adequately, for example, suggestion which relate to the overall interest of stakeholders or affect the business operation of the Company, independent directors shall then nominate such matter to the shareholder's meeting to consider including it as agenda of the meeting. In case of complaint, independent directors shall investigate facts and find appropriate solution, and minority shareholders shall be able to authorize one of the independent directors as their proxy to attend shareholders' meeting to protect their rights.

The Company give an opportunity for shareholders to propose additional agendas for the 2021 General Annual Meeting of Shareholders including asking any questions in advance as well as proposing persons to be nominated as the Company's director in advance during 1 October 2020 to 31 December 2020 however, no minority shareholders proposed any matter to be included in the agenda of the meeting or nominate any person to hold the office of director or submit prior questions or complaints. The 2021 shareholder's meeting was carried by agendas as designated in the invitation letter with no additional agenda being added without prior notification to the shareholders. In the appointment of directors agenda, the votes were made on an individual basis for which directors and executives have disclosed information to the Board of Directors about conflict of interest both themselves and relatives to the Board of Directors since the nomination to the Company. In addition, the Board of Directors had set the report on directors' shareholding as an agenda of the Board of Directors' meeting.

2. The Board of Directors has determined measures to control the usage and and prevent the misuse of internal information (insider trading) of relevant persons namely the Board of Directors, executive directors, employees and related persons of which they shall comply with the guideline of the Securities and Exchange Act B.E. 2535 (as amended) such as to careful of adhering to the usage of any internal information that could affect the price of the securities and to report the acquisition or sale of the Company's shares.

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

3. As for the shareholders' meeting, the Company sends the proxy forms which the shareholders can control the voting direction in accordance with the form as prescribed by the Ministry of Commerce, along with the notice of the meeting. Furthermore, the shareholders, who arrive after the meeting has commenced, have the right to vote on the agenda being discussed at that time and no resolution has been made on such agenda. The attendance by such shareholders will be counted as quorum from such agenda onwards, unless the meeting views otherwise.

Part 3: The Roles of Stakeholders

The Board of Directors conducts business with transparency to ensure mutual and sustainable benefits to all stakeholders. Corporate administration and operations ensure that the Company protects the right of stakeholders as required by the law. Wave Group has set guidelines on treatments to the various group of stakeholders as part of its code of conduct. The guidelines can be summarized as follows:

- **Shareholder**

The Board of Directors had designated public relation and investors relation team to be responsible for providing equal and fair treatment to shareholders and investors as required by the law and the Company's articles of association such as right to request for verification on the number of shares, the right to receive share certificates, the right to attend the shareholders' meetings, the right to vote and freely express opinion at the meetings, and the right to receive an appropriate return. The Company gives shareholders the right, as owner of the company, to make suggestions and recommendations on the Company's affairs to the independent directors. Each suggestion will be carefully considered and presented to the Board of Directors. In addition, the Company has disclosed accurate, adequate, reliable and timely information. The Company's dividend payment policy is not less than 50% of net profit after tax.

- **Customer**

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

- **Employee**

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

- **Supplier and/or Creditor**

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

▪ Competitor

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

▪ Society and Community

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

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

▪ Policy on non-violation of human rights

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

Human rights

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

Work environment

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

▪ Safety, Occupational Health, and Environment

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

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

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

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

In 2021, Wave Group has no incidents of accident or any employee taking significant leaves or sick leaves as a result of working. Nevertheless, Wave Group has purchased accident insurance, life insurance and other types of insurance relating to work for the employees.

▪ **Conflict of Interest - Policy**

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

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

▪ **Code of Conduct – Intellectual Property**

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

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

Electronic mail: audit@wave-groups.com

Post: To Audit Committee

Wave Entertainment Public Company Limited

15th Floor, Maleenont Tower

No. 3199, Rama IV Road, Klongton, Klongtoey, Bangkok 10110

The secretary of the Audit Committee is responsible to summarize the issues and proposes to the Audit Committee for investigation prior to being reported to the Board of Directors. The Company has a policy to protect providers of information or suggestions or recommendations and keeps the providers' information confidential.

Part 4: Disclosure and Transparency

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

The Company's directors and Chief Executive Officer (CEO) or any designated person are responsible for disclosing information of the Company. In addition, the Company's public relations and investor relations unit is responsible for communicating with investors, shareholders, analysts and governmental agencies with fair and equal treatments. If any shareholder requires additional information, he/she may contact Public Relations and Investor Relations Unit, Wave Entertainment Public Company Limited, No. 3199, Rama IV Road, Klongton, Klongtoey, Bangkok 10110 or Tel. (02) 665-6705 or via email at ir@wave-groups.com or via website at www.wave-groups.com. The Company discloses its information according to annual registration statement / annual report as at December 31, 2021 (Form 56-1 One Report) and other information in accordance with rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission or as required by the relevant laws and regulations including:

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

- Information relating to performance of duties by the Board of Directors and sub-committees, including the number of meetings attended by each director, must be disclosed.
- Social and environmental protection policy and compliance with such policy must be disclosed.
- Report on corporate governance policy and compliance with such policy must be disclosed.

Part 5: The Responsibility of the Board of Directors

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

1. Board Composition

The Board of Directors consists of:

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

Structure of the Board of Directors as of 31 December 2021 consists of 10 members with qualifications and experience in various expertise which is beneficial to the Company's business operation:

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

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

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

- coordinates and manages the convening of board meetings, sub-committee meetings, and shareholders' meeting.
- prepares and stores relevant documents and reports.
- gives preliminary advice to the Board of Directors and executives on compliance with the laws and regulations relating to the Company's business.
- coordinates for implementation of resolutions of the board meetings and shareholders' meetings.
- performs any acts as required by the Securities and Exchange Act, the Public Company Act, notifications and regulations of the Capital Market Supervisory Board, and other relevant laws and regulations.

2. Qualifications of the Board of Directors

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

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

3. Term of Directorship

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

In addition, the Board of Directors has set a policy that an independent director may lose his/her independency if holding the position of independent director for nine consecutive years or three consecutive terms.

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

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

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

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

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

Duties and responsibilities of the Chairman of the Board of Directors

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

Duties and responsibilities of the Board of Directors

1. Under the laws, the Board of Directors has fiduciary duty to conduct the Company's business operation in the way that provides utmost benefits to the shareholders. The Board of Directors comply with four important principles:
 - 1.1. perform its duties with care (Duty of Care)
 - 1.2. perform its duties with honesty and protect benefits of the Company and shareholders (Duty of Loyalty)
 - 1.3. comply with the laws, objectives, Articles of Association and resolutions of the shareholders' meeting (Duty of Obedience)
 - 1.4. disclose accurate and complete information with transparency and on time to shareholders (Duty of Disclosure)

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

2. The authorized signatories to sign and bind any document on behalf of the Company shall be in accordance signing authority specified under the Company's Affidavit. The signing authority is Mr. Matthew Kichodhan and Miss Cathleen Maleenont jointly sign with the Company's seal affixed or either Mr. Matthew Kichodhan or Miss Cathleen Maleenont jointly signs with either Mrs. Angkanee Rerksirisuk, or Mr. Kijcharnpit Sukangwanwit, totaling 2 signatories with the Company's seal affixed.
3. The Board of Directors shall set vision, mission, strategy, and business policies on an annual basis for the utmost benefits of shareholders.
4. The Board of Directors shall ensure that the Company's business plan gives it a competitive advantage over competitors in both local and international markets.
5. The Board of Directors shall monitor, follow up and evaluate performance of Wave Group and its high-level executives to ensure that the policy and strategy have been complied for the highest benefits of the relevant parties.
6. The Board of Directors shall monitor and develop risk management system including monitoring and development of corporate governance to ensure that the systems are of accepted standard.
7. The Board of Directors shall not conduct any act which competes with the interests of the Company and causes conflict against the Company.
8. The Board of Directors shall manage the Company with honesty, care and in accordance with the laws, objectives and the Articles of Association of the Company, and resolutions of the shareholders' meetings.
9. The Board of Directors shall encourage employees at every levels to have work ethics by placing great importance on internal control and audit system to lower the risk of dishonesty and abuse of power and to protect any act which violates the laws.
10. The Board of Directors shall look after rights and interests of major and minority shareholders, being transparent in performing its duties, and disclosing correct and sufficient information. The performance of the Board of Directors shall be verifiable.
11. The directors shall attend both board meetings and shareholders' meetings, except in case of any unanticipated circumstance in which the director must inform the Chairman of the Board of Directors or the Secretary of the Board of Directors in advance.

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

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

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

Duties and responsibilities of the Chief Executive Officer

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

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

The Company has set the authorization matrix in order to decentralize power, duties, decision-making, and instructions, including all instructions for cheque payment (of Baht 3,000 and above) shall be approved the authorized signatories of the Company.

Duties and responsibilities of the Company Secretary

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

1. act as Company Secretary of the Company and coordinate the convening of board meetings and shareholders' meetings to be in accordance with principles of good corporate governance and in line with rules, regulations, Articles of Association, good practices, and other relevant laws such as the Securities and Exchange Act and the Public Company Act B.E. 2535 (1992) etc.
2. disclose information of the Company according to rules and regulations of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and other relevant supervisory agency;
3. give preliminary advice to the Board of Directors and executives of the Company on compliance with the laws, Articles of Association of the Company, and rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand including keeping up-to-date on new rules and regulations relevant to the Company;

4. prepare and store documents of the meetings and other relevant documents such as register of directors, notice to the board meetings, minutes of the board meetings, notice to the shareholders' meeting, minutes of shareholders' meeting, annual report, report on shareholding in the Company, and report on conflicts of interest by directors and executives etc.
5. look after activities of the Board of Directors to facilitate the directors in handling their duties efficiently and in accordance with the relevant laws, rules and regulations, code of conduct, principles of good corporate governance, Articles of Association of the Company, in order to ensure utmost benefits to the Company and shareholders;
6. coordinate the implementation of the resolutions of the Board of Directors' meetings and the shareholders' meetings;
7. perform any other duty as assigned by the Board of Directors.

5. Directorship in other companies

1) Policy on directorship in other listed companies.

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

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

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

6. Nomination and Appointment of Directors and Senior Managements

1) Independent Director

Independent Director's Definition

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

- (1) holding shares not exceeding 1% of the total number of shares with voting rights of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director

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

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

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

2) Nomination and Appointment of Directors and Senior Management

- Nomination and appointment of director

The Board of Directors assigns the Nomination and Remuneration Committee to determine guideline and policy in respect of the nomination of director and director of sub-committee including criteria in choosing new director by using the board skill matrix to determine qualifications of nominated director to be in line with the Company's business strategies. In addition, the Company's policy is to engage professional search firm or consider information from Director Pool as part of selection process of directors. The Company will concentrate on persons who have knowledge, capabilities, experience in various areas (Board Diversity) such as professional skills, expertise, gender, good working background, leadership, vision, moral and ethics, good attitudes to organization, and time to devote for benefits of the Company's business. By having transparent process to build the shareholders' confidence, the Nomination and Remuneration Committee shall consider potential candidates and propose to the Board of Directors for screening and due consideration and then further propose to shareholders for consideration and approval.

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

- (1) each shareholder has 1 vote for each share
- (2) each shareholder may exercise his/her votes pursuant to item (1) above to appoint 1 or more persons to be directors provided that the vote cannot be divided.
- (3) the person who obtains the highest votes will be appointed as a director in respective order according to the required number of directors, but if two (2) or more persons obtain equal votes, the Chairman must exercise a casting vote

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

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

- Nomination and remuneration of senior management

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

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

- Remuneration of director and sub-committee

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

- (1) to determine guideline and policy to determine remuneration of the Board of Directors and sub-committee and subsequently propose the Board of Directors and shareholders for approval, as the case may be, of which it shall be considered and approved by taking into account with duties, responsibilities and compare with company in similar business and benefit to be received from director. In addition, the Nomination and Remuneration Committee will consider whether such remuneration is appropriate and sufficient to motivate directors to lead the organization to achieve short-term and long-term goals and to maintain the qualified directors.
- (2) to propose guideline and policy in respect of the determination of remuneration of director and sub-committee in each position whether in cash or non-cash for each year to the Board of Directors for consideration and to subsequently propose shareholders for approval

The structure of remuneration of Directors and sub-committee for the year 2021 is as follows:

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

- Remuneration of Senior Management

The remuneration of senior management shall be in accordance with guideline and policy as determined by the Board of Directors which is linked to the Company's short-term operating performance such as annual profitability and long-term operating performance such as ability to complete the financial objective and goal and revenue growth target whereby the Nomination and Remuneration Committee shall consider appropriate remuneration, sufficient to motivate management to lead the organization to carry out both short-term and long-term goals, comparable with company in similar business and propose to the Board of Directors for consideration and approval.

The Company has disclosed remuneration of the Board of Directors under Item 8.1.2 Meeting Attendance and Remuneration of Individual Directors and remuneration of senior management under Item 7.4.3 Total Remuneration of Directors and the Management.

7. Board of Directors' Meetings

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

(1) Number and agenda of the meeting

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

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

Details of meeting attendance of the Board of Directors and sub-committees are set out in Item 8.1.2 Meeting Attendance and Remuneration of Individual Directors.

(2) Quorum and meeting

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

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

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

(3) Agendas of the meeting

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

(4) Delivery of notice of the meeting

In each meeting, the Company shall deliver supportive documents 5 business days prior to the meeting date, to provide sufficient time for the directors to study the affairs before the meeting.

(5) Minutes of meeting

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

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

6) Non-executive directors' meeting

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

8. Orientation and training for directors

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

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

Name of Directors	Courses			
	Directors Accreditation Program (DAP)	Directors Certification Program (DCP)	Refresher DCP (DCP Re)	Anti-Corruption: The practical Guide (ACPG)
1. Mr. Matthew Kichodhan	Class no. 57/2006	Class no. 95/2007		
2. Mr. Prasert Patradhilok		Class no. 20/2002	Class no. 1/2005	Class no. 15/2014
3. Mr. Somsak Phayapdacharchai	Class no. 49/2006			
4. Mr. Chaipranin Visudhipol		Class no. 88/2007		
5. Mr. Philipp O. Piaz	Class no. 146/2018	Class no. 260/2018		
6. Dr. Cathleen Maleenont	Class no. 9/2004	Class no. 150/2011		
7. Mrs. Angkanee Rerksirisuk	Class no. 138/2017			

The Company's policy is to support participation by directors in programs organized for directors. Over 78% of members of the Board of Directors has participated in the abovementioned programs.

In addition, the Company's directors continuously attended the following courses or seminars to increase their knowledge relating to performance of their duties in 2021.

No.	Course	Date
<u>Mr. Prasert Patradhilok</u>		
1.	Online seminar under the topic "The New Road to Capital Market" Organized by : The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC)	14 September 2021
2.	Online seminar under the topic "Trends, directions in doing M&A, important issues to consider and strategies for making M&A successful" Organized by : The Stock Exchange of Thailand	29 – 30 September 2021
3.	Online seminar under the topic "Preparing for the end of the Covid-19 pandemic: the crisis in 100 years, opportunities and expectations after the Covid-19 pandemic." Organized by : EY Office Limited	20 October 2021
<u>Mrs. Angkanee Rerksirisuk</u>		
1.	Online seminar TLCA CFO Professional Development Program (TLCA CFO CPD) No. 1/2021 in the subject of "Economic update for CFO" Organized by: Thai Listed Companies Association	18 March 2021
2.	Online seminar TLCA CFO Professional Development Program (TLCA CFO CPD) No. 4/2021 in the subject of "How finance leaders are adapting within the new normal" Organized by: Thai Listed Companies Association	15 July 2021

9. Annual Performance Evaluation

1) Performance evaluation of the Board of Directors

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

In 2021, performance evaluation of the Board of Directors was carried out on both individual and collective basis. The Company Secretary prepared such evaluation form for performance evaluation on the Board of Directors based on the form prepared by Good Governance Development & Alliance Department, the Stock Exchange of Thailand, which was posted on the Stock Exchange of Thailand's website and used it as criteria for assessment of the Board of Directors' performance whereby the Company Secretary has provided such assessment to the Board of Directors to evaluate its performance on both individual and collective basis and then asked each of Director to provide the evaluated assessment to the Company Secretary for further evaluating and proceeding. The Board Self-Assessment can be divided into 5 levels namely 4 = Excellent Performance / 3 = Good Performance / 2 = Adequate Performance / 1 = Slight Performance / 0 = No Performance

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

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

The overall results of performance evaluation on the Board of Directors (collective basis) in 2021 is with average scores of a good level.

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

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

The overall results of performance evaluation on the Board of Directors (individual basis) in 2021 is with average scores of a good level.

2) Performance evaluation of the sub-committees

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

In 2021, performance of the following sub-committees was evaluated: Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance Committee. The Company Secretary prepared evaluation form for such performance evaluation based on the form posted by Good Governance Development & Alliance Department, the Stock Exchange of Thailand on the Stock Exchange of Thailand's website and used it as criteria for assessment of the sub-committees and/or adjusted according to scope of duties and responsibilities under charter of each sub-committee whereby the Company Secretary has provided such assessment to the Sub-Committees to evaluate its performance and then asked each of Director of each Sub-Committee to provide the evaluated assessment to the Company Secretary for further evaluating and proceeding. The self-assessment can be divided into 5 levels namely 4 = Excellent Performance / 3 = Good Performance / 2 = Adequate Performance / 1 = Slight Performance / 0 = No Performance

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

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

The overall results of performance evaluation on the sub-committees in 2021 can be summarized as follows:

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

3) Performance evaluation of the Chief Executive Officer

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

In 2021, the Nomination and Remuneration Committee assessed performance of the Chief Executive Officer. The Company Secretary prepared evaluation form for performance evaluation of highest level executive based on the form posted by Good Governance Development & Alliance Department, the Stock Exchange of Thailand on the Stock Exchange of Thailand's website and used it as criteria for assessment of the Chief Executive Officer whereby the Company Secretary has provided such assessment to the Nomination and Remuneration Committee to evaluate the Chief Executive Office's and then asked the Nomination and Remuneration Committee to provide the evaluated assessment to the Company Secretary for further evaluating and proceeding. The assessment can be divided into 5 levels namely 4 = Excellent Performance / 3 = Good Performance / 2 = Adequate Performance / 1 = Slight Performance / 0 = No Performance.

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

- | | |
|--|--------------------------------------|
| (1) Leadership | (2) Establishment of strategy |
| (3) Implementation of strategy | (4) Financial planning and operation |
| (5) Relationship with Board of Directors | (6) Relationship with third party |
| (7) Management and relationship with personnel | (8) Succession plan |
| (9) Knowledge of products and services | (10) Personal characteristics |

The overall results of performance evaluation on the Chief Executive Officer in 2021 is with average scores of a good level.

10. Succession plan

The Board of Directors supports and places great importance on development of succession plan of Chief Executive Officer and/or high-level executives which is part of human resource planning strategy of the Company by planning or preparation of high-potential personnel including director or high-level executive who is knowledgeable in the business to act as Chief Executive Officer in the event that the Chief Executive Officer is unable to perform his work or such position becomes vacant for continuity of the business.

6.2 Code of Conduct

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

The Board of Directors has considered and approved the latest issue of “Code of Conduct”, which is published on the Company’s website. The Code of Conduct covers the following issues:

(1) Code of conduct

- | | |
|---|--|
| • Honesty | • Ethic |
| • Keeping one’s words and trustful | • Royalty |
| • Maintain professional | • Fairness |
| • Sympathy | • Respectful |
| • Compliance with the laws, regulation, and articles of association | • Excellent performance |
| • Leadership | • Reputation and pride |
| • Responsibility | • Human resources |
| • Conflict of interest policy | • Privacy data and internal information usage policy |
| • Company’s asset protection policy | • Policy regarding give and take present and consideration |
| • Intellectual Property ethics | • Anti-Bribery and Corruption policy |
| • Non-violation on human right policy | • Health and Safety Environment Policy, |
| • Financial Statement Preparation and Information Record and Internal Control of Accounting and Financial of the Company Policy | |

(2) Operational guidelines

- Operational guideline for the Board of Directors, executives, company secretary, and employee.
- Policy and operational guidelines to each stakeholder which are shareholders, customers, consumer, employee, trading partner and/or debtor, trading competitors, and society.

The Company has communicated with the Board of Directors, executives, and employees for acknowledgement of the content by preparing Code of Conduct in booklet and distributed to all stakeholders to be used as guideline on performance of duties with honesty and fairness. Including employees and executives shall sign for acknowledgement and agree to annual self-assessment in respect of compliance with code of conduct.

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

Details are shown in Attachment No. 5 Corporate Governance Policy and Code of Conduct

6.3 Significant Changes and Development of Corporate Governance Policy and System in the Past Year

6.3.1 Significant Changes and Development Relating to Review on Corporate Governance Policy, Practices and System or Charter of the Board of Directors in the Past Year

The Board of Directors has established a corporate governance policy which was later renamed to the good corporate governance policy which is in writing since 2003 and has continuously updated the content of the policy to be appropriate. The Corporate Governance Committee has monitored and improved, amended, and changed the policy to be up-to-date and in accordance with the Company's conditions, constantly changing economic and social conditions, the guidelines prescribed by the Stock Exchange of Thailand or other regulatory agencies.

The Board of Directors has reviewed and approved the latest version of the "Corporate Governance Policy" and has communicated such revised version to directors, executives and employees and disclosed the policy on the Company's website.

6.3.2 Unimplemented Principles of Corporate Governance

The Board of Directors' Meeting No. 1/2022 held on 28 February 2022, has reviewed and audited the compliance to the policy in year 2021, which concludes that the Company's Board of Directors has fully complied with the relevant policy and procedures. However, some corporate governance policy implemented by the Company are different from criteria on corporate governance report of Thai listed companies by IOD for year 2022 as described below:

Guidelines/Good Corporate Governance Policy of IOD	Explanations of the Company
Chairman of the Board of Directors shall be an independent director.	The Company's chairman is not an independent director. However, the present chairman is suitable, experienced and capable of efficiently monitor the performance of duties of the Board of Directors, and fairly ensure the benefits of every parties.
Chairman of the Board of Directors and CEO shall be a different person.	The chairman of the Board of Directors and CEO of the Company is the same person. However, for check and balance purpose, the Board of Directors has established an appropriate structure of the Board of Directors by clearly separate duties and responsibilities of the Board of Directors from that of the management, including any approval and operation shall be proceeded in accordance with authorizations approved by the Board of Directors.
Majority of the Board of Directors shall be independent directors.	As of 31 December 2021, 56% of the Board of Directors are independent directors. The Board of Directors believes that such structure is suitable to the current business and control structure of the Company.

Guidelines/Good Corporate Governance Policy of IOD	Explanations of the Company
Independent director shall be in his/her term of not more than 9 years.	The Company is in the process of reconsidering setting the term of independent director to be not more than 9 years.
At least 1 member of the Audit Committee must have an accounting degree.	The Company is in the process of recruiting the Audit Committee so that the committee consists of at least 1 director who graduated in accounting.
All members of the Nomination and Remuneration Committee shall be independent directors.	As of 31 December 2021, the Nomination and Remuneration Committee of the Company consists of independent directors and executive director. As a result, majority 75% of the Nomination and Remuneration Committee are independent directors. The Company's Board of Directors believes that the structure of such sub-committee is suitable to the current business and control structure of the Company.
At least two-thirds of all directors shall be present for voting an agenda of the meeting.	According to the Articles of Association, not less than half of all directors shall be present at the Board of Directors' meeting to constitute a quorum and the resolutions of the meeting shall be passed by majority vote. The Board of Directors believes that such resolution ratio is suitable to the Company's current conditions. Nevertheless, voting of any agenda of the Board of Directors' meetings shall be passed by majority vote in practice.

6.3.3 Compliance with Other Matters according to Principles of Good Corporate Governance

1) Evaluation on corporate governance of listed company in 2021

The Company was evaluated on corporate governance of listed company by Thai Institute of Director under the support from SET in 2021. The Company was given 93 scores or "Excellent", from the total of 716 listed companies being evaluated in 2021. The average score was 84 scores. The Company was rated "Excellent" same as year 2020 and 2019.

2) Evaluation on quality of the 2021 annual general meeting of shareholders

The Company was evaluated on quality of its annual general meeting in 2021 (Annual General Meeting Checklist). According to letter no. TIA.703/2021 dated 6 July 2021 of Thai Investors Association, the Company was given 100 scores or "Excellent and deserve as an example", from the total of 736 listed company being evaluated in 2021. The average score was 94.80 scores. The Company was rated as "Excellent and deserve as an example", same as year 2020 and higher than year 2019 rating of "Excellent".

3) Connected transactions and transactions potentially leading to conflict of interest

According to the Company's policy, it has set the procedures regarding any connected transaction with the person potentially have conflict of interest that such transaction must be subject to the consideration of management, and introduce to the Board of Directors and/or the shareholders' meeting for approval in accordance with the Company's authorization matrix, articles of association, and the conditions of the SET's notifications concerning information disclosure and the operation concerning connected transaction of the listed company. In addition to this, the opinion of the Board of Directors and Audit Committee stating that such transaction is appropriate and for the utmost benefit of the Company same as the transaction made with the third party, must be expressed. The director who has an interest shall not be entitled to vote on such transaction and the information shall be fully disclosed for the overall benefits of the Company which is in compliance with the Company's good corporate governance policy.

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

The Board of Directors has always approved connected transactions and transactions potentially leading to conflict of interest with due care and complied with the Stock Exchange of Thailand's regulation. The connected transaction is made justly by the market price and in accordance with the fair and at arms' length principle of the Company, which the utmost benefit of the Company is prioritized, including the disclosure of information concerning name, relation of the related person, pricing policy, transaction value, and opinion of the Board of Directors regarding such transaction, are also expressed in the annual registration statement / annual report as at December 31, 2021 (Form 56-1 One Report) .

The trend of future connected transaction of the Company is still similar to the precedent years, such as office lease and car park service fees in Maleenont Tower.

4) Confidentiality and Inside Information

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

- (1) director, management and employee shall not use the Company inside information to take any personal interest and competing with the Company's business or related business.
- (2) director, management, employee and related person need to comply with the guideline of the Securities and Exchange Act B.E. 2535 (as amended) such as a careful usage of inside information which may impact the Company's securities price.

- (3) director, management, operation unit and employee shall not disclose any trade secret information to third party, especially the Company's competitor of which this restriction shall be applied to such director, management or employee after his or her retirement period.
- (4) Determine that the information shall be given only to the direct officer, for computer system section, private information and information which may affect the operation of the Company shall only be accessed by selected person through a private log in.

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

In 2021, the Company found no report of directors and executives trading securities of the Company by the use of internal information.

5) Anti-Bribery and Corruption Policy

The Board of Directors is determined for the Company to operate honestly, with transparency, and in pursuant to the principles of good corporate governance and implements anti-corruption policy to combat the threat of corruption which obstructs free and fair competition and damage economic and social development. In 2021, the Company is in the process of joining the private sector's Collective Action Coalition Against Corruption (CAC).

The Board of Directors has considered and approved the latest issue of "Anti-Bribery and Corruption Policy", which is disclosed on the Company's website, and outlined the rules and principles of preventing the Company, the Company's employee and all other persons that are associated with the Company (including third persons) from violating the anti-corruption laws. It also outlined below how to check, manage and monitoring of compliance with Anti-Bribery and Corruption Policy to ensure that the policy is being followed. The policy and guideline can be summarized as follows:

- (1) Directors, executive, and employee at every level must comply with the anti-bribery and corruption policy, and must not involve in any corruption matter whether directly or indirectly.
- (2) Executives and employee must not ignore when witness any corruption which relate to the Company, and shall report to the supervisor, or responsible person, or report to any designated channel such as email: hotline@wave-groups.com, and cooperate in fact investigation. Any query should be directed to supervisor or designated person who responsible for monitoring compliance with the Code of Conduct.
- (3) Audit Committee has duty in monitoring on anti-bribery and corruption policy to ensure that the Company has operate and comply with the law and designated ethics, while Internal Audit has duty and responsibility in monitoring that the operation is proceeded in accordance with the policy, guidelines, authorization, regulation, laws and rules of monitoring organization to ensure that the control system is adequate and sufficient for potential risk that may occur.

- (4) The Company's management has organized self-assessment (CSA: Control Self-Assessment) which covers risks that may arise from dishonesty or corruption on a regular basis and reconsider and update risk management measures to appropriately prevent risks to be at acceptable level.
- (5) The Company will protect those who notifies act of corruption in relation to the Company, in accordance with the Whistleblower Procedures of the Company.
- (6) A person who involved in act of corruption is considered violating the Code of Conduct of the Company, and therefore, subject to disciplinary action under articles of operation of the Company, and may subject to penalty if such act is considered illegal.
- (7) The Company realizes the significance of knowledge and understanding distribution to persons whose work related to the Company, or may affect the Company in matter that must comply with this anti-bribery and corruption policy. The Company has seminar and knowledge sharing program both inside and outside the Company to provide knowledge concerning anti-bribery and corruption policy to the employee.
- (8) To make any transaction with high risk of corruption more transparent, the Company gives advice and guidelines covering topics including political support, charity, subsidy, present, and service fee and other expenses, to the employee every level to operate with carefulness.

6) Whistleblower Procedures

The Board of Directors has considered and approved the latest issue of "Whistleblower Procedures Policy", which is published on the Company's website, to encourage directors, executives, and employee to report or complaint any action which potentially may lead to unethical action, violation of laws, financial fraud, action that is illegal or breach the Company's policy.

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

7) Internal Control and Risk Management

(1) Internal Control

The Board of Directors prioritizes to internal control system, and establish the internal control system that covers financial matter, management, operation efficiency in compliance with the laws, rules, articles of association, and relevant regulations. In addition, the duty and liability, authorization level of officer and executive are also clearly record in written. Asset utilization is monitored, the duty of officer and evaluator are clearly separated for reasonably check and balance purpose. Furthermore, the Company also establishes policies that financial reports must be submitted to the responsible department and adequate, appropriate and efficiency of its internal control system shall be assessed and report to the Board of Directors at least once a year.

(2) Internal Audit

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

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

(3) Risk Management

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

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

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

8) **Financial Statement Preparation and Information Record and Internal Control of Accounting and Financial of the Company Policy**

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

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

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

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

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

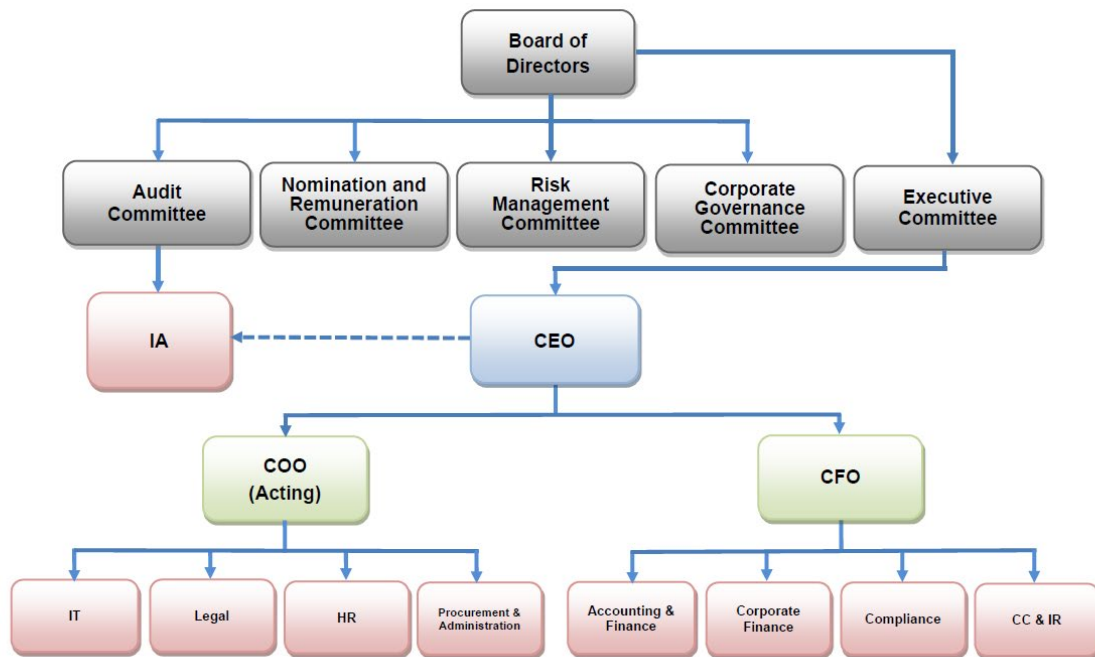
Accounting and finance officers including all senior executives of the Company shall be responsible for overseeing operational process and the accounting and financial control of the Company to be accurate, complete, reliable and timely to provide users financial performance and financial status report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

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

7. Corporate Governance Structure and Significant Information Relating to Board of Directors, Subcommittees, Executives, Employees and Others

7.1 Corporate Governance Structure

Corporate Governance Structure as at 31 December 2021.



7.2 Information of the Board of Directors

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

7.2.1 Composition of the Board of Directors

As of December 31, 2021, the Company has 9 directors as follows:

Name	Position	Board of Directors meeting	
		Times/ year	Attendance number
1. Mr. Matthew Kichodhan	Chairman and Member of the Nomination and Remuneration Committee	7	7
2. Mr. Prasert Patradhilok	Independent Director and Chairman of the Audit Committee	7	7
3. Mr. Somsak Phayapdacharchai	Independent Director Member of the Audit Committee and Member of the Corporate Governance Committee	7	7
4. M. L. Nalinee Hastintra	Independent Director Member of the Audit Committee and Member of the Nomination and Remuneration Committee	7	7
5. Mr. Chaipranin Visudhipol	Independent Director Chairman of the Corporate Governance Committee and Chairman of the Nomination and Remuneration Committee	7	6
6. Mr. Philipp O. Piaz	Independent Director Member of the Risk Management Committee Member of the Corporate Governance Committee and Member of the Nomination and Remuneration Committee	7	7
7. Dr. Cathleen Maleenont	Director and Chairman of the Risk Management Committee	7	7
8. Mr. Kijcharnpit Sukangwanwit	Director and Member of the Risk Management Committee	7	7
9. Mrs. Angkanee Rerksirisuk	Director	7	7
<u>Director who resigned in 2021</u>			
1. Mr. Apiwat Ngenmune ¹	Independent Director	5	5

Remark:

¹ resigned from the Director, effective from October 1, 2021.

Details of the proportion of independent directors against all directors and the proportion of non-executive directors against all directors are shown in the heading of Structure of the Board of Directors and authorized directors whose signatures are shown in duties and responsibilities of the Board of Directors in the heading of Corporate Governance Policy under Section 5: Responsibility of the Board of Directors.

7.2.2 Information of Individual the Board of Directors and the Controlling Persons

Information of Individual the Board of Directors and the Controlling Persons and information of directors relating to latest education, training programs organized by Thai Institute of Directors (IOD) and major experience relating to the Company's business as details in Attachment No.1, The details relating directors, management, the person taking the highest responsibility in finance and accounting, the person supervising accounting and the Company's secretary Section.

The shareholding in the Company's securities by directors and senior management (including their spouses and minor children) as at December 30, 2020, compared with December 30, 2021 is as follows:

Name	Position	Number of shares		
		30 Dec 2020 ¹	30 Dec 2021 ²	Changes
1. Mr. Matthew Kichodhan	Chairman and Member of the Nomination and Remuneration Committee	-	-	-
(Spouse and minor children)		-	-	-
2. Mr. Prasert Patradhilok	Independent Director and Chairman of the Audit Committee	-	-	-
(Spouse and minor children)		-	-	-
3. Mr. Somsak Phayapdacharchai	Independent Director Member of the Audit Committee and Member of the Corporate Governance Committee	-	-	-
(Spouse and minor children)		-	-	-
4. M. L. Nalinee Hastintra	Independent Director Member of the Audit Committee and Member of the Nomination and Remuneration Committee	-	-	-
(Spouse and minor children)		-	-	-
5. Mr. Chaipranin Visudhipol	Independent Director Chairman of the Corporate Governance Committee and Chairman of the Nomination and Remuneration Committee	-	-	-
(Spouse and minor children)		-	-	-
6. Mr. Philipp O. Piaz	Independent Director Member of the Risk Management Committee Member of the Corporate Governance Committee and Member of the Nomination and Remuneration Committee	-	-	-
(Spouse and minor children)		-	-	-
7. Dr. Cathleen Maleenont	Director and Chairman of the Risk Management Committee	162.11 million shares (20.64%)	157.68 million shares (20.08%)	Decrease by 4.43 million shares
(Spouse and minor children)		-	-	-
8 Mr. Kijcharnpit Sukangwanwit	Director and Member of the Risk Management Committee	-	-	-
(Spouse and minor children)		-	-	-
9 Mrs. Angkanee Rerksirisuk	Director	-	-	-
(Spouse and minor children)		-	-	-

Name	Position	Number of shares		
		30 Dec 2020 ¹	30 Dec 2021 ²	Changes
<u>Director who resigned in 2021</u>				
1. Mr. Apiwat Ngenmune	Independent Director	-	-	-
(Spouse and minor children)		-	-	-

Remarks:

¹ As at December 30, 2020, The Company has registered capital of Baht 1,520.84 million, divided into 1,520.84 million ordinary shares with a par value per share of Baht 1 and paid-up capital of Baht 785.26 million, divided into 785.26 million ordinary shares with a par value per share of Baht 1.

² As at December 30, 2021, The Company has registered capital of Baht 1,415 million, divided into 1,415 million ordinary shares with a par value per share of Baht 1 and paid-up capital of Baht 785.26 million, divided into 785.26 million ordinary shares with a par value per share of Baht 1.

In 2021, all senior management (including their spouses and minor children) did not hold shares in the Company.

7.2.3 Role and Duties of the Board of Directors

The Company defined role and duties of the Board of Directors, of which details are shown in the heading of Corporate Governance Policy under Section 5: Responsibility of the Board of Directors.

7.3 Information of Sub-committees

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

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

1) **Audit Committee**

The Audit Committee consists of at least 3 independent directors having the qualification in accordance with the notification of the Stock Exchange of Thailand regarding the qualification and scope of the Audit Committee B.E. 2542 (as amended), for which Mr. Prasert Patradhilok acts as Chairman of the Audit Committee. He has the expertise and experience in reviewing financial statements. The duties of the Audit Committee include checking if the operation has been carried out in accordance with the Company's policies and regulations as well as the laws and the compliance unit's regulations. Moreover, they are committed to ensure that the Company has an appropriate and efficient internal control system, a risk management system and internal audit system. The Audit Committee acts and expresses opinions freely, with the Company's internal audit office acting as an operation unit directly reporting to the Audit Committee. The Audit Committee is entitled to seek advice from independent consultants including auditors, advisors, and legal and accounting experts as necessary.

As of 31 December 2021, the Audit Committee comprises of:

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

Audit Committee's term of office

The term of office of the Audit Committee is 3-year term of office. The latest term is from 1 January 2021 to 31 December 2023. Upon completion of the term, the members of the Audit Committee may be reappointed. However, the Board of Directors has set an additional condition of the policy that independent director will lack independency once he/she has held the position in the office for 9 years or 3 consecutive terms.

Scope of duties and responsibilities of the Audit Committee

The Audit Committee has the following duties and responsibilities:

1. To review the Company's financial statements and related financial reports to ensure that they are presented accurately and fairly with sufficient information disclosure;
2. To review and ensure that the Company and its subsidiaries have adequate, appropriate and efficiency of internal control system and internal audit system, to consider whether qualifications, experience and training of chief internal audit unit is suitable for holding such the position, to determine the internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief internal audit unit or any other unit in charge of internal audit;
3. To review the Company's compliance with the laws on securities and exchange, the regulations of the Stock Exchange of Thailand, the Office of Securities and Exchange Commission and the laws relating to the Company's business;

4. To consider capabilities and independence of an external auditor and propose for approval of appointment of the Company's auditor and the audit fee, including dismissal of the Company's auditor;
5. To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Stock of Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare an audit committee report and include it in the Company's annual report, which must be signed by the Chairman of the Audit Committee. The report must consist of at least the following information:
 - (6.1) an opinion on accuracy, completeness and reliability of the Company's financial statements;
 - (6.2) an opinion on adequate, appropriate and efficiency of the Company's internal control system, risk management system and internal audit system;
 - (6.3) an opinion on the Company's compliance with laws on securities and exchange, regulations of the Stock Exchange, the Office of the Securities and Exchange Commission and the laws relating to the Company's business;
 - (6.4) an opinion on suitability of the external auditor;
 - (6.5) an opinion on connected transactions and transactions that may lead to conflicts of interest;
 - (6.6) the number of Audit Committee meetings, and the attendance of such meetings by each committee member;
 - (6.7) an overall opinion or comment which the Audit Committee obtains when performing its duties as specified in the audit committee charter;
 - (6.8) other transactions which the Audit Committee opines that should be known to the shareholders and general investors, under the scope of duties and responsibilities assigned by the Board of Directors.
7. To arrange the Audit Committee meetings of at least 4 times per year in order to present the audit committee reports to the Board of Directors, as well as to approve the appointment of appropriate person as the Secretary of Audit Committee.
8. To inspect any suspicious circumstance without delay whenever being informed of the fact by the auditor and shall report the result of preliminary inspection to the Office of Securities and Exchange Commission (SEC) and the auditor within 30 days after being notified by the auditor. Such circumstances were discovered by the auditor that the director, manager or any person responsible for the operation of the Company commits an offence under the Securities and Exchange Act such as dishonesty, fraud, embezzlement and concealment, etc.
9. To report the transactions or any acts which may materially affect the Company's financial conditions and operating results to the Board of Directors for rectification within the period of time that the Audit Committee thinks fit:

- (9.1) transactions which cause conflicts of interest;
- (9.2) fraud or irregularity or significant failure of internal control system;
- (9.3) violation of the laws on securities and exchange, the regulations of the Stock Exchange, the Office of the Securities and Exchange Commission or the laws relating to the Company's business.

If the Board of Directors or management fails to make a rectification within such period of time, any member of the Audit Committee may report such transaction or act to the Office of Securities and Exchange Commission (SEC) or the Securities and Exchange of Thailand (SET).

10. The Audit Committee has the duties and responsibilities to govern policies and anti-bribe and anti-corruption measures to ensure that the Company has complied with its duties under the prescribed laws and code of ethics.
11. The Audit Committee has duties and responsibilities to monitor the operations of the company regarding measures to prevent the spread of infectious diseases.
12. To do any other matters assigned by the Board of Directors of which the Audit Committee agrees.

2) **Nomination and Remuneration Committee**

The Board of Directors has appointed the Nomination and Remuneration Committee consists of at least 3 persons who is responsible for the nomination of persons qualified as directors to replace those who are retired by rotation or resigned for any other reasons. The committee also set guidelines and criteria in determining fair and reasonable remuneration for directors, sub-committees, Chief Executive Officer and propose the remuneration to the board meetings and/or shareholders' meeting for approval. In addition, the committee is responsible for (i) filling in vacancies, appointment, removing, and transferring of high-level executives, (ii) determining budget for increase of remuneration, (iii) changing salaries, bonus, and all types of remuneration for high-level executives, prior to proposing to the Board of Directors for approvals. No candidate was proposed for the position of director by minority shareholders in 2021.

As of 31 December 2021, the Nomination and Remuneration Committee comprises of:

Name	Position	Status
1. Mr. Chaipranin Visudhipol	Chairman of the Nomination and Remuneration Committee	Independent director
2. Mr. Matthew Kichodhan	Member of the Nomination and Remuneration Committee	Executive Director
3. M.L. Nalinee Hastintra	Member of the Nomination and Remuneration Committee	Independent director
4. Mr. Philipp O. Piaz	Member of the Nomination and Remuneration Committee	Independent director
Ms. Suntree Arayasomboon	Secretary of the Nomination and Remuneration Committee	

Scope of duties and responsibilities of the Nomination and Remuneration Committee

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

1. To select appropriate candidates to be appointed as new directors or Chief Executive Officer and to propose nominations to the Board of Directors' meeting and/or the shareholders' meeting for approval.
2. To set guidelines and criteria in determining fair and reasonable remuneration for directors, sub-committees, chief executive officer and management and propose the remuneration to the board meetings and/or shareholders' meeting for approval.
3. To consider appointment, relief, determining budget for increase of remuneration, changing salary and all types of remuneration and bonus of high-level executives before proposing to the Board of Directors' meetings for approval.
4. To prepare the report of the Nomination and Remuneration Committee and disclose the report which has been signed by the Chairman of the Nomination and Remuneration Committee on the Company annual report.
5. To perform other duties as assigned by the Board of Directors.

3) Risk Management Committee

The Risk Management Committee as of 31 December 2021 consists of:

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

Scope of duties and responsibilities of the Risk Management Committee

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

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

6. To acknowledge the outcome or progress of organization's risk management, business units divisions and otherwise
7. To prepare the report of the Risk Management Committee and disclose the report which has been signed by the Chairman of the Risk Management Committee on the Company annual report.
8. To perform other duties as assigned by the Board of Directors.

4) **Corporate Governance Committee**

The Board of Directors realizes the importance of Good Corporate Governance and had a resolution to appoint the Corporate Governance Committee to support operations of the Company to be line with good corporate governance principles with appropriateness and transparency, including creating confidence and respect to shareholders, investors, and all stakeholders.

As of 31 December 2021, Corporate Governance Committee consists of:

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

Scope of duties and responsibilities of the Corporate Governance Committee

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

1. To determine corporate governance policy, code of conduct, and guidelines on corporate social responsibility (CSR) of Wave Group to propose to the Board of Directors for approval and compliance at every level.
2. To provide advice to the Board of Directors on good corporate governance, code of conduct, and corporate social responsibility.
3. To promote and govern business activities of the Company and performance of duties by the Board of Directors, executives and employees to be in line with policy on good corporate governance, code of conduct and guidelines on corporate social responsibility.
4. To examine and update policy on good corporate governance, code of conduct and guidelines on corporate social responsibility of Wave Group on a regular basis to ensure that policy on good corporate governance, code of conduct and guidelines on corporate social responsibility of Wave Group are up-to-date and in line with guidelines of international standard including laws, rules, regulations and notifications of the Stock Exchange of Thailand or other supervisory agencies and propose to the Board of Directors for approval.
5. To report results of performance to the Board of Directors for acknowledgement or approval.

- 6 To prepare the report of the Corporate Governance Committee and disclose the report which has been signed by the Chairman of the Corporate Governance Committee on the Company annual report.
7. To perform other duties assigned by the Board of Directors.

7.4 Information of Executives

7.4.1 Name and Position of Executives

As of December 31, 2021, the Company has 4 executive officers consist of

Name	Position
1. Mr. Matthew Kichodhan	Chief Executive Office Acting Chief Operating Officer
2. Mrs. Angkanee Rerksirisuk	Chief Financial Officer
3. Mrs. Suntaree Arayasomboon	Accounting and Finance Director
4. Mr. Chokechai Tutiyaorn	Legal Department Director

7.4.2 Directors and the Management Remuneration Policy

Remuneration of Senior Management

The remuneration of senior management shall be in accordance with guideline and policy as determined by the Board of Directors which is linked to the Company's short-term operating performance such as annual profitability and long-term operating performance such as ability to complete the financial objective and goal and revenue growth target whereby the Nomination and Remuneration Committee shall consider appropriate remuneration, sufficient to motivate management to lead the organization to carry out both short-term and long-term goals, comparable with company in similar business and propose to the Board of Directors for consideration and approval.

7.4.3 Total Remuneration of Directors and the Management

(1) Monetary remuneration

In 2021, the monetary remuneration was paid by the Company and the Company's subsidiaries, consisting of salaries, bonuses and others to the senior management totaling 5 persons in the total amount of Baht 24.72 million.

(2) Other remuneration

The Company did not paid any other types of remuneration to the senior management other than the monetary remuneration.

7.5 Employee

(1) Remuneration for employees

Wave Group has laid down a policy on remuneration for employees, by having considered appropriate, fairness, and in accordance with knowledge, skills and performance of each employee, which is consistent with the average rate paid in the same industry. The remuneration was considered based on factors including the Company's short-term operating results such as profitability during each financial year and long-term operating results such as performance assessment by KPI or Balanced Scorecard, business expansion and growth of the Company. As of December 31, 2021, Wave Group has paid remuneration to the employees in the forms of salaries, overtime expenses, financial aid for cost of living, bonuses, special financial aid, social security and provident fund contributing to the total of 491 employees, divided into 15 of the Company's employees and 476 subsidiary's employees. The total amount of remuneration for employees in 2021 was Baht 242.73 million, which included the employees benefit is in accordance with International Accounting Standard 19 Employees Benefits.

(2) Employees benefits

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

(3) Employee development

The Company has laid down a policy on employee development focusing on providing knowledge to the employees in which the Company managed to have internal and external training plans, in order for the employees to gain knowledge and develop their skills, as well as to enhance their efficiency and effectiveness to their performance. In 2021, the employees had enrolled in trainings at the average period of 11 hours per year, calculated based on total of 491 employees of Wave Group.

7.6 Other Significant Information

7.6.1 The person supervising accounting, Company Secretary, Head of Internal Audit and Head of Compliance of the Company

The person supervising accounting

The Company has appointed Mrs. Suntaree Arayasomboon as Accounting and Finance Director and as the person supervising accounting. The qualifications of the person supervising accounting are contained in the details relating directors, management, the person taking the highest responsibility in finance and accounting, the person supervising accounting and the Company's secretary Section, Attachment No. 1.

Company Secretary

Board of Directors has appointed Mrs. Angkanee Rerksirisuk to act as the Company Secretary. The qualifications of the Company Secretary are contained in the details relating directors, management, the person taking the highest responsibility in finance and accounting, the person supervising accounting and the Company's secretary Section, Attachment No. 1.

Head of Internal Audit

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

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

Head of Compliance

The Company assigns Ms. Anchalee Puttapatimok as Head of Compliance to govern and monitor compliance by the Company with regulations of supervisory agencies of the Company's business. The qualifications of the Company's Heads of Compliance are set out in Attachment 3.

7.6.2 Investor Relations and Contact Information

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

In respect of relationship with investors, the Company has established Corporate Communications & Investor Relations Unit to communicate with institutional investors, shareholders, analysts, including supervisory agencies and relevant government sectors. Investors may contact and request for the Company's information by calling on 02-665-6705, or by email: address:ir@wave-groups.com, or via website: www.wave-groups.com

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

7.6.3 Remuneration for Auditor

The Company and its subsidiaries have paid audit fees to PricewaterhouseCoopers ABAS Ltd. for the period between 1 January 2021 to 31 December 2021 as follows:

1) Audit Fees

	Company Names	Auditors	Audit Fee (Baht)
1.	WAVE Entertainment PCL.	Ms. Tithinun Vankeo	730,000
2.	WAVE TV Co., Ltd.	Ms. Tithinun Vankeo	50,000
3.	WAVE Pictures Co., Ltd.	Ms. Tithinun Vankeo	10,000
4.	WAVE Food Group Co., Ltd.	Ms. Tithinun Vankeo	10,000
5.	WAVE Education Group Co., Ltd.	Ms. Tithinun Vankeo	50,000
6.	Wall Street English (Thailand) Co., Ltd.	Ms. Tithinun Vankeo	950,000
7.	Jeffer Restaurant Co., Ltd	Ms. Tithinun Vankeo	1,200,000
Total			3,000,000

2) Non-audit fee

In 2021, the Company did not pay any non-audit fee to the audit firm of which the auditor is registered.

8. Report on Corporate Governance Performance

8.1 Summary of the performance of the Board of Directors in the past year

8.1.1 Recruitment, development and assessment of the performance of the Board of Directors

In respect of the appointment of directors in 2021, 4 directors who retired by rotation were reappointed. Two of the four directors are members of the Nomination and Remuneration Committee. Therefore, the Board of Directors (by directors who have no interests) was proposed to consider the reappointment. The Board of Directors has scrutinized and deemed appropriate to propose to the shareholders' meeting to consider and approve the reappointment of directors who retired by rotation for another term. Such persons have the qualifications suitable for the Company's business operations, as well as having knowledge, capabilities and complete qualifications as stipulated in the Public Limited Companies Act B.E. 2535 (1992) (as amended) and the Securities and Exchange Act B.E. 2535 (1992) (as amended). In this regard, the Company gave the shareholders an opportunity to participate in nominating persons with knowledge, capabilities, and suitable qualifications to be considered as the Company's directors. But no shareholder nominated any person to be considered for election as director. The number of directors proposed for consideration was equal to the number of directors who retired.

In selecting the Company's independent directors, the Company has prescribed the qualifications of independent directors, **details of which are as set out under Item 6.1.2 Policies and Practices Concerning Shareholders and Stakeholders, Section 5 The Responsibilities of the Board of Directors.**

In voting for the appointment of directors who have retired by rotation, the Company allows shareholders to use ballots to appoint individual director by allowing shareholders to cast all their votes to select the person nominated as director one by one. **Please refer to details under Item 6.1.2 Policies and Practices Concerning Shareholders and Stakeholders, Section 1 The Rights of Shareholders.**

The results of the assessment of the performance of the Board of Directors and all sub-committees for the year 2021 are at the good level **Please refer to details under Item 6.1.2 Policies and Practices Concerning Shareholders and Stakeholders, Section 5 The Responsibilities of the Board of Directors.**

8.1.2 Meeting Attendance and Remuneration of Individual Directors

1) Meeting attendance of the Board of Directors and sub-committees

List of directors attending meetings of the Board of Directors and sub-committees in 2021:

(Unit: no. of times)

Name of Director	Board of Directors (9 persons) total of 7 times/year	Audit Committee (3 persons) total of 4 times/year	Nomination and Remuneration Committee (4 persons) total of 1 times/year	Risk Management Committee (3 persons) total of 1 time/year	Corporate Governance Committee (3 persons) total of 1 time/year	Annual General Meeting 2021 Date 29 April 2021
1. Mr. Matthew Kichodhan	7/7		1/1			1
2. Mr. Prasert Patradhilok	7/7	4/4				1
3. Mr. Somsak Phayapdacharchai	7/7	4/4			1/1	1
4. M. L. Naline Hastintra	7/7	4/4	1/1			1
5. Mr. Chaipranin Visudhipol	6/7		1/1		1/1	1
6. Mr. Philipp O. Piaz	7/7		1/1	1/1	1/1	1
7. Dr. Cathleen Maleenont	7/7			1/1		1
8. Mr. Kijcharnpit Sukangwanwit	7/7			1/1		1-
9. Mrs. Angkanee Rerksirisuk	7/7					1-
<u>Director who resigned in 2021</u>						
1. Mr. Apiwat Ngenmune ¹	5/5					1

Remark:

¹ Resigned from the Director, effective from October 1, 2021.

2) Remuneration of individual directors

Monetary remuneration

The structure of remuneration of Directors and sub-committee for the year 2021 is as follows:

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

In 2021, the Company paid remuneration for Directors, the details of monetary remuneration consist of fixed remuneration and meeting attendance fee which shall be paid in accordance with a number of attendance as follows:

Unit : Baht

Name	Position	Fix remuneration	Meeting Fee	Total monetary remuneration
1. Mr. Matthew Kichodhan	Chairman and	-	30,000	30,000
	Member of the Nomination and Remuneration Committee	-	5,000	5,000
2. Mr. Prasert Patradhilok	Independent Director ¹ and	-	30,000	30,000
	Chairman of the Audit Committee	-	20,000	20,000
3. Mr. Somsak Phayapdacharchai	Independent Director ¹	-	30,000	30,000
	Member of the Audit Committee and	-	20,000	20,000
	Member of the Corporate Governance Committee	-	5,000	5,000
4. M. L. Nalinee Hastintra	Independent Director ¹	80,000	30,000	110,000
	Member of the Audit Committee and	60,000	20,000	80,000
	Member of the Nomination and Remuneration Committee	40,000	5,000	45,000

Name	Position	Fix remuneration	Meeting Fee	Total monetary remuneration
5. Mr. Chaipranin Visudhipol	Independent Director ¹	-	25,000	25,000
	Chairman of the Corporate Governance Committee and	-	10,000	10,000
	Chairman of the Nomination and Remuneration Committee	-	5,000	5,000
6. Mr. Philipp O. Piaz	Independent Director ¹	-	30,000	30,000
	Member of the Risk Management Committee	-	5,000	5,000
	Member of the Corporate Governance Committee and	-	5,000	5,000
	Member of the Nomination and Remuneration Committee	-	5,000	5,000
7. Dr. Cathleen Maleenont	Director and	-	30,000	30,000
	Chairman of the Risk Management Committee	-	10,000	10,000
8. Mr. Kijcharnpit Sukangwanwit	Director and	-	30,000	30,000
	Member of the Risk Management Committee	-	5,000	5,000
9. Mrs. Angkanee Rerksirisuk	Director	-	30,000	30,000
<u>Director who resigned in 2021</u>				
1. Mr. Apiwat Ngenmune ²	Independent Director ¹	-	20,000	20,000
Total		180,000	405,000	585,000

Remark:

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

² Resigned from the Director, effective from October 1, 2021

Other remuneration

The Company did not pay any non-monetary remuneration/other benefits to the board of directors other than the monetary remuneration namely fixed remuneration and meeting fees.

8.1.3 Governance of Subsidiaries and Associates

1) Governance of subsidiaries and associates

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

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

2) Agreements between the Company and other shareholders on management of subsidiaries

-None-

8.1.4 Monitoring to ensure compliance with corporate governance policies and practices

The Company attaches great importance to good corporate governance. The relevant policies and practices have been determined under the good corporate governance policy and Code of Conduct. Actual practices are encouraged to create confidence in all groups of stakeholders

The Board of Directors has assigned the Corporate Governance Committee to supervise and provide advice to directors and management of the Company in the performance of duties and responsibilities in accordance with the good corporate governance policy and Code of Conduct in order to achieve good performance of the directors' supervisory duties and administration by the management, creating effective performance in practice and has an appropriate continuity and meeting the expectations of shareholders and stakeholders.

In the year 2021, the company has monitored to ensure compliance with good corporate governance, covering all matters specified in accordance with the good corporate governance policy and Code of Conduct. The results indicated that the Company has fully implemented the guidelines for each issue.

In addition, the Company has monitored to ensure compliance with 4 other good corporate governance issues:

(1) Prevention of conflict of interest

The Company has a policy on conflict of interest. Please refer to additional details under Item 6.1.2 Policies and Practices Concerning Shareholders and Stakeholders, Section 3 Roles of Stakeholders, Policy on Conflict of Interest.

(2) Use of inside information for benefits

The Company has established a policy to prevent the use of inside information for benefits under the Code of Conduct. Please refer to additional details under Item 6.1.2 Policies and Practices Concerning Shareholders and Stakeholders, Section 2 Equitable Treatment of Shareholders, Article 3 Measures to prevent unfairness misuse of inside information and the topic "Compliance with the principles of good corporate governance in other matters".

(3) Anti-corruption

The Company has established an anti-bribery and corruption policy which was approved by the Board of Directors in order for directors, executives and employees of the Company and its subsidiaries to adhere to them as clear practices. Please refer to additional details under Item 6.1.2 Policies and Practices Concerning Shareholders and Stakeholders under the topic "Compliance with the principles of good corporate governance in other matters" and at <https://www.wave-groups.com> under the heading "Good Corporate Governance".

(4) Whistleblowing

The Company has a policy to report wrongdoings and provide protection for complainants (Whistleblower Procedures) which was approved by the Board of Directors. The Company has provided channels for shareholders and all stakeholders in informing various information or complaints of illegal actions or the Company's business ethics, behavior that implies corruption, unequal treatment or doubts about financial reports or internal control system. or comments or suggestions and will keep the information of the informant confidential. More details can be found in Section 6.1.2 Policy and Guidelines on Shareholders and Stakeholders Section 3 Roles of Stakeholders under the topic of other good corporate governance principles and at <https://www.wave-groups.com> under the heading "Good Corporate Governance". The Company has a policy to protect the information providers or comments or suggestions and will keep the information of the information provider confidential. Please refer to additional details under Section 6.1.2 Policies and Practices Concerning Shareholders and Stakeholders, Section 3 Roles of Stakeholders under the topic "Compliance with the principles of good corporate governance in other matters" and at <https://www.wave-groups.com> under the heading "Good Corporate Governance".

In 2021, the Company has no clues or complaints related to corruption or violation of corporate governance policies and practices.

8.2 Report on the performance of the Audit Committee in the past year

8.2.1 Meeting attendance and attendance of the individual member of the Audit Committee

Please refer to additional details under Item 8.1.2 Meeting Attendance and Remuneration of Individual Directors.

8.2.2 Performance of the Audit Committee

The Audit Committee has performed its duties within the scope, duties and responsibilities assigned by the Board of Directors, which complies with the regulations of the Stock Exchange of Thailand and the Charter of the Audit Committee approved by the Board of Directors. The results of the Audit Committee's performance in the year 2021 are as set out under Attachment No. 6 Report of the Audit Committee.

8.3 Summary of the performance of other sub-committees

8.3.1 Meeting attendance and attendance of the individual member of the sub-committee

Please refer to additional details under Item 8.1.2 Meeting Attendance and Remuneration of Individual Directors.

8.3.2 Performance of other sub-committees

1) Performance of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has performed duties within the scope, duties and responsibilities assigned by the Board of Directors and in accordance with the regulations under the Nomination and Remuneration Committee Charter approved by the Board of Directors. The details on performance of the Nomination and Remuneration Committee in the year 2021 are as set out in Report of the Nomination and Remuneration Committee.

2) Performance of the Risk Management Committee

The Risk Management Committee has performed its duties within the scope, duties and responsibilities assigned by the Board of Directors and in accordance with the regulations under the Risk Management Committee Charter approved by the Board of Directors. The details on performance of the Risk Management Committee in the year 2021 are as set out in Report of the Risk Management Committee.

3) Performance of the Corporate Governance Committee

The Corporate Governance Committee has performed its duties within the scope, duties and responsibilities assigned by the Board of Directors and in accordance with the regulations under the Corporate Governance Committee Charter approved by the Board of Directors. The details on performance of the Corporate Governance Committee in the year 2021 are as set out in Report of the Corporate Governance Committee.

Nomination and Remuneration Committee Report

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

The Nomination and Remuneration Committee consists of 4 directors consists of:

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

In 2021, the Nomination and Remuneration Committee had 1 meeting to consider important matters and report the outcomes of the meeting, together with opinion and recommendations, to the Board of Directors. The matters which have been considered and approved by the Board of Directors of the Company as follows:

1. To consider four directors who retired by rotation according to the Company's Articles of Association which consists of Mr. Prasert Patradhilok, Mr. Chaipranin Visudhipol, Mr. Philipp O. Piaz and Mr. Kijcharnpit Sukangwanwit. Out of those four directors, two directors are members of the Nomination and Remuneration Committee with such conflict interest. The appointment of such two directors are considered by the meeting of the Board of Directors. For the other two directors, the committee approved the reappointment of such directors as the Company's directors for another term by considering performance of duties with consistency and caution, including giving suggestions and helpful comments for business operations and shareholders. And the year 2021 Annual General Meeting of Shareholders considered and approved four directors be reappointed as directors for another term of office.
2. To determine remuneration of the Board of Directors and sub-committees by considering policies, appropriateness and alignment to responsibilities and performance of the Company. The proposal was approved by the Board of Directors and by the 2021 Annual General Meeting of Shareholders.
3. To ratify the appointment of three members of the Audit Committee who were due to retire by rotation on 31 December 2020, namely:
 - 1) Mr. Prasert Patradhilok Chairman of the Audit Committee
 - 2) M.L. Nalinee Hastintra Member of the Audit Committee
 - 3) Mr. Somsak Phayabdechachai Member of the Audit Committee

The term of directorship of the members of the Audit Committee re-appointed is 3 years, starting from 1 January 2021 until 31 December 2023. The remuneration of Chairman and members of the Audit Committee was determined and such remuneration was approved by the Board of Directors.

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

On behalf of the Nomination and Remuneration Committee



(Mr. Chaipranin Visudhipol)

Chairman of the Nomination and Remuneration Committee

Risk Management Committee Report

The Company's Risk Management Committee, which has been appointed by the Board of Directors, consists of Dr. Cathleen Maleenont as the Chairman of the Risk Management Committee and Mr. Philipp O. Piaz and Mr. Kijcharnpit Sukangwanwit as the members. The Risk Management Committee has executed all duties as mentioned in the Risk Management Policy, and any other duties assigned by the Board of Directors.

In 2021, the spread of Coronavirus 2019 (COVID-19) had an impact on the country's economy slow down which had the effect on the company business. Thus, the Risk Management Committee paid closed attention to such factors, closely monitored the economic situation and managed risks in all aspects, in order for the Company to be able to conduct business properly, efficiently and to successfully achieve the goals under such circumstances, which can result in the stable business and continuous growth. The Risk Management Committee held meeting to consider important matters which can be summarized as follows:

1. Review risk management policy to ensure that they are sufficient and appropriate for the nature of the Company's businesses as well as related regulations.
2. Monitor the progress of risk assessment and risk management of subsidiaries company.
3. Acknowledge significant organizational risks for the year 2021 and approve measures on management of risks.
4. Report to the Board of Directors on risks and measures on management of risks on a regular basis.
5. Risk Management Committee regularly conducts performance self-assessment on an annual basis, of which the results in 2021 showed that the Risk Management Committee fully performed its duties as specified in the Risk Management Committee Policy.

In summary, for the year 2021 Risk Management Committee viewed that the company group has developed and enhanced enterprise risk management to cover all key aspects continuously, in line with the ever-changing environment. To enhanced efficiency and appropriateness of company's risk management operations to control and minimize risks at acceptable level in line with policy on good corporate governance and internal control system of the group and the relevant laws and regulations.

On behalf of the Risk Management Committee



(Dr. Cathleen Maleenont)

Chairman of the Risk Management Committee

Corporate Governance Committee Report

The Board of Directors understand the importance of good corporate governance and has appointed Corporate Governance Committee to ensure that the business operations of Wave Group are in line with good corporate governance policy and to increase confidence and the Company's credibility to shareholders, investors and stakeholders. As of 31 December 2021, the Corporate Governance Committee consists of Mr. Chaipranin Visudhipol as Chairman of the Corporate Governance Committee and Mr. Somsak Phayapdacharchai and Mr. Philipp Oliver Piaz as Member of the Corporate Governance Committee.

The Corporate Governance Committee promoted and supported Wave Group to comply with good corporate governance policy with an aim to continuously improve its good corporate governance. In 2021, the Corporate Governance Committee had 1 meeting with all members attending the meeting to consider the following important matters and report the outcomes of the meeting, together with opinion and recommendations, to the Board of Directors:

1. To report the result of Corporate Governance Report of Thai Listed Companies assessed year 2021 by Thai Institute of Director with support from the Stock Exchange of Thailand. The Company was given 93 scores or "Excellent". The Company was rated "Excellent" same as year 2020 and 2019.
2. To report the result of the quality of annual general meeting (Annual General Meeting Checklist) assessed year 2021 by Thai Investor Association. The Company was given 100 scores or "Excellent and deserve as an example". The Company was rated as "Excellent and deserve as an example" same as year 2020 and higher than year 2019 rating of "Excellent".

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

On behalf of the Corporate Governance Committee



(Mr. Chaipranin Visudhipol)

Chairman of the Corporate Governance Committee

9. Internal control and Connected Transactions

9.1 Internal control

9.1.1 Controlling System and Internal Audit

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

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

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

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

9.1.2 Assessment of Internal Control System

Pursuant to the Company's Board of Directors meeting No. 1/2022 held on February 28, 2022, which the Audit Committee also attend, the Board of Directors had considered the sufficiency of internal control system in accordance with the guidelines of SET, and has the same opinion as the Audit Committee that the Company and its subsidiaries already had sufficient and appropriate internal control and audit systems which can effectively protect the Company's and its subsidiaries' assets against being utilized improperly or without authorization by management. Details are as follows:

1) Organizational and environmental

The Company's Board of Directors has established clearly and measurable objectives with business goals and budgets for each units to achieve. The organizational structure has been formed with appropriate designations of segregation of responsibilities, proper policy on good corporate governance, business ethics for all directors, executives and employees to follow strictly as guidelines and stipulations by prohibiting directors, executives and employees from behaving in ways that may occur conflicts of interest against the Company benefit. Policies and procedures have also been literacy laid down in aspects of financial transactions, procurements and general administrative management to ensure unbiased treatments for all trade partners, which should take into account with the Company's benefit in long term.

2) Risk Management

The Company's Board of Directors determine t risk management policy which shall be governed by the Risk Management Committee to monitor the risk of the Company within the to be in line with the goal and in the acceptable level. The management team of the Company shall attend the meeting to jointly consider on Strategic Risk, Financial Risk, Operational Risk, and Compliance Risk. There should also have evaluation on risk factors which may affect the business and goals of the Company, analysis to which circumstances are the cause of risk, planning and determine risk management policy, monitoring on risk management of each units in the organization which shall be in accordance with the Company's strategy.

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

3) Control of the Management's Operations

The Company's Board of Directors has ensured that the guidelines set by the Management are strictly adhered to and followed by everyone in the Company, by appropriately designating authority and approval levels for different types of transactions. Different duties have also been properly separated to avert possible irregularities, while transparent procedures have been established for business transactions with major shareholders, directors, executives or persons related to them in order to prevent improper benefit-sharing. In addition, measures have been worked out to monitor the Company's operations to be in line with all relevant laws.

4) Information and Communication Technology Systems

The Company has an effective management information system with high-quality and sufficient information conducive to efficient decision-making, be it financial or other types of data. The communication of such information to all parties concerned is of the utmost necessity and goes a long way in helping boost the efficiency and effectiveness of the internal control system. All documents and relevant details required for meetings are sent to the Board of Directors for advance consideration and to assist the directors in their decision-making. Documents have been stored in properly classified sections, while the Management's accounting operations are always monitored closely to ensure that these are in accordance with generally accepted accounting principles and appropriate for the nature of the Company's business, avoiding improper accounting policies that could result in incorrect operating result.

5) Monitoring System

The Company's Board of Directors has a regular monitoring system to ensure that all goals are achieved. The system continues incessantly and undergoes improvements and alterations at all times to suit changing situations and to effect timely solutions for all possible problems. Frequent comparisons of goals and operations of management team, and in case that the result is different from the set goals, the Company solve the problems in a timely manner, and provide internal audit system to act as a vital independent mechanism to perform compliance audit of the internal control system.

In auditing the Company's financial statement by the licensed auditor which audited the Company's internal financial system to determine investigation policy, timeline, and scope of the operation, the auditor founded that in 2021, there is no material issue to suggest the Company to improve its internal audit system.

9.2 Connected Transactions

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

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

The connected transactions between the Company or its subsidiaries and persons with potential conflict of interest are disclosed in the notes to the financial statements no. 39. In addition shareholders and / or investors can get more information about the company for 3 years from the company's website. having details as follows:

1) Sales of goods and services

Company	Relationship	Related transactions	For the year ended 31 December 2021	Necessary & Reasonable
<u>Other income in the total amount of 1.35 million</u>				
WAVE Group and Millionaire Property Fund by Maleenont Tower Co., Ltd.	Millionaire Property Fund by Maleenont Tower Co., Ltd. has same major shareholders as the Company	Income from rental and service expenses discounts.	Baht 1.35 million	Please refer to no.2

2) Purchases of goods and services

Company	Relationship	Related transactions	For the year ended 31 December 2021	Necessary & Reasonable
<u>Selling and administrative expenses in the total amount of 1.26 million</u>				
WAVE Group and Millionaire Property Fund by Maleenont Tower Co., Ltd.	Millionaire Property Fund by Maleenont Tower Co., Ltd. has same major shareholders as the Company	Rental, service expenses, water and electricity expenses, and other expenses	Baht 1.26 million	The Board of directors approved the transaction was reviewed by the Audit committee that entering into such transactions is based on reasonable grounds, allowing for smooth and effective operations of the Company. The rental rate for the lease of Maleenont Tower is at the same market rate as offered in the adjacent area. Also, if compared to the rental rate as proposed by the Property Fund to other lessees in the Building, the said rental rate is better compared to those proposed to other lessees.

10. Auditor's Report

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

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Wave Entertainment Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Emphasis of matter

I draw attention to note 2.1 of the financial statements, which describes the Group's financial positions, continuous operating loss over the years and the Group's business plan, which rely on the success of plan and finding source of fund to support the Group's on-going operation.

Additionally, I draw attention to note 3 of the financial statements, which describes the equity and paid-up share capital ratio of the Group, the equity for which is less than 50 percent of the paid-up share capital. This financial ratio has meant that the Stock Exchange of Thailand (SET) posted a C (Caution) sign on securities of this Company.

My opinion on the consolidated and separate financial statements is not modified in respect of these matters.

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Goodwill impairment assessment</p> <p>Refer to note 6.10 and note 22 to the consolidated financial statements for the related disclosures, the Group's goodwill is recognised in a group of Cash Generating Units (CGUs) in respect of investment in Language institute of Baht 726 million and recognised allowance for impairment of Baht 546 million. Net book value of Baht 180 million is represented 20.52% of total assets of the consolidated financial statements.</p> <p>Management is required to test goodwill for impairment at least annually irrespective of whether there is any indication of impairment under Thai Accounting Standard 36, Impairment of assets. Management assessed its recoverable amount by applying the value-in-use (VIU) model for Language institute. From the assessment, the Group additionally recorded an impairment charge of Baht 209 million.</p> <p>I focused on this area due to the size of the goodwill balance, and because the management's assessment of the VIU of the Group's CGUs involves judgments about the future results of the business and the discount rates applied to future cashflow forecasts. Small subjective change in discount rate can have a material impact on the recoverable amount and any resultant impairment charge.</p>	<p>I evaluated management's cashflow forecasts of Language institute and the process by which they were developed, including verifying the mathematical accuracy of the underlying calculations. I also compared them to the latest Board of Directors approved budgets. I found that the budgets used in the VIU calculations were consistent with the Board of Directors approved budgets, and that the key assumptions were oversight by the Board of Directors.</p> <p>I compared the current year (2021) actual results with the prior year (2020) forecast to consider whether forecast included any assumption that, with hindsight, had been reasonable. I found that actual performance was reasonable.</p> <p>I also tested these significant assumptions:</p> <ul style="list-style-type: none"> • management's key assumptions for growth rates in the forecasts by comparing them to historical results and economic and industry forecasts; and • the discount rate used in the model by assessing the cost of capital of the Group by comparing to the market data of the same industry. <p>I also used internal valuation expert to assess the reasonableness of the discount rate applied in the discounted cash flow model, including testing the accuracy of the calculation.</p> <p>I found that the key assumptions used by management in relation to the VIU calculations were reasonable and appropriate in light of current environment.</p>
<p>Provision for short-term loan to subsidiaries</p> <p>Refer to note 39.4 to the separate financial statements for the related disclosures on short-term loan to subsidiaries.</p> <p>The Company granted loans to a subsidiary of Baht 1,195 million, which are holding company of a company under language institute segment and a company under restaurant segment and the company recognised loss allowance amounting to Baht 1,015 million. Net book value of Baht 180 million is represented 32% of total assets of the separate financial statements.</p> <p>Management assessed the collectability of these loans to a subsidiary based on the future cashflow forecasts of the language institute segment and the future cashflow generated from disposal of restaurant segment and concluded that the loan balances will be partially collectible. Accordingly the Company additionally recorded loss allowance for language institute segment and restaurant segment of Baht 254 million and Baht 162 million, respectively.</p> <p>I focused on this area due to the size of the balances and various assumptions used to assess the provision to be provided which involve significant management's judgments. The assumptions include growth rates and discount rate etc.</p>	<p>Since the management assessed the collectability of the loans to a subsidiary under language institute segment based on the future cashflow forecasts, I evaluated management's cashflow forecasts by performing the following procedures:</p> <ul style="list-style-type: none"> • comparing the cashflow forecasts to the latest Board of Directors approved budgets. I found that the budgets used were consistent with the Board of Directors approved budgets, • comparing the current year (2021) actual results with the prior year (2020) forecast to consider whether forecast included any assumption that, with hindsight, had been reasonable, • evaluating the key assumptions, which are growth rates, and discount rate by comparing the growth rates to historical results, economic and industry forecasts, and by assessing discount rate by comparing the Company's cost of capital to the market data of the same industry. <p>For loans to a subsidiary under the restaurant segment, I compared expected future cashflow generated from disposal with agreed selling price.</p> <p>I found that the management's assessment in relation to the provision for loan to a subsidiary was supported by the available evidence.</p>

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Tithinun Vankeo

Certified Public Accountant (Thailand) No. 9432

Bangkok

28 February 2022

Wave Entertainment Public Company Limited
Statements of Financial Position
As at 31 December 2021

		Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Notes					
Assets					
Current assets					
Cash and cash equivalents	11	6,354,998	14,085,878	31,226	157,131
Financial assets measured at fair value through profit or loss	12.2	5,000,000	67,002,925	5,000,000	67,002,925
Trade and other receivables	13	11,643,307	27,092,321	4,988,183	9,381,329
Short-term borrowings to related parties	39.4	-	-	180,000,000	591,266,035
Inventories	14	434,689	10,598,140	-	-
Other current assets	15	10,469,677	23,829,416	1,855,657	4,398,370
Non-current assets classified as held-for-sale	16	196,524,837	295,727,250	48,499,153	132,444,870
Total current assets		230,427,508	438,335,930	240,374,219	804,650,660
Non-current assets					
Deposits at bank used as collateral		20,250,000	20,500,000	20,000,000	20,000,000
Deposit paid for investment	17	-	-	-	-
Investments in subsidiaries	18.1	-	-	-	-
Investments in an associate	18.2	308,531,732	283,275,601	285,000,000	285,000,000
Building improvement and equipment	19	25,917,184	71,474,483	62,627	3,744,301
Right-of-use assets	20	66,554,885	160,266,254	7,645,855	13,819,534
Intangible assets	21	21,369,344	155,219,501	-	-
Goodwill	22	180,000,000	698,143,184	-	-
Deferred tax assets	23	970,697	33,826,455	970,697	33,826,455
Other non-current assets	24	23,204,988	67,929,906	1,354,036	1,303,653
Total non-current assets		646,798,830	1,490,635,384	315,033,215	357,693,943
Total assets		877,226,338	1,928,971,314	555,407,434	1,162,344,603

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

Wave Entertainment Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts	25	69,262,421	63,512,737	39,968,743	22,256,701
Trade and other payables	27	37,907,547	96,162,873	-	-
Unearned revenue		98,118,045	149,813,364	1,399	1,399
Accrued expenses		27,286,122	45,834,314	13,398,032	7,602,486
Short-term borrowing from third party	25.1	17,500,000	64,500,000	17,500,000	62,500,000
Short-term borrowings from related parties	39.5	-	-	10,000,000	14,000,000
Current portion of lease liabilities	26	41,487,964	114,678,390	6,130,445	5,874,172
Current portion of long-term borrowings from financial institutions	25.2	125,346,088	203,810,249	124,291,790	98,595,506
Accrued income tax		20,672	7,854	-	-
Other current liabilities		20,097,475	25,380,106	1,277,370	965,778
Liabilities related to assets classified as held-for-sale	16.1	208,282,028	-	-	-
Total current liabilities		645,308,362	763,699,887	212,567,779	211,796,042
Non-current liabilities					
Lease liabilities	26	26,644,902	54,886,699	928,733	7,136,378
Long-term borrowings from financial institutions	25.2	59,422,776	241,812,630	59,422,776	188,216,968
Employee benefit obligations	28	15,580,611	15,829,277	13,711,459	11,489,412
Deferred tax liabilities	23	-	24,355,359	-	-
Other non-current liabilities		-	9,241,049	-	-
Total non-current liabilities		101,648,289	346,125,014	74,062,968	206,842,758
Total liabilities		746,956,651	1,109,824,901	286,630,747	418,638,800

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

Wave Entertainment Public Company Limited

Statements of Financial Position (Cont'd)

As at 31 December 2021

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital	29				
Ordinary share, 1,415,000,000 shares (2020: 1,520,842,672 shares) of par Baht 1 each		1,415,000,000	1,520,842,672	1,415,000,000	1,520,842,672
Issued and paid-up share capital					
Ordinary share, 785,261,701 shares (2020: 785,261,701 shares) of paid-up Baht 1 each		785,261,701	785,261,701	785,261,701	785,261,701
Share premium		353,617,102	353,617,102	353,617,102	353,617,102
Retained earnings (deficits)					
Appropriated - legal reserve	31	46,795,718	46,795,718	46,795,718	46,795,718
Unappropriated retained earnings (deficits)		(1,045,072,865)	(351,227,734)	(916,897,834)	(441,968,718)
Other components of equity		(10,331,969)	(15,300,374)	-	-
Equity attributable to owners					
of the parent		130,269,687	819,146,413	268,776,687	743,705,803
Non-controlling interests		-	-	-	-
Total equity					
Total liabilities and equity					

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

Wave Entertainment Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Revenue from rendering of services		286,037,237	454,976,507	-	-
Costs of rendering of services		(214,286,349)	(291,265,640)	-	-
Gross profit		71,750,888	163,710,867	-	-
Other income	32	46,502,679	7,836,840	20,156,349	42,140,804
Selling expenses		(28,926,442)	(39,696,864)	-	-
Administrative expenses		(102,711,126)	(147,353,052)	(137,979,618)	(57,479,286)
Net impairment losses on financial assets		-	-	(420,598,577)	(308,841,680)
Other (loss) income	33	(644,417,663)	(99,275,287)	114,155,091	146,161,974
Finance cost	34	(22,958,240)	(26,459,721)	(17,806,603)	(21,743,975)
Share of profit (loss) from an associate		25,256,131	(1,724,399)	-	-
Loss before income tax expense		(655,503,773)	(142,961,616)	(442,073,358)	(199,762,163)
Income tax (expense) benefit	36	(32,878,126)	25,184,362	(32,855,758)	25,202,143
Loss for the year					
from continuing operations, net from income tax		(688,381,899)	(117,777,254)	(474,929,116)	(174,560,020)
Loss from discontinued operations, net from income tax		(4,382,669)	(108,979,895)	-	-
Loss for the year		(692,764,568)	(226,757,149)	(474,929,116)	(174,560,020)
Other comprehensive expense:					
- Continuing operations					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	28	(1,080,563)	-	-	-
Income tax on items that will not be reclassified to profit or loss		-	-	-	-
Total comprehensive expense					
for the year from continuing operations		(689,462,462)	(117,777,254)	(474,929,116)	(174,560,020)
- Discontinued operation					
Profit from discontinued operation		-	27,882,122	-	-
Total comprehensive expense					
for the year from discontinued operation		(4,382,669)	(81,097,773)	-	-
Total comprehensive expense for the year		(693,845,131)	(198,875,027)	(474,929,116)	(174,560,020)

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

Wave Entertainment Public Company Limited
Statements of Comprehensive Income (Cont'd)
For the year ended 31 December 2021

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Loss attributable to:					
Owners of the parent					
- Continuing operations		(688,381,899)	(117,777,254)	(474,929,116)	(174,560,020)
- Discontinued operation		(4,382,669)	(83,311,607)	-	-
Total loss attributable to owners of the parent		(692,764,568)	(201,088,861)	(474,929,116)	(174,560,020)
Non-controlling interests		-	(25,668,288)	-	-
		(692,764,568)	(226,757,149)	(474,929,116)	(174,560,020)
Total comprehensive expense attributable to:					
Owners to the parent					
- Continuing operations		(689,462,462)	(117,777,254)	(474,929,116)	(174,560,020)
- Discontinued operation		(4,382,669)	(55,821,503)	-	-
Total comprehensive expense attributable to owners of the parent		(693,845,131)	(173,598,757)	(474,929,116)	(174,560,020)
Non-controlling interests		-	(25,276,270)	-	-
		(693,845,131)	(198,875,027)	(474,929,116)	(174,560,020)
Loss per share	37				
Basic and diluted loss per share					
- Continuing operations		(0.877)	(0.222)	(0.605)	(0.329)
- Discontinued operation		(0.006)	(0.157)	-	-

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

Wave Entertainment Public Company Limited

Statements of Changes in Equity

For the year ended 31 December 2021

Consolidated financial statements										
Attributable to owners of the parent										
	Note	Other components of equity					Change in parent's ownership interest			
		Other comprehensive income (expense)					in subsidiaries			
		Retained earnings (deficits)					attributable to owner			
		Issued and paid-up share capital	Share premium	Appropriated - legal reserve	Unappropriated retained earnings (deficits)	Translating financial statements	Share of other comprehensive income of associates	attributable to owner	Total equity of the parent	Non-controlling interests
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2020		467,950,000	448,802,180	46,795,718	(183,311,598)	(1,105,925)	(48,382,854)	96,051,641	826,799,162	688,142,650
Issue of shares	29	317,311,701	(95,185,078)	-	-	-	-	-	222,126,623	-
Dividends paid by subsidiary		-	-	-	-	-	-	-	-	(7,900,351)
Total comprehensive (expense) income for the year		-	-	-	(201,088,861)	130,672	27,359,432	-	(173,598,757)	(25,276,270)
Disposal of investment in a subsidiary		-	-	-	33,172,725	975,253	-	(97,114,880)	(62,966,902)	(654,966,029)
Disposal of investment in an associate		-	-	-	-	-	6,786,287	-	6,786,287	-
Closing balance as at 31 December 2020		785,261,701	353,617,102	46,795,718	(351,227,734)	-	(14,237,135)	(1,063,239)	819,146,413	-
Opening balance as at 1 January 2021		785,261,701	353,617,102	46,795,718	(351,227,734)	-	(14,237,135)	(1,063,239)	819,146,413	-
Total comprehensive expense for the year		-	-	-	(693,845,131)	-	-	-	(693,845,131)	-
Disposal of investment in an associate		-	-	-	-	-	4,968,405	-	4,968,405	-
Closing balance as at 31 December 2021		785,261,701	353,617,102	46,795,718	(1,045,072,865)	-	(9,268,730)	(1,063,239)	130,269,687	-

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

Wave Entertainment Public Company Limited

Statements of Changes in Equity (Cont'd)

For the year ended 31 December 2021

Separate financial statements					
Note	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings (deficits)		Total equity Baht
			Appropriated - legal reserve Baht	Unappropriated retained earnings (deficits) Baht	
Opening balance as at 1 January 2020	467,950,000	448,802,180	46,795,718	(267,408,698)	696,139,200
Issue of shares	317,311,701	(95,185,078)	-	-	222,126,623
Total comprehensive expense for the year	-	-	-	(174,560,020)	(174,560,020)
Closing balance as at 31 December 2020	<u>785,261,701</u>	<u>353,617,102</u>	<u>46,795,718</u>	<u>(441,968,718)</u>	<u>743,705,803</u>
Opening balance as at 1 January 2021	785,261,701	353,617,102	46,795,718	(441,968,718)	743,705,803
Total comprehensive expense for the year	-	-	-	(474,929,116)	(474,929,116)
Closing balance as at 31 December 2021	<u>785,261,701</u>	<u>353,617,102</u>	<u>46,795,718</u>	<u>(916,897,834)</u>	<u>268,776,687</u>

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

Wave Entertainment Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cash flows from operating activities					
Loss before income tax expense					
- from continuing operations		(655,503,773)	(142,961,616)	(442,073,358)	(199,762,163)
- from discontinued operations	16	(28,738,028)	(109,977,825)	-	-
Loss before income tax expense		(684,241,801)	(252,939,441)	(442,073,358)	(199,762,163)
Adjustments for:					
Depreciation	19	30,158,108	41,967,290	91,471	1,015,420
Depreciation of right-of-use assets	20	111,045,349	175,741,801	6,053,495	5,790,727
Amortisation of intangible assets	21	10,947,793	13,406,958	-	-
Interest income		(2,161,644)	(3,497,871)	(3,730,955)	(4,219,751)
Dividends income	32	(2,640,869)	(419,026)	(2,640,869)	(29,234,071)
Loss from changes in fair value of financial assets	12.2	-	175,888	-	175,888
Gain on loan forgiveness	39.5	-	-	(4,000,000)	-
Realised loss (gain) from disposal of financial assets		9,571,710	(22,487)	9,571,710	(22,487)
Expected credit loss		-	14,376,985	420,598,577	308,841,680
Reversal of provision for obsolete inventories		(83,257)	(322,681)	-	-
Loss on write-off prepaid withholding tax		407,534	1,279,586	-	-
Provision for impairment withholding tax		-	577,484	-	-
Gain on disposal of investment in a subsidiary		-	(42,158,136)	-	(20,000,000)
Gain on liquidation of investment in a subsidiary	18	-	(5,642,576)	-	-
Gain from disposal of investment in an associate	16.3	(15,267,365)	(915,329)	(123,726,803)	(126,315,375)
Gain from lease modification		(5,874)	-	(5,874)	-
Impairment on investment in a subsidiary	18	-	-	51,400,000	-
(Gain) loss on classified investment in an associate as non-current asset held for sale	16.4	(5,197,944)	35,049,918	-	-
Impairment loss from deposit paid for investment	17	-	-	51,310,000	-
Loss on impairment on goodwill	22	518,143,184	100,000,000	-	-
Loss on impairment on intangible asset		116,702,767	-	-	-
Loss (gain) on disposal of building improvement and equipment		24,131	(1,341,438)	449,918	-
Loss from write-off of building improvement and equipment	19	2,792,853	7,194,324	100	-
(Gain) loss from write-off of right-of-use assets		(221,897)	8,728,588	-	-
Gain on disposal of intangible assets		-	(5,237)	-	-
Loss from write-off of intangible assets	21	2,188,409	674,435	-	-
Provision for employee benefit obligations	28	3,942,210	6,452,382	2,222,047	2,047,643
Finance costs		31,199,943	40,378,204	17,806,603	21,743,975
Share of profit from associates and joint ventures	18.2	(25,256,131)	(27,599,100)	-	-
		102,047,209	111,140,521	(16,673,938)	(39,938,514)
Changes in working capital					
- Trade and other receivables		12,321,827	138,438,975	(432,781)	4,066,214
- Inventories		4,465,844	6,743,972	-	-
- Television programmes, concerts and events in progress		-	(22,895,600)	-	-
- Other current assets		1,283,654	24,540,865	215,611	(730,607)
- Deposits at bank used as collateral		250,000	(19,000,000)	-	(20,000,000)
- Other non-current assets		10,332,887	(5,868,027)	(50,383)	(224,567)
- Trade and other payables		20,324,132	(18,376,323)	-	(4,879)
- Unearned revenue		(50,991,023)	106,540,942	-	-
- Accrued expenses		4,648,796	32,799,436	6,212,589	(903,563)
- Other current liabilities		(2,509,937)	(11,221,411)	311,592	(6,064,715)
- Employee benefit paid		(193,997)	(6,517,849)	-	-
- Other non-current liabilities		(1,303,815)	(3,553,537)	-	-
Cash generated from (used in) operations		100,675,577	332,771,964	(10,417,310)	(63,800,631)
Interest paid		(29,156,137)	(96,342,723)	(18,223,646)	(20,647,001)
Income tax received (paid)		7,082,523	(7,148,364)	2,327,102	612,033
Net cash generated from (used in) operating activities		78,601,963	229,280,877	(26,313,854)	(83,835,599)

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

Wave Entertainment Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2021

		Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Notes					
Cash flows from investing activities					
		2,170,607	3,656,491	4,924,340	2,729,906
		2,640,869	23,319,526	2,640,869	23,319,526
		2,431,215	75,222	2,431,215	75,222
		-	(52,735)	-	(52,735)
39.4		-	600,000	700,000	2,900,000
39.4		-	-	(6,400,000)	(71,200,000)
		-	(283,809,919)	-	50,000,000
		-	(86,459)	-	-
		-	(285,000,000)	-	(285,000,000)
17		-	-	(51,310,000)	-
		207,672,520	207,984,863	207,672,520	207,542,460
18		-	-	(51,400,000)	-
		4,542,056	4,646,638	3,140,185	-
		(3,871,671)	(44,673,558)	-	(2,233)
		-	74,800	-	-
		(2,236,094)	(3,585,808)	-	-
		213,349,502	(376,850,939)	112,399,129	(69,687,854)
Cash flows from financing activities					
38		-	2,000,000	-	-
38		-	(50,000,000)	-	(50,000,000)
38		-	(42,500,000)	-	(44,500,000)
38		5,000,000	49,500,000	5,000,000	22,500,000
38		(2,000,000)	(45,000,000)	-	(20,000,000)
		-	(9,514,365)	-	-
25.2		(207,598,715)	(45,919,973)	(103,097,908)	(19,019,066)
		(117,284,495)	(164,608,167)	(5,825,314)	(5,533,030)
29		-	222,126,623	-	222,126,623
		-	(7,900,351)	-	-
		(321,883,210)	(91,816,233)	(103,923,222)	105,574,527

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

Wave Entertainment Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2021

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Net decrease in					
cash and cash equivalents		(29,931,745)	(239,386,295)	(17,837,947)	(47,948,926)
Cash and cash equivalents at the beginning of the year					
Continuing operations		12,810,504	70,062,868	157,131	53,959,088
Discontinued operation		1,275,374	200,364,187	-	-
Bank overdrafts		24,409,541	(17,477,572)	17,712,042	(5,853,031)
Effect of exchange rate changes on translation of financial statements		-	522,690	-	-
<u>Less</u> Cash and cash equivalents of discontinued operation at the end of year	16.1	(2,208,676)	-	-	-
Cash and cash equivalents at the end of the year		6,354,998	14,085,878	31,226	157,131
Significant non-cash transactions					
Significant non-cash transactions are as follows:					
Payable arising from purchase of equipment		-	32,736,513	-	-
Payable arising from purchase of intangible assets		-	6,460,946	-	-
Finance lease liabilities arising from purchase of equipment		-	-	-	-
Classify investment in a subsidiary as financial assets measured at fair value through profit or loss		-	65,000,000	-	65,000,000
Accrued dividend income		-	5,914,545	-	5,914,545
Offset financial asset with short-term borrowings from third party		(50,000,000)	-	-	-

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

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

1 General information

Wave Entertainment Public Company Limited ("the Company") is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

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

The principal business operations of the Company and its subsidiaries (together "the Group") are engaged in the businesses of investment in other companies, operations of English language institution, and sales of food and beverage.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 28 February 2022.

2 Significant events during the current year

2.1 Financial position

As of 31 December 2021, in the consolidated financial statements, the Group has total current liabilities exceeding total current assets amounting to Baht 415 million and continuous operating loss. These resulted in doubt on the entity's ability to continue as a going concern. The management has prepared cash flow projection for language institution segment and assured that the estimation can be achieved by extending franchise revenue stream and mainly focus on online course to respond in changing in customer behaviour. Additionally, there is policy to reduce cost of services and administrative expenses continuously in effective and efficiency ways. Furthermore, the Group is currently finding sources of fund. The Group's ability to continue its operation and fulfil all financial obligations now and in the future of 12 months from the date of the financial statements rely on the success of new sources of fund for operations. However, the Group management is confident that they will succeed with their business plan. Thus, the financial statements for the year ended 31 December 2021 have been prepared on a going concern basis.

2.2 Coronavirus Disease 2019 outbreak

The outbreak of Coronavirus Disease 2019 ("COVID-19") in early 2020 has adverse effects on operating results for the year ended 31 December 2021 particularly on language institutions and restaurant businesses.

Language institutions

In January 2021 and during 16 April to 30 September 2021, Ministry of Education had announced to close educational institution across Thailand due to COVID-19 situation. Consequently, cash received from selling course dropped by 37% or approximately of Baht 149 million for the year ended 31 December 2021 due to an economic downturn in Thailand and changing in customer behaviour. The management expected operational results will be affected in the next 2-3 quarter.

Restaurant

During January and July to September 2021, Government had announced to limit operating hours of restaurant and shutter shopping mall including restaurants and only allow for take away. Consequently, revenue from restaurant operation compared to previous year has dramatically dropped by 54% or approximately of Baht 132 million for the year ended 31 December 2021 due to an economic downturn in Thailand and changing in customer behaviour. The management expected operational results will be affected in the next 2-3 quarter.

3 Equity and paid-up share capital ratio

The consolidated financial statement as at 31 December 2021 shows that the equity is equal to 17 percent of the paid-up share capital. This financial ratio is less than 50 percent which means that the Stock Exchange of Thailand (SET) has posted a C (Caution) sign on the Company's securities in accordance with the Regulation of the SET: Measure in case of Events that may affect the Listed Companies' Financial Condition and Business Operation B.E. 2561 (2018). The Company convene a meeting to provide information and decide on a plan to deal with this event with shareholders, investors and concerned parties. The meeting will be within 15 days from the date the SET has taken the measurement actions against the Company.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

4 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except certain financial assets and liabilities.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 9.

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

5 New and amended financial reporting standards

5.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 that are relevant and have significant impacts to the Group

a) **Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

b) **Amendment to TFRS 3, Business combinations** amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.

c) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

d) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS1 about immaterial information.

The Group's management has assessed and considered that the above revised standards do not have a significant impact to the Group.

e) **Amendment to TFRS 16, Leases** amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce the lease payments due by 30 June 2022. The impact for adoption of financial reporting standard above is disclosed in note 6.12.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

5 New and amended financial reporting standards (Cont'd)

5.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and are relevant to the Group

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

- a) Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business** provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is

- b) Accounting guidance on temporary relief measures for entities assisting debtors affected by the COVID-19 pandemic**

The Group which assists debtors affected by the COVID-19 pandemic can apply the accounting guidance announced by TFAC based on BOT circular For. Nor. Sor 2. Wor. 802/2564 to help debtors between 1 January 2022 and 31 December 2023. The key relief measures involve, for example, the consideration for debt staging for ECL calculation where there is debt restructuring, revising EIR for the restructured debt and ECL calculation regarding unused credit line. The expected impact arises from applying the accounting guidance is a low receivable turnover ratio as the Group's account receivable tend to be collected lower than normal.

The Group's management has assessed and considered that the revised standards do not have a significant impact to the Group.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

6 Accounting policies

6.1 Principles of consolidation and equity accounting

a) Subsidiaries

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

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

b) Associates

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

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

c) Equity method

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

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

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

d) Changes in ownership interests

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

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

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

e) Intercompany transactions on consolidation

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

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

6 Accounting policies (Cont'd)

6.2 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

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

c) Group companies

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

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

6.3 Cash and cash equivalents

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

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

6.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in note 6.6(f).

6.5 Inventories

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

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

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

6 Accounting policies (Cont'd)

6.6 Financial asset

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

6 Accounting policies (Cont'd)

6.6 Financial asset (Cont'd)

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

f) Impairment

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables which applies lifetime expected credit loss, from initial recognition, for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables. The Group applied historical credit loss adjusted with the management's judgement in estimating the expected credit loss as disclosed in note 13.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss included in net impairment losses on financial assets.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

6 Accounting policies (Cont'd)

6.7 (Group of) non-current assets held-for-sale and discontinued operation

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

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

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

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

6.8 Building improvement and equipment

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

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

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

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

Furniture, fixture, and office equipment	3, 5, and 6 years
Computer	3 and 5 years
Vehicles	5 years

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

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

6.9 Intangible assets

Acquired intangible assets

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

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

The assets with limited life are subsequently carried at cost less accumulated amortisation and impairment losses.

The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

6.9.1 Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 and 10 years.

6.9.2 Contractual customer relationships

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

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

6 Accounting policies (Cont'd)

6.9 Intangible assets (Cont'd)

6.9.3 Trademark

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

6.9.4 License

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

6.10 Goodwill

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

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

6.11 Impairment of assets

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

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

6.12 Leases

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

6 Accounting policies (Cont'd)

6.12 Leases (Cont'd)

Leases - where the Group is the lessee (Cont'd)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise computer equipment.

The Group has adopted the practical expedient in relation to COVID-19 Related Rent Concessions retrospectively from 1 January 2021. The practical expedient allows lessees to elect not to assess whether a rent concession related to COVID-19 is lease modification. Lessees adoption this election may account for qualifying rent concessions in the same way they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) Any reduction in lease payments affects only payments due on or before 30 June 2022; and
- c) There is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to all qualifying COVID-19 related rent concessions. Rent concession totalling Baht 35.38 million have been accounted for as other gain(losses), with a corresponding adjustment to the lease liability. There is no impact on the opening balance of equity at 1 January 2021

During the reporting period ended 2020, the Group received discounts in the lease payments from lessors due to the COVID-19 outbreak. The Group elected not to account for all discounts in the lease payments under the lease modification in accordance with TFRS 16. Instead, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by reducing lease liabilities in the proportion of the reduction to the lease payments throughout the period that the Group has received the reduction. The Group also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities recognised in the same proportion of Baht 45.28 million and Baht 3.79 million, respectively. The differences between the reduction of the lease liabilities and the reversal of the expenses of Baht 5.67 million are recognised in other gains(losses) instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.

Leases - where the Group is the lessor

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

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

Wave Entertainment Public Company Limited
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6 Accounting policies (Cont'd)

6.13 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

6.14 Current and deferred income taxes

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

Current tax

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

Deferred income tax

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

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised.
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

Wave Entertainment Public Company Limited
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6 Accounting policies (Cont'd)

6.15 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plan

The Group pays contributions to a separate fund on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

(c) Defined benefit plans

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

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

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

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

(d) Termination benefits

The Group recognises termination benefits at the earlier of 1) when the Group can no longer withdraw the offer of those benefits; and 2) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

6.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

6.17 Share capital

Ordinary shares is classified as equity.

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

Wave Entertainment Public Company Limited
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6 Accounting policies (Cont'd)

6.18 Revenue recognition

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

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

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

a) Sale of goods

Restaurant

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

b) Services

English language institution

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

Royalty fee and franchise fee

The Group recognised royalty fee and franchise income based on continuous service provision on straight line basis over the contract term.

Rental income

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

c) Financing components

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

d) Interest income

The Group recognised interest income using the effective interest method.

Wave Entertainment Public Company Limited
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7 Financial risk management

The group's exposure to financial risks and how these risks could affect the future financial performance are as follows:

Risk	Exposure arising from	Measurement	Management
Market risk - foreign exchange	Financial assets and liabilities not denominated in Thai Baht	Cash flow forecasts	Foreign currency forwards as appropriate
Market risk - interest rate	Long-term borrowings at variable rates	Cash flow forecasts	Interest rate swaps as appropriate
Credit risk	Cash and cash equivalents, trade and other receivables	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Group's risk management is controlled by a central treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity.

7.1 Financial risk

7.1.1 Market risk

i) Foreign exchange risk

The Group is exposed to foreign exchange risk at the end of the reporting period, relates to its certain payables which is summarised in Baht as follows. However, the Group does not apply any derivative financial instruments to hedge foreign currency exposure as the risk from foreign exchange is not significant.

	Consolidated financial statements	
	2021 USD dollar Baht	2020 USD dollar Baht
Trade payables	13,004,163	12,683,375
	13,004,163	12,683,375

The aggregate net foreign gains/losses recognised in profit or loss were:

	Consolidated financial statements	
	2021 Baht	2020 Baht
Net foreign exchange gain/(loss) included in other gains/(losses)	892,139	(384,258)
Total net foreign exchange (losses) recognized in profit before income tax for the year	892,139	(384,258)

The change in foreign exchange rate does not have a significant impact to the Group.

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7 Financial risk management (Cont'd)

7.1 Financial risk (Cont'd)

7.1.1 Market risk (Cont'd)

ii) Interest risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow risk. During 2021 and 2020, the Group's borrowings at variable rate were mainly denominated in Baht.

The exposure of the Group's borrowings to interest rate changes of the borrowings at the end of the reporting period are as follows:

Consolidated financial statements				
	2021		2020	
	Baht	% of total loans	Baht	% of total loans
Variable rate borrowings	254,025,132	94%	509,135,616	89%
Fixed rate borrowings				
- Maturity dates				
Less than 1 year	17,500,000	6%	64,500,000	11%
	271,525,132	100%	509,135,616	100%
Separate financial statements				
	2021		2020	
	Baht	% of total loans	Baht	% of total loans
Variable rate borrowings	233,677,155	93%	323,069,175	84%
Fixed rate borrowings				
- Maturity dates				
Less than 1 year	17,500,000	7%	62,500,000	16%
	251,177,155	100%	385,569,175	100%

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings. An analysis by maturities is provided in note 7.1.3.

7.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), favourable derivative financial instruments and instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'B' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors and/or regions.

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7 Financial risk management (Cont'd)

7.1 Financial risk (Cont'd)

7.1.2 Credit risk (Cont'd)

ii) Impairment of financial assets

The Group and the Company has 2 types of financial assets that are subject to the expected credit loss model:

- Trade and other receivables (Note 13)
- Loan to related parties (Note 39.4)

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Loans to related parties

Loans to related parties measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

7.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 6.35 million (2020: Baht 14.09 million) that are expected to readily generate cash inflows for managing liquidity risk.

Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows.

a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Floating rate				
Expiring within one year				
- Bank overdraft	743,733	46,487,263	37,411	17,743,300
	743,733	46,487,263	37,411	17,743,300

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

Borrowing facilities of Baht 10 million is collateralised by pledge of shares of 20 million shares of Wave Entertainment Public Company Limited

Borrowing facilities of Baht 20 million is collateralised by pledge of saving deposit amount of Baht 20 million (31 December 2020 : Baht 20 million).

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7 Financial risk management (Cont'd)

7.1 Financial risk (Cont'd)

7.1.3 Liquidity risk (Cont'd)

b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities of financial liabilities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturity of financial liabilities	Consolidated financial statements				
	Due at call Baht	Within 1 year Baht	1 - 5 years Baht	Total Baht	Carrying amount Baht
As at 31 December 2021					
Bank overdrafts	-	69,262,421	-	69,262,421	69,262,421
Trade and other payables	-	37,907,547	-	37,907,547	37,907,547
Short-term borrowing from third parties	17,500,000	-	-	17,500,000	17,500,000
Lease liabilities	-	44,040,982	27,672,843	71,713,825	68,132,866
Long-term loans from financial institutions	-	125,346,088	59,422,776	184,768,864	184,768,864
Total	17,500,000	276,557,038	87,095,619	381,152,657	377,571,698
Maturity of financial liabilities	Consolidated financial statements				
	Due at call Baht	Within 1 year Baht	1 - 5 years Baht	Total Baht	Carrying amount Baht
As at 31 December 2020					
Bank overdrafts	-	63,512,737	-	63,512,737	63,512,737
Trade and other payables	-	96,162,873	-	96,162,873	96,162,873
Short-term borrowing from third parties	64,500,000	-	-	64,500,000	64,500,000
Lease liabilities	-	120,002,898	56,703,512	176,706,410	169,565,089
Long-term loans from financial institutions	-	203,810,249	241,812,630	445,622,879	445,622,879
Total	64,500,000	483,488,757	298,516,142	846,504,899	839,363,578
Maturity of financial liabilities	Separate financial statements				
	Due at call Baht	Within 1 year Baht	1 - 5 years Baht	Total Baht	Carrying amount Baht
As at 31 December 2021					
Bank overdrafts	-	39,968,743	-	39,968,743	39,968,743
Short-term borrowing from third parties	17,500,000	-	-	17,500,000	17,500,000
Short-term borrowings from related party	10,000,000	-	-	10,000,000	10,000,000
Lease liabilities	-	6,393,337	962,259	7,355,596	7,059,178
Long-term loans from financial institutions	-	124,291,790	59,422,776	183,714,566	183,714,566
Total	27,500,000	170,653,870	60,385,035	258,538,905	258,242,487
Maturity of financial liabilities	Separate financial statements				
	Due at call Baht	Within 1 year Baht	1 - 5 years Baht	Total Baht	Carrying amount Baht
As at 31 December 2020					
Bank overdrafts	-	22,256,701	-	22,256,701	22,256,701
Short-term borrowing from third parties	62,500,000	-	-	62,500,000	62,500,000
Short-term borrowings from related party	14,000,000	-	-	14,000,000	14,000,000
Lease liabilities	-	6,463,537	7,428,500	13,892,037	13,010,550
Long-term loans from financial institutions	-	98,595,506	188,216,968	286,812,474	286,812,474
Total	76,500,000	127,315,744	195,645,468	399,461,212	398,579,725

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7 Financial risk management (Cont'd)

7.1 Financial risk (Cont'd)

7.1.3 Liquidity risk (Cont'd)

c) Maturity of financial guarantee

Maturity of financial guarantee	Separate financial statements				Carrying amount Baht
	Due at call Baht	Within 1 year Baht	1 - 5 years Baht	Total Baht	
As at 31 December 2021					
Financial guarantee ¹	-	1,054,298	-	1,054,298	-
Maturity of financial guarantee	Separate financial statements				Carrying amount Baht
	Due at call Baht	Within 1 year Baht	1 - 5 years Baht	Total Baht	
As at 31 December 2020					
Financial guarantee ¹	-	3,214,742	295,664	3,510,406	-

¹ The financial guarantee is disclose according to TFRS 9, however, the Company does not recognise liability on such transaction.

7.2 Capital management

7.2.1 Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern so that they can continue, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

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

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- the debt to equity ratio must not be more than 2.0:1
- the debt service coverage ratio must not be less than 1.2 :1
- the interest bearing debt to equity ratio must not be more than 2.5:1

The Group cannot comply with the debt to equity ratio and the debt service coverage ration throughout the reporting period. As at 31 December 2021, the aforementioned loan amounting to Baht 53.26 million was classified as current liabilities.

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8 Fair value

The following table presents financial assets that are measured at fair value:

	Consolidated and separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht	2021 Baht	2020 Baht	2021 Baht	2020 Baht
As at 31 December 2021								
Assets								
Financial assets at fair value through profit or loss - Trading securities	-	2,002,925	-	-	5,000,000	65,000,000	5,000,000	67,002,925

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

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

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

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

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

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

Description	Fair value 2021 Baht	Unobservable inputs	Range of inputs
Expected consideration received from unquoted equity instruments	5,000,000	Discount rate	11% - 13%
		Expected profit	18% - 20%
		Price to equity ratio	18 - 20

Relationship of unobservable inputs to fair value are shown as follows:

Change in assumption	Relationship of unobservable inputs to fair value		
	Increase in assumption	Decrease in assumption	
Discount rate	1%	Decrease by 0.89%	Increase by 0.90%
Expected profit	1%	Increase by 1.00%	Decrease by 1.00%
Price to equity	1	Increase by 5.26%	Decrease by 5.26%

The Group's valuation processes

Chief Financial Officer (CFO), Audit Committee (AC) and a valuation team discuss valuation processes and results at least every quarter.

Significant unobservable input of fair value hierarchy level 3 is risk adjusted discount rate. It is estimated based on public companies' weighted average cost of capital that, are in opinion of the Group, in a comparable financial position with the counterparty in the contract. The Group has subscriptions to information brokers to gather such information.

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

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9 Critical accounting estimates, assumptions and judgements

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

a) Fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in note 8.

b) Goodwill impairment

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget covering a ten-year period.

Cash flows beyond the ten-year period are extrapolated using the estimated growth rates stated in note 22. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

c) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 28.

d) Classification of an associate

The Group has significant influence over Thai Solar Energy Public Company Limited even though the shareholding is less than 20% due to board representation and fact on contractual terms.

e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates especially on impairment of short-term borrowings to related parties (note 39.4). The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

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10 Segment information

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

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

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

	Consolidated financial statements	
	Language Institutions Baht	Total Baht
For the year ended 31 December 2021		
Revenues from operation	288,884,191	288,884,191
Inter-segment revenue	(2,846,954)	(2,846,954)
Total revenue	286,037,237	286,037,237
Timing of revenue recognition:		
Over time	286,037,237	286,037,237
Segment result	46,399,454	46,399,454
Other income		46,502,679
Other loss(income)		(644,417,663)
Unallocated costs		(29,603,718)
Depreciation and amortisation		(76,682,416)
Finance cost		(22,958,240)
Share of profit from an associate		25,256,131
Loss before income tax expense		(655,503,773)
Income tax expense		(32,878,126)
Loss for the year from continuing operations		(688,381,899)

	Consolidated financial statements		
	Language Institutions Baht	Entertainment Baht	Total Baht
For the year ended 31 December 2020			
Revenues from operation	435,958,432	19,951,408	455,909,840
Inter-segment revenue	(933,333)	-	(933,333)
Total revenue	435,025,099	19,951,408	454,976,507
Timing of revenue recognition:			
Over time	435,025,099	19,951,408	454,976,507
	435,025,099	19,951,408	454,976,507
Segment result	124,525,487	(6,459,146)	118,066,341
Other income			7,836,840
Other loss(income)			(99,275,287)
Unallocated costs			(50,705,662)
Depreciation and amortisation			(90,699,728)
Finance cost			(26,459,721)
Share of loss from an associate			(1,724,399)
Loss before income tax expense			(142,961,616)
Income tax benefit			25,184,362
Loss for the year from continuing operations			(117,777,254)

Unallocated costs represent corporate expenses.

Information about major customer

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

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11 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cash at bank and on hand	6,354,998	14,085,878	31,226	157,131
	6,354,998	14,085,878	31,226	157,131

12 Financial assets and financial liabilities

As at 31 December 2021, classification of the Group's financial assets and financial liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Financial assets				
Financial assets at amortised cost				
- Cash and cash equivalents	6,354,998	14,085,878	31,226	157,131
- Trade and other receivables	5,326,648	13,664,592	4,687,043	9,215,447
- Short-term borrowings to related parties	-	-	180,000,000	591,266,035
- Other current assets	2,783,098	5,364,143	-	-
- Deposit at bank used as collateral	20,250,000	20,500,000	20,000,000	20,000,000
- Other non-current assets	23,121,617	67,846,535	1,354,036	1,303,653
Financial assets measured at fair value through profit or loss				
- Financial assets at fair value through profit or loss (FVPL)	5,000,000	67,002,925	5,000,000	67,002,925
- Non-current assets classified as held-for-sale	196,487,066	295,727,250	48,499,153	132,444,870
	259,323,428	484,191,323	259,571,458	821,390,061
Financial liabilities				
Financial liabilities at amortised cost				
- Bank overdrafts	69,262,421	63,512,737	39,968,743	22,256,701
- Trade and other payables	37,907,547	96,162,873	-	-
- Accrued expenses	27,286,122	45,834,314	13,398,032	7,602,486
- Short-term borrowings from third parties	17,500,000	64,500,000	17,500,000	62,500,000
- Short-term borrowings from related parties	-	-	10,000,000	14,000,000
- Lease liabilities	68,132,866	169,565,089	7,059,178	13,010,550
- Long-term borrowings from financial institutions	184,768,864	445,622,879	183,714,566	286,812,474
- Other non-current liabilities	-	9,241,049	-	-
	404,857,821	894,438,941	271,640,519	406,182,211

12.1 Other financial assets at amortised cost

a) Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group.

Wave Entertainment Public Company Limited
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12 Financial assets and financial liabilities (Cont'd)

12.2) Financial assets at fair value through profit or loss

i) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

- equity investments that are held for trading

Financial assets measured at FVPL include the following:

	Consolidated and Separate financial statements	
	2021 Baht	2020 Baht
Current assets		
Listed equity securities	-	2,002,925
Unlisted equity securities	5,000,000	65,000,000
	5,000,000	67,002,925

ii) Amounts recognised in profit or loss

The following losses were recognised in profit or loss during the year as follows:

	Consolidated and Separate financial statements	
	2021 Baht	2020 Baht
Fair value losses on equity investments at FVPL recognised in other gains/(losses)	-	(175,888)

The movement of FVPL are as follows:

	Consolidated and Separate financial statements	
	2021 Baht	
Opening net book value	67,002,925	
Disposed listed securities	(2,002,925)	
Offset with liability	(60,000,000)	
Closing net book value	5,000,000	

Significant acquisitions and disposals during the year

During the year 2021, the Group and the Company disposed listed securities measured at FVPL in the amount of Baht 2 million and used Baht 60 million of unlisted equity securities to offset with short-term borrowing from third parties of Baht 50 million, and recognised loss of Baht 10 million as other (loss) income in the consolidated and separate statements of comprehensive income.

During the year 2020, the Group and the Company acquired/ disposed listed securities measured FVPL in the amount of Baht 52,735 and Baht 52,735, respectively.

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13 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Trade receivables - third parties	3,615,453	4,818,887	-	-
<u>Less</u> loss allowance	(303,902)	(303,902)	-	-
TraTrade accounts receivable	3,311,551	4,514,985	-	-
Prepayments	6,203,650	10,857,479	301,140	165,882
Other receivables	900,906	3,235,062	-	-
Amount due from related parties (note 39.3)	-	5,914,545	167,400,387	168,296,248
<u>Less</u> loss allowance	-	-	(162,713,344)	(159,080,801)
Amount due from related parties	-	5,914,545	4,687,043	9,215,447
Accrued income	1,227,200	2,570,250	-	-
	11,643,307	27,092,321	4,988,183	9,381,329

Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Impairments of trade receivables

During the reporting period ended 2020, the Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables. As of 31 December 2020, the expected credit loss of Baht 0.30 million for trade receivables was assessed based on historical credit together with the management's judgement in estimating the expected credit loss.

The loss allowance for trade receivables was determined as follows:

	Consolidated financial statements					
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	Total Baht
As of 31 December 2021						
Gross carrying amount						
- trade receivables	1,226,890	1,090,671	83,147	-	1,486,745	3,887,453
Loss allowance	-	-	-	-	(303,902)	(303,902)
As of 31 December 2020						
Gross carrying amount						
- trade receivables	1,736,723	1,842,051	69,368	696,000	474,745	4,818,887
Loss allowance	-	-	-	-	(303,902)	(303,902)

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13 Trade and other receivables (Cont'd)

The reconciliations of loss allowance for trade receivables for the year ended 31 December are as follow:

Trade receivables

	Consolidated financial statements	
	2021 Baht	2020 Baht
As of 1 January	303,902	433,652
Receivable written off during the year as uncollectible	-	(129,750)
As of 31 December	303,902	303,902

Amount due from related parties

The reconciliations of loss allowance for amount due from related parties for the year ended 31 December are as follow:

	Separate financial statements	
	2021 Baht	2020 Baht
As of 1 January	159,080,801	278,180,801
Increase in loss allowance recognised in profit or loss during the year	3,632,542	6,090,000
Amount due from related parties written off during the year	-	(125,190,000)
As of 31 December	162,713,343	159,080,801

14 Inventories

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
VCD and DVD	-	47,591	-	47,591
Books	1,233,026	1,398,847	-	-
Raw materials - foods	-	13,181,020	-	-
<u>Less</u> Allowance for inventories obsolescence	(798,337)	(4,029,318)	-	(47,591)
	434,689	10,598,140	-	-

During the year ended 31 December 2021 and 2020, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Write-down of inventories to net realisable value	26,213	96,334	-	-
Reversal of write-down inventories to net realisable value	(109,470)	(419,015)	-	-

The Group sold inventory that was previously write-down to a customer at original cost. Therefore, the Group reversed the allowance for net realisable value during the year.

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15 Other current assets

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Tuition fee pending for bank transfer	2,783,098	3,760,214	-	-
Undue input VAT	3,467,409	6,012,205	821,187	755,328
Withholding tax receivable	3,949,657	11,530,904	1,034,470	3,643,042
Guarantee	-	1,603,929	-	-
Others	269,513	922,164	-	-
	10,469,677	23,829,416	1,855,657	4,398,370

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

Jeffer Restaurant Company Limited

During the year 2021, The Group announced its intention to sell Jeffer Restaurant Company limited (Jeffer), a subsidiary of the Group (note18.1) and the Group has a plan to sell the remaining interests in the aforementioned subsidiary within one year. Accordingly, the Group presented the financial statements of Jeffer, which were part of the restaurant segment as a discontinued operation.

Financial performance relating to Jeffer are presented separately from continuing operations as below.

16.1 Assets and liabilities classified as held-for-sale

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

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

	Consolidated financial statements	
	2021 Baht	2020 Baht
Assets of discontinued operation classified as held-for-sale:		
Cash and cash equivalents	2,208,676	-
Trade and other receivables	3,118,224	-
Inventories	5,780,864	-
Other current assets	4,984,013	-
Building improvement and equipment	10,710,010	-
Intangible assets	4,093,633	-
Right-of-use assets	18,571,540	-
Other non-current assets	33,569,433	-
Total assets of the discontinued operation	83,036,393	-

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

16.1 Assets and liabilities classified as held-for-sale (Cont'd)

	Consolidated financial statements	
	2021 Baht	2020 Baht
Liabilities directly associated with assets classified as held-for-sale		
Bank overdrafts	18,659,857	-
Trade and other payables	75,223,998	-
Unearned revenue	704,296	-
Accrued expenses	25,240,794	-
Current portion of long-term borrowings from financial institution	53,255,300	-
Other current liabilities	2,772,694	-
Lease liabilities	19,410,413	-
Employee benefit obligations	5,077,442	-
Other non-current liabilities	7,937,234	-
Total liabilities of the discontinued operation	208,282,028	-

16.2 Financial performance information

For the year ended	Consolidated financial statements	
	31 December 2021 Baht	31 December 2020 Baht
Revenue	113,510,109	246,212,203
Costs	(43,176,474)	(92,216,939)
Gross profit	70,333,635	153,995,264
Other income	34,458,099	3,580,830
Selling expenses	(113,842,624)	(191,674,678)
Administrative expenses	(31,910,744)	(61,642,139)
Finance costs	(8,241,703)	(13,634,283)
Loss before income tax expense from discontinued operation	(49,203,337)	(109,375,006)
Income tax benefit	24,355,359	1,014,807
Loss from discontinued operation	(24,847,978)	(108,360,199)
Other comprehensive expense from discontinued operation	(24,847,978)	(108,360,199)

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

16.3 Cash flow information

For the year ended	Consolidated financial statements	
	31 December 2021 Baht	31 December 2020 Baht
Cash and cash equivalents at the beginning of period	1,275,374	657,737
Operating cash flows	164,229,485	132,314,930
Investing cash flows	684,918	(770,358)
Financing cash flows	(163,981,101)	(130,926,935)
Net change in cash flows	933,302	617,637
Cash and cash equivalents at the end of period	2,208,676	1,275,374

Thai Solar Energy Public Company Limited

During the year ended 2020, the Group announced its intention to sell Thai Solar Energy Public Company Limited (Thai Solar), an associate of the Group. Additionally, the Group has a plan to sell the remaining interests in the aforementioned associated within one year. Accordingly, the Group has reported the financial information of Thai Solar, which is operated in generation and distribution of electricity from solar power and biomass to the government and considered as the Group's separate major line business, as a discontinued operation. As a result, investment in Thai Solar Energy Public Company Limited of Baht 113.49 million and Baht 48.50 million (2020: Baht 295.73 million and Baht 132.44 million) in consolidated financial statements and separate financial statements is classified as non-current asset held for sale.

During the year ended 2021, the Group partially disposed investment in Thai Solar Energy Public Company Limited, an associate of the Group, of 74.97 million shares and recognised gain from disposal amounting to Baht 15.27 million and Baht 123.73 million in the consolidated and separated statement of comprehensive income, respectively.

As at 31 December 2021, The Group interest in Thai Solar is 2.05%.

Financial performance relating to Thai Solar Energy are presented separately from continuing operations as below. Comparative figures are also adjusted for presentation.

16.4 Financial performance information

For the year ended	Consolidated financial statements	
	31 December 2021 Baht	31 December 2020 Baht
Share of profit from an associate	-	29,311,252
Impairment loss on investment in an associate	-	(35,049,918)
Gain on disposal of investment in an associate	15,267,365	-
Gain on remeasurement non-current asset held for sale at fair value	5,197,944	-
Profit (loss) before income tax expense from discontinued operation	20,465,309	(5,738,666)
Income tax expense	-	-
Profit (loss) from discontinued operation	20,465,309	(5,738,666)
Share of other comprehensive income of associate from discontinued operation	-	27,359,432
Total comprehensive income from discontinued operations	20,465,309	21,620,766

Wave Entertainment Public Company Limited
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16 Non-current assets classified as held-for-sale (Cont'd)

16.4 Financial performance information (Cont'd)

Investment in an associate classified as non-current asset held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write-down of Baht 5.20 million as administrative expense in profit or loss. The non-recurring fair value was determined using the market approach and is a level 1 in the fair value hierarchy.

As at 31 December 2021, 43.32 million shares (31 December 2020: 118.29 million shares) of Thai Solar Energy Public Company Limited totaling Baht 113.49 million has been pledged as collateral for borrowing and borrowing facilities from financial institutions.

16.5 Cash flows from discounted operations

For the year ended

Operating cash flows
Investing cash flows
Financing cash flows

Net change in cash flows

Consolidated financial statements	
31 December 2021 Baht	31 December 2020 Baht
-	-
2,612,288	(28,815,045)
-	-
2,612,288	(28,815,045)

17 Deposit paid for investment

During the year, the Company has made a partial consideration for the increase in share capital of Wave Food Group Company Limited amounting to Baht 51.31 million. However, the shares will be transferred only when the Company make full consideration for all increased registered share capital. Accordingly, such transaction classified as non-current assets. However, the Company considered the impairment loss on such deposit for investment and recognised loss from impairment amounting to Baht 51.31 million as administrative expense.

18 Investments in subsidiaries and associates

18.1 Investments in subsidiaries

As at 31 December 2021, the Group has subsidiaries included in consolidated financial statement. The subsidiaries have ordinary shares and non-cumulative preferred shares in which the Group directly and indirectly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Name	Country of incorporation and place of business	Nature of business	Nature of relationship	Ownership Interest held by Company		Ownership Interest held by the Group		Ownership Interest held by non-controlling interests	
				2021 (%)	2020 (%)	2021 (%)	2020 (%)	2021 (%)	2020 (%)
Subsidiaries									
Wave Picture Company Limited	Thailand	Investment	Direct	99.99	99.99	-	-	0.01	0.01
Wave Food Group Company Limited	Thailand	Investment	Direct	99.99	99.99	-	-	0.01	0.01
Wave Education Group Company Limited	Thailand	Investment	Direct	99.99	99.99	-	-	0.01	0.01
Subsidiary of Wave Food Group Company Limited									
Jeffer Restaurant Company Limited	Thailand	Restaurant	Indirect	-	-	99.99	99.99	0.01	0.01
Subsidiary of Wave Education Group Company Limited									
Wall Street English (Thailand) Company Limited	Thailand	Language Institute	Indirect	-	-	99.99	99.99	0.01	0.01
Subsidiary of Wave Picture Company Limited									
Wave TV Company Limited	Thailand	Television programmes production	Indirect	-	-	99.99	99.99	0.01	0.01

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18 Investments in subsidiaries and associates (Cont'd)

18.1 Investments in subsidiaries (Cont'd)

Movements of investments in subsidiaries

	Separate financial statements Baht
For the year ended 31 December 2021	
Opening net book amount	-
Increase in investment	51,400,000
<u>Less</u> Impairment	<u>(51,400,000)</u>
Closing net book amount	-

2020

On 8 February 2018, Index Creative Online Company Limited, a subsidiary of the Group, filed a liquidation request with the Ministry of Commerce, which was completed on 30 March 2020. The Group recognised gain from liquidation amounting to Baht 5.64 million as presented in profit from discontinued operation.

On 24 March 2020, Index Creative Village Public Company Limited, a subsidiary of the Group, has disposed all investment in Inspire Image Company Limited of 35,998 shares to the former shareholder of aforementioned subsidiary for consideration of Baht 5 million. The Group recognised gain from disposal amounting to Baht 3.44 million as presented in profit from discontinued operation.

On 16 April 2020, the Group disposed 31.10 million shares of Index Creative Village Public Company Limited, an subsidiary of the Group, to other shareholders of the subsidiary for the consideration of Baht 170 million. The Group recognised gain on disposal of investment in a subsidiary amounting to Baht 38.72 million and Baht 20 million in the consolidated and separate statement of comprehensive income, respectively. After the aforementioned disposal, the Group's shareholding interest in Index Creative Village Public Company Limited decreased to 6.91%, resulting in loss in shareholding interest in investment in subsidiaries, investment in associates and joint ventures under Index Creative Village Public Company Limited. Consequently, the Group loss control over the subsidiary and classified such investment as financial asset measured at fair value through profit or loss amounting to Baht 65 million (note 12.1).

2021

As at 31 December 2021, the Company has increase in investment of Wave Food Group Company Limited, a subsidiary of the Group, amounting to Baht 51.40 million. After the aforementioned increase investment, no change in shareholding percentage of the Company in a subsidiary. The Company recognised loss from impairment amounting to Baht 51.40 million as presented in administrative expense.

As at 31 December 2021, the Group expected to sell the remaining interests in Jeffer Restaurant Company Limited in the within one year. As a result, investment in Jeffer Restaurant Company Limited is classified as non-current asset held for sale and its result operation classified as discontinued operation according to Thai Financial Reporting Standard No.5 (note 16).

As at 31 December 2021, the Group's shares of Wall Street English (Thailand) Company Limited, shares of Jeffer Restaurant Company Limited (31 December 2020: shares of Wall Street English (Thailand) Company Limited, shares of Jeffer Restaurant Company Limited and 7.32 million shares of Index Creative Village Public Company Limited) have been pledged as collateral for borrowings (note 25).

Wave Entertainment Public Company Limited
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18 Investments in subsidiaries and associates (Cont'd)

18.2 Investment in associates

As at 31 December 2021 and 2020, the investments in associates are as follows:

	Business	Nature of relationship	Country of incorporation	% Ownership interest		Measurement method
				2021	2020	
Associate						
The Megawatt Public Company Limited	Generation of electricity from sun radiation	Direct	Thailand	20.71	29.20	Equity

The movements in investment in associates are as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2021		
Opening net book amount	283,275,601	285,000,000
Share of profit	25,256,131	-
Closing net book amount	308,531,732	285,000,000

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

The Megawatt Company Limited

At the board of director meeting held on 28 February 2020, the director passed the resolution to invest in The Megawatt Company Limited ("Megawatt"), which is incorporated in Thailand. The main business is generation electricity from solar power. The company has made payment for consideration of Baht 285 million for 2.85 million shares representing 29.20% interest in aforementioned company. Additionally, the director of the company is one of board of director of Megawatt and has voting right for making decision over Megawatt. Accordingly, investment in Megawatt is classified as investment in associate.

During the year 2021, The Megawatt Company Limited has increase its registered share capital amounting to Baht 400 million. After the aforementioned increase registered share capital is Baht 1,376 million. The Company did not subscribe in newly issued share capital, the shareholding percentage of the Company in The Megawatt Company Limited decrease from 29.20% to 20.71%.

Wave Entertainment Public Company Limited
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18 Investments in subsidiaries and associates (Cont'd)

18.2 Investment in associates (Cont'd)

Summarised financial information for associates

The table below is summarised of financial information for associates that are material to the Group. The financial information is included in associates own financial statements which has been adjusted with the adjustments necessary for the equity method including, adjusting fair value and differences in accounting policy.

Summarised statement of financial position

	31 December 2021 Baht	31 December 2020 Baht
Current assets		
Cash and cash equivalents	12,165,159	2,898,426
Other current assets (excluding cash)	581,541,823	952,372,469
Total current assets	593,706,982	955,270,895
Non-current Assets		
Investment	8,907,534	15,600,000
Property, plants and equipment	1,791,778,361	189,830
Right-of-use assets	676,303	-
Intangible assets	307,785,654	-
Goodwill	1,536,958,301	-
Advance payment for equity	419,298,200	-
Other non-current assets	2,676,127	-
Total non-current assets	4,068,080,480	15,789,830
Total assets	4,661,787,462	971,060,725
Current liabilities		
Other current liabilities (including trade payables)	127,406,451	966,034
Short-term borrowing from third parties	739,399,953	-
Current portion of long-term borrowings from financial institutions	274,800,000	-
Current portion of lease liabilities	142,004	-
Current portion liabilities under debt restructuring	11,000,000	-
Total current liabilities	1,152,748,408	966,034
Non-current liabilities		
Long-term borrowings from financial institutions	1,863,310,999	-
Lease liabilities	530,337	-
Deferred tax liabilities	119,597,427	-
Liabilities under debt restructuring	51,594,200	-
Total non-current liabilities	2,035,032,963	-
Total liabilities	3,187,781,371	966,034
Net assets	1,474,006,091	970,094,691
<u>Less</u> Non-controlling interests	(15,765,670)	-
Net assets attributable to owners of the parent	1,489,771,761	970,094,691

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18 Investments in subsidiaries and associates (Cont'd)

18.2 Investment in associates (Cont'd)

Summarised statements of comprehensive income

For the year ended 31 December

	2021 Baht	2020 Baht
Revenue	368,326,577	-
Cost of sales	(132,209,395)	-
Other income	6,304,886	1,203,253
Administrative expenses	(41,330,277)	(7,108,562)
Finance cost	(74,394,963)	-
Share of profit from an associate	5,907,534	-
Non-controlling interests	(16,347,436)	-
Profit (loss) before income tax expense	116,256,926	(5,905,309)
Income tax expense	3,420,144	-
Profit (loss) from continued operation	119,677,070	(5,905,309)

Reconciliation of summarised financial information

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

	2021 Baht	2020 Baht
Opening net assets 1 January	970,094,691	1,000,000
Issue of shares	400,000,000	975,000,000
Profit for the year	119,677,070	(5,905,309)
Closing net assets as at 31 December	1,489,771,761	970,094,691
Interest in associates	20.71 %	29.20 %
Carrying value	308,531,732	283,275,601

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

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19 Building improvement and equipment

	Consolidated financial statements			
	Furniture, fixture and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
At 1 January 2020				
Cost	452,772,841	24,290,646	6,279,865	483,343,352
Provision for impairment	(351,092,602)	(14,269,161)	-	(365,361,763)
Net book value	101,680,239	10,021,485	6,279,865	117,981,589
For the year ended 31 December 2020				
Opening net book value	101,680,239	10,021,485	6,279,865	117,981,589
TFRS 16 Reclassifications and adjustments	(2,858,730)	(5,519,295)	-	(8,378,025)
Opening net book value	98,821,509	4,502,190	6,279,865	109,603,564
Additions	8,924,541	-	5,562,748	14,487,289
Disposals, net	(2,988,054)	(2)	-	(2,988,056)
Write off, net	(6,229,364)	-	(964,960)	(7,194,324)
Transfer in (out)	9,771,267	-	(9,771,267)	-
Reclassify to Intangible asset (note 21)	-	-	(466,700)	(466,700)
Depreciation charge	(41,055,107)	(912,183)	-	(41,967,290)
Closing net book value	67,244,792	3,590,005	639,686	71,474,483
At 31 December 2020				
Cost	416,303,538	11,406,119	639,686	428,349,343
<u>Less</u> Accumulated depreciation	(349,058,746)	(7,816,114)	-	(356,874,860)
Net book value	67,244,792	3,590,005	639,686	71,474,483

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19 Building improvement and equipment (Cont'd)

Consolidated financial statements			
Furniture, fixture and office equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
67,244,792	3,590,005	639,686	71,474,483
2,669,859	-	-	2,669,859
(976,188)	(3,589,999)	-	(4,566,187)
(2,792,853)	-	-	(2,792,853)
(30,158,108)	-	-	(30,158,108)
(10,070,321)	(3)	(639,686)	(10,710,010)
25,917,181	3	-	25,917,184
255,933,042	1,633,973	-	257,567,015
(230,015,861)	(1,633,970)	-	(231,649,831)
25,917,181	3	-	25,917,184

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19 Building improvement and equipment (Cont'd)

	Separate financial statements		
	Furniture, fixture and office equipment Baht	Vehicles Baht	Total Baht
At 1 January 2020			
Cost	3,026,409	9,402,145	12,428,544
<u>Less</u> Accumulated depreciation	(2,771,102)	(4,899,964)	(7,671,066)
Net book value	255,307	4,502,181	4,757,488
For the year ended 31 December 2020			
Opening net book value	255,307	4,502,181	4,757,488
Additions	2,233	-	2,233
Depreciation charge	(103,237)	(912,183)	(1,015,420)
Closing net book value	154,303	3,589,998	3,744,301
At 31 December 2020			
Cost	3,028,641	9,402,146	12,430,787
<u>Less</u> Accumulated depreciation	(2,874,338)	(5,812,148)	(8,686,486)
Net book value	154,303	3,589,998	3,744,301
For the year ended 31 December 2021			
Opening net book value	154,303	3,589,998	3,744,301
Disposals, net	(105)	(3,589,998)	(3,590,103)
Write off, net	(100)	-	(100)
Depreciation charge	(91,471)	-	(91,471)
Closing net book value	62,627	-	62,627
At 31 December 2021			
Cost	2,895,010	-	2,895,010
<u>Less</u> Accumulated depreciation	(2,832,383)	-	(2,832,383)
Net book value	62,627	-	62,627

The Group have pledge building improvement, furniture and fixtures with the carrying value of Baht 1.44 million (2020: Baht 3.80 million) as collateral for borrowings and borrowings facilities from financial institutions (note 25).

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Depreciation has been charged into the following categories of expenses:				
Cost of sales	3,158,360	5,472,765	-	-
Cost of services	15,848,931	15,501,736	-	-
Administrative expenses	1,687,634	3,570,770	91,471	1,015,420
Selling expenses	9,463,183	17,422,019	-	-
	30,158,108	41,967,290	91,471	1,015,420

The Group are presented right-of-use assets as a separate line item in the financial position as a results of changes in accounting policy in note 20.

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cost - finance leases	3,794,828	3,794,828	3,794,828	3,794,828
<u>Less</u> Accumulated depreciation	(1,719,211)	(1,148,746)	(1,719,211)	(1,148,746)
Net book amount	2,075,617	2,646,082	2,075,617	2,646,082

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20 Right-of-use assets

	Consolidated financial statements		
	Properties Baht	Vehicles Baht	Total Baht
Balance as at 1 January 2020	342,283,575	5,519,295	347,802,870
Additions	32,811,851	-	32,811,851
Lease termination	(42,766,996)	(1,839,670)	(44,606,666)
Depreciation	(174,708,255)	(1,033,546)	(175,741,801)
Balance as at 31 December 2020	157,620,175	2,646,079	160,266,254
	Consolidated financial statements		
	Properties Baht	Vehicles Baht	Total Baht
Balance as at 1 January 2021	157,620,175	2,646,079	160,266,254
Additions	47,472,175	-	47,472,175
Lease termination	(11,446,471)	-	(11,446,471)
Lease modifications	(120,184)	-	(120,184)
Depreciation	(110,474,887)	(570,462)	(111,045,349)
Reclassify to non-current assets held-for-sale (note 16)	(18,571,540)	-	(18,571,540)
Balance as at 31 December 2021	64,479,268	2,075,617	66,554,885
	Separate financial statements		
	Properties Baht	Vehicles Baht	Total Baht
Balance as at 1 January 2020	16,393,713	3,216,548	19,610,261
Depreciation	(5,220,261)	(570,466)	(5,790,727)
Balance as at 31 December 2020	11,173,452	2,646,082	13,819,534
	Separate financial statements		
	Properties Baht	Vehicles Baht	Total Baht
Balance as at 1 January 2021	11,173,452	2,646,082	13,819,534
Lease modification	(120,184)	-	(120,184)
Depreciation	(5,483,030)	(570,465)	(6,053,495)
Balance as at 31 December 2021	5,570,238	2,075,617	7,645,855

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use and cash outflows for leases is as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Expense relating to short-term leases	8,713,286	6,103,582	-	-
Expense relating to leases of computer equipment of low-value assets	3,054,190	3,259,774	-	-
Expense relating to variable lease payments	1,562,133	3,285,617	-	-
Total cash outflow for leases	136,767,560	188,051,894	6,410,383	6,433,781

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21 Intangible assets

	Consolidated financial statements				
	License Baht	Computer software Baht	Customer relation Baht	Trademark Baht	Total Baht
At 1 January 2020					
Cost	60,361,192	45,089,856	33,960,000	152,221,000	291,632,048
<u>Less</u> Accumulated amortisation	(35,542,229)	(29,173,576)	(33,960,000)	(25,369,829)	(124,045,634)
Net book amount	24,818,963	15,916,280	-	126,851,171	167,586,414
For the year ended 31 December 2020					
Opening net book amount	24,818,963	15,916,280	-	126,851,171	167,586,414
Addition	804,330	436,249	-	-	1,240,579
Write-off, net	(667,234)	-	-	-	(667,234)
Reclassify from property, plants and equipment (note 19)	-	466,700	-	-	466,700
Amortisation charge	(4,221,084)	(4,111,841)	-	(5,074,033)	(13,406,958)
Closing net book amount	20,734,975	12,707,388	-	121,777,138	155,219,501
At 31 December 2020					
Cost	60,227,735	45,992,810	33,960,000	152,221,000	292,401,545
<u>Less</u> Accumulated amortisation	(39,492,760)	(33,285,422)	(33,960,000)	(30,443,862)	(137,182,044)
Net book amount	20,734,975	12,707,388	-	121,777,138	155,219,501
For the year ended 31 December 2021					
Opening net book amount	20,734,975	12,707,388	-	121,777,138	155,219,501
Addition	82,445	-	-	-	82,445
Write-off, net	(2,188,409)	-	-	-	(2,188,409)
Amortisation charge	(1,868,398)	(4,005,024)	-	(5,074,371)	(10,947,793)
Impairment charge	-	-	-	(116,702,767)	(116,702,767)
Reclassify to non-current assets held-for-sale (note 16)	-	(4,093,633)	-	-	(4,093,633)
Closing net book amount	16,760,613	4,608,731	-	-	21,369,344
At 31 December 2021					
Cost	53,259,385	37,338,644	-	-	90,598,029
<u>Less</u> Accumulated amortisation	(36,498,772)	(32,729,913)	-	-	(69,228,685)
Net book amount	16,760,613	4,608,731	-	-	21,369,344

As at 31 December 2021, the Group recognised full amount of loss from impairment of Trademark by considering the recoverable amount of such intangible asset. The impairment loss is presented as other (loss) income in profit or loss.

Amortisation recognised in profit and loss that are related to
intangible assets are as follows:
Cost of services
Administrative expenses

Consolidated financial statements	
2021 Baht	2020 Baht
2,750,409	5,201,575
8,197,384	8,205,383
10,947,793	13,406,958

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22 Goodwill

	Consolidated financial statements	
	2021 Baht	2020 Baht
At 1 January		
Cost	1,134,673,772	1,134,673,772
<u>Less</u> Provision for impairment	(436,530,588)	(336,530,588)
Net book amount	698,143,184	798,143,184
For the year ended 31 December		
Opening net book amount	698,143,184	798,143,184
Provision for impairment	(518,143,184)	(100,000,000)
Closing net book amount	180,000,000	698,143,184
At 31 December		
Cost	726,079,472	1,134,673,772
<u>Less</u> Provision for impairment	(546,079,472)	(436,530,588)
Net book amount	180,000,000	698,143,184

The carrying amount of the language institute segment has been reduced to its recoverable amount through recognition of an impairment loss due to significant decrease in projected revenue and projected number of branches from external factors as well as market situation and trend. The loss is presented as other (loss) income in profit or loss.

As at 31 December 2021, the Group expected to sell the remaining interests in Jeffer Restaurant Company Limited within one year. Accordingly, all assets and liabilities of the aforementioned subsidiary are classified as non-current assets held for sale and its result of operation is classified as discontinued operation according to Thai Financial Reporting Standard No.5 (note 16) and the Group set full amount of provision for goodwill impairment of the restaurant segment businesses amount to Baht 308.59 million by considering from an expected selling price.

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

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

	Consolidated financial statements	
	2021 Baht	2020 Baht
Goodwill allocation		
Language Institute	180,000,000	389,548,884
Restaurant	-	308,594,300
	180,000,000	698,143,184

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of CGU, Language Institute are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

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22 Goodwill (Cont'd)

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

	Language Institute
Growth rate ¹	2.00%
Discount rate ²	11.50%

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

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

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

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

The sensitivity analysis for each unobservable inputs as at 31 December 2021 disclosed are as follows:

	Relationship of unobservable inputs to fair value		
	Change in assumption	Increase in assumption	Decrease in assumption
Language Institute			
Growth rate	1%	Decrease by 17%	Increase by 16%
Discount rate	1%	Decrease by 12%	Increase by 14%

23 Deferred income taxes

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	-	32,656,476	-	32,656,476
Deferred tax assets to be recovered after 12 months	1,345,156	1,345,156	1,345,156	1,345,156
	1,345,156	34,001,632	1,345,156	34,001,632
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	29,330	1,032,396	29,330	17,589
Deferred tax liabilities to be settled after 12 months	345,129	23,498,140	345,129	157,588
	374,459	24,530,536	374,459	175,177
Deferred income tax, net	970,697	9,471,096	970,697	33,826,455

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23 Deferred income taxes (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	9,471,096	(16,745,854)	33,826,455	8,624,312
(Credited) charged to profit or loss (note 36)	(8,500,399)	26,216,950	(32,855,758)	25,202,143
At 31 December	970,697	9,471,096	970,697	33,826,455

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

	Consolidated financial statements			
	At 1 January 2021 Baht	Charged/ (credited) to the statement of income Baht	Charged to the other comprehensive income Baht	At 31 December 2021 Baht
Deferred tax assets				
Provision for employee benefit obligations	1,345,156	-	-	1,345,156
Tax losses	32,656,476	(32,656,476)	-	-
	34,001,632	(32,656,476)	-	1,345,156
Deferred tax liabilities				
Assets under leases, net	(175,177)	(199,282)	-	(374,459)
Trademark	(24,355,359)	24,355,359	-	-
	(24,530,536)	24,156,077	-	(374,459)
	Consolidated financial statements			
	At 1 January 2020 Baht	Charged/ (credited) to the statement of income Baht	Charged to the other comprehensive income Baht	At 31 December 2020 Baht
Deferred tax assets				
Provision for employee benefit obligations	935,628	409,528	-	1,345,156
Tax losses	7,860,001	24,796,475	-	32,656,476
	8,795,629	25,206,003	-	34,001,632
Deferred tax liabilities				
Assets under leases, net	(171,317)	(3,860)	-	(175,177)
Trademark	(25,370,166)	1,014,807	-	(24,355,359)
	(25,541,483)	1,010,947	-	(24,530,536)

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23 Deferred income taxes (Cont'd)

	Separate financial statements			
	At 1 January 2021 Baht	Charged/ (credited) to the statement of income Baht	Credited to the other comprehensive income Baht	At 31 December 2021 Baht
Deferred tax assets				
Provision for employee benefit obligations	1,345,156	-	-	1,345,156
Tax losses	32,656,476	(32,656,476)	-	-
	34,001,632	(32,656,476)	-	1,345,156
	Separate financial statements			
	At 1 January 2020 Baht	Charged/ (credited) to the statement of income Baht	Credited to the other comprehensive income Baht	At 31 December 2020 Baht
Deferred tax assets				
Provision for employee benefit obligations	935,628	409,528	-	1,345,156
Tax losses	7,860,001	24,796,475	-	32,656,476
	8,795,629	25,206,003	-	34,001,632
	Separate financial statements			
	At 1 January 2021 Baht	Credited to the statement of income Baht	Credited to the other comprehensive income Baht	At 31 December 2021 Baht
Deferred tax liabilities				
Assets under leases, net	(175,177)	(199,282)	-	(374,459)
	Separate financial statements			
	At 1 January 2020 Baht	Credited to the statement of income Baht	Credited to the other comprehensive income Baht	At 31 December 2020 Baht
Deferred tax liabilities				
Assets under leases, net	(171,317)	(3,860)	-	(175,177)

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Deferred tax assets	970,697	33,826,455	970,697	33,826,455
Deferred tax liabilities	-	(24,355,359)	-	-
Deferred income tax, net	970,697	9,471,096	970,697	33,826,455

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

Deferred tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of Baht 156.98 million (2020: Baht 148.45 million). These tax losses will expire in 2026 and 2025 respectively.

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24 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Guarantee	23,121,617	67,846,535	1,354,036	1,303,653
Others	83,371	83,371	-	-
	23,204,988	67,929,906	1,354,036	1,303,653

25 Borrowings

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Current				
Bank overdrafts	69,262,421	63,512,737	39,968,743	22,256,701
Short-term borrowing from third parties	17,500,000	64,500,000	17,500,000	62,500,000
Short-term borrowings from related parties (note 39.5)	-	-	10,000,000	14,000,000
Current portion of long-term borrowings from financial institutions	125,346,088	203,810,249	124,291,790	98,595,506
	212,108,509	331,822,986	191,760,533	197,352,207
Non-current				
Long-term borrowings from financial institutions	59,422,776	241,812,630	59,422,776	188,216,968
	59,422,776	241,812,630	59,422,776	188,216,968
	271,531,285	573,635,616	251,183,309	385,569,175

25.1 Short-term borrowing from third parties

As at 31 December 2021, short-term borrowing from third parties of Baht 17.50 million are denominated in Thai Baht, bearing interest rate of 4% per annum, (2020: amounting to Baht 62.5 million is collateralised by pledge of 7.32 million of Index Creative Village Public Company Limited) and due at call (note 18.1).

25.2 Long-term borrowings from financial institutions

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Maturity of long-term borrowings:				
Within 1 years	125,346,088	203,810,249	124,291,790	98,595,506
Within 2 years	59,422,776	241,812,630	59,422,776	188,216,968
	184,768,864	445,622,879	183,714,566	286,812,474

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25 Borrowings (Cont'd)

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

Movements in long-term borrowings are analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2021		
Opening amount as at 1 January 2021	445,622,879	286,812,474
Repayment during the year	(207,598,715)	(103,097,908)
Reclassify to liability related to non-current assets held-for-sale (Note 16)	(53,255,300)	-
Closing amount as at 31 December 2021	184,768,864	183,714,566

Long-term borrowings from financial institutions of Baht 236.97 million is collateralised by pledge of shares of Wall Street English (Thailand) Company Limited, shares of Jeffer Restaurant Company Limited, 90 million shares of Wave Entertainment Public Company Limited, and 6.8 million shares (2020: 107.48 million shares) of Thai Solar Energy Public Company Limited (note 16) and 17.63 million shares of BEC World Public Co. Ltd.

On 24 September 2018, Wall Street English (Thailand) Company Limited a subsidiary of the Group, entered into 3-year sales and leaseback contracts with a financial institution on furniture and fixtures. At the end of the lease term, the subsidiary has options to purchase such assets at pre-determined price of return to the lessor and has an obligation to compensate the amount between the pre-determined price and the price sold to a third party. The substances of the transactions are borrowings from a financial institution. The carrying amount of Baht 1.05 million (2020: Baht 3.51 million) is secured by furniture and fixtures with the carrying value of Baht 1.44 million (2020: Baht 3.80 million) (note 19). The borrowings are guaranteed by Wave Entertainment Public Company Limited.

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

The fair values of long-term borrowings are equal to their carrying amounts, as the impact of discounting is not material. The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.25% - 5.13% (31 December 2020: 4.25% - 5.13% and are within the level 3 of the fair value hierarchy.

25.3 Interest rate

The interest rate exposure on the borrowings of the Group is as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Borrowings:				
- at fixed rates	17,500,000	64,500,000	17,500,000	62,500,000
- at floating rates	254,031,285	509,135,616	233,683,309	323,069,175
Total borrowings	271,531,285	573,635,616	251,183,309	385,569,175

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25 Borrowings (Cont'd)

25.3 Interest rate (Cont'd)

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

	Consolidated financial statements			
	2021 %	2020 %	2021 Baht	2020 Baht
Bank overdrafts	MOR, MOR-1	MOR, MOR - 1	69,262,421	63,512,737
Short-term borrowing from third party	4.00	4.00	17,500,000	64,500,000
Long-term borrowings from financial institutions	MLR - 1, MLR - 1.50	MLR - 1, MLR - 1.50	184,768,864	445,622,879
	Separate financial statements			
	2021 %	2020 %	2021 Baht	2020 Baht
Bank overdrafts	MOR, MOR - 1	MOR, MOR - 1	39,968,743	22,256,700
Short-term borrowing from third party	4.00	4.00	17,500,000	62,500,000
Short-term borrowings from related party	MOR + 0.25	MOR + 0.25	10,000,000	14,000,000
Long-term borrowings from financial institutions	MLR - 1.50	MLR - 1.50	183,714,566	286,812,474

26 Lease liabilities

The present value of lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Minimum lease payments of lease liabilities:				
Within one year	44,040,982	120,002,898	6,393,337	6,463,537
Later than 1 year but not later than 5 years	27,672,843	56,703,512	962,259	7,428,500
<u>Less</u> Future finance charges on leases	(3,580,959)	(7,141,321)	(296,418)	(881,487)
Present value of finance lease liabilities	68,132,866	169,565,089	7,059,178	13,010,550
Lease liabilities				
Current portion of lease liabilities	41,487,964	114,678,390	6,130,445	5,874,172
Long-term lease liabilities	26,644,902	54,886,699	928,733	7,136,378
Present value of lease liabilities:				
Within one year	41,487,964	114,678,390	6,130,445	5,874,172
Later than 1 year but not later than 5 years	26,644,902	54,886,699	928,733	7,136,378
	68,132,866	169,565,089	7,059,178	13,010,550

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26 Lease liabilities (Cont'd)

The movement in lease liabilities can be analysed as follows:

	Consolidated financial statements		
	Lease payables	Deferred interest	Lease liabilities
At 1 January 2020	356,626,217	(19,418,332)	337,207,885
Non-cash changes:			
Additions	33,359,716	(2,233,915)	31,125,801
Amortised deferred interest	-	12,512,402	12,512,402
Lease termination	(37,876,602)	1,998,524	(35,878,078)
Cash outflows:			
Repayment	(175,402,921)	-	(175,402,921)
At 31 December 2020	176,706,410	(7,141,321)	169,565,089
At 1 January 2021	176,706,410	(7,141,321)	169,565,089
Non-cash changes:			
Additions	50,827,057	(3,769,946)	47,057,111
Amortised deferred interest	-	6,153,456	6,153,456
Lease termination	(12,209,307)	540,939	(11,668,368)
Cash outflows:			
Repayment	(123,437,951)	-	(123,437,951)
Lease modification	(126,058)	-	(126,058)
Reclassify to liability related to non-current assets held-for-sale (Note 16)	(20,046,326)	635,913	(19,410,413)
At 31 December 2021	71,713,825	(3,580,959)	68,132,866
	Separate financial statements		
	Lease payables	Deferred interest	Lease liabilities
At 1 January 2020	20,325,818	(1,782,238)	18,543,580
Non-cash changes:			
Amortised deferred interest	-	900,751	900,751
Cash outflows:			
Repayment	(6,433,781)	-	(6,433,781)
At 31 December 2020	13,892,037	(881,487)	13,010,550
At 1 January 2021	13,892,037	(881,487)	13,010,550
Non-cash changes:			
Lease modification	(126,058)	-	(126,058)
Amortised deferred interest	-	585,069	585,069
Cash outflows:			
Repayment	(6,410,383)	-	(6,410,383)
At 31 December 2021	7,355,596	(296,418)	7,059,178

The weighted average lessee's incremental lease liabilities rate applied to the lease liabilities on 31 December 2021 was 4.78% - 8.88%.

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27 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Trade payables - others	33,235,069	43,223,391	-	-
Amount due to related parties	-	472,241	-	-
Other payable - intangible assets	4,672,478	6,230,152	-	-
Other payables	-	46,237,089	-	-
	37,907,547	96,162,873	-	-

28 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Statements of financial position:				
Retirement benefits	15,580,611	15,829,277	13,711,459	11,489,412
Liability in the statements of financial position	15,580,611	15,829,277	13,711,459	11,489,412
Profit or loss charge included in operating profit for:				
Retirement benefits	3,942,210	3,639,778	2,222,047	2,047,643
	3,942,210	3,639,778	2,222,047	2,047,643
Remeasurement recognised in other comprehensive income:				
	1,080,563	-	-	-
	1,080,563	-	-	-

Retirement benefits

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

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	15,829,277	13,486,126	11,489,412	9,441,769
Current service cost	3,558,288	2,410,084	1,934,812	1,811,599
Past service cost	-	-	-	-
Interest cost	383,922	330,194	287,235	236,044
	19,771,487	16,226,404	13,711,459	11,489,412
Remeasurements:				
Loss from change in demographic assumptions	6	-	-	-
Gain from change in financial assumptions	(121,291)	-	-	-
Experience loss	1,201,848	-	-	-
	1,080,563	-	-	-
Benefits payment	(193,997)	(397,127)	-	-
Reclassify to liabilities related to assets classified as held-for-sale (note 16)	(5,077,442)	-	-	-
At 31 December	15,580,611	15,829,277	13,711,459	11,489,412

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28 Employee benefit obligations (Cont'd)

The significant actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2021 %	2020 %	2021 %	2020 %
Discount rate	1.58 - 2.50	2.23 - 2.71	2.50	2.50
Salary increases rate	5.00 - 7.05	4.00 - 7.05	4.00	4.00

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

	Consolidated financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020	2021	2020
Discount rate	1%	1%	Decrease by 4%	Decrease by 5%	Increase by 5%	Increase by 5%
Salary increase rate	1%	1%	Increase by 6%	Increase by 6%	Decrease by 6%	Decrease by 6%

	Separate financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020	2021	2020
Discount rate	1%	1%	Decrease by 5%	Decrease by 6%	Increase by 6%	Increase by 7%
Salary increase rate	1%	1%	Increase by 9%	Increase by 9%	Decrease by 8%	Decrease by 8%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

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

Through its defined benefit retirement benefit plans and other long-term benefits the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields A decrease in Government bond yields will increase plan liabilities. Although this will be partially offset by an increase in the value of the plans' bond holdings.

The weighted average duration of the defined benefit obligation is 10.54 years (2020: 11.29 years).

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

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2021 Retirement benefits	-	1,618,569	19,046,081	9,230,064	29,894,714

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2020 Retirement benefits	259,697	32,524	612,507	25,526,328	26,431,056

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28 Employee benefit obligations (Cont'd)

	Separate financial statements				Total Baht
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	
At 31 December 2021					
Retirement benefits	-	395,894	18,269,212	7,777,899	26,443,005
	Separate financial statements				Total Baht
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	
At 31 December 2020					
Retirement benefits	-	-	394,287	25,139,362	25,533,649

29 Share capital

	Authorised number of shares Shares	Issued and fully paid-up			Total Baht
		Number of issued ordinary shares Shares	Ordinary shares Baht	Share Premium Baht	
At 1 January 2020	510,070,000	467,950,000	467,950,000	448,802,180	916,752,180
Exercise warrant	-	1,591	1,591	7,955	9,546
Capital reduction	(42,118,409)	-	-	-	-
Issue and paid-up of shares	1,052,891,081	317,310,110	317,310,110	(95,193,033)	222,117,077
At 31 December 2020	1,520,842,672	785,261,701	785,261,701	353,617,102	1,138,878,803
Capital reduction	(576,925,916)	-	-	-	-
Issue of shares	471,083,244	-	-	-	-
At 31 December 2021	1,415,000,000	785,261,701	785,261,701	353,617,102	1,138,878,803

On 30 July 2020, the Annual General Meeting of shareholders for the year 2020 approved a reduction of a registered capital by reducing 42,118,409 unissued and non-offering shares and approved newly issued shares of up to 1,052,891,081 shares with a par value of Baht 1 per share to reserve for following.

- To reserve the subscription of newly issued shares under the Right Offering not exceeding 701,927,381 shares to the existing shareholders proportionate to their respective shareholdings (Rights Offering) at the ratio of 1 existing share to 1.5 newly issued ordinary share, at the offering price of Baht 0.70 per share.
- To reserve for the exercise of warrant not exceeding 350,963,694 shares for purchasing newly issued ordinary shares no. 2 (WAVE-W2) at 1 unit of WAVE-W2 to 1 newly issued ordinary share at the exercise price of Baht 0.70 per share.

The Company registered the increased share capital with the Ministry of Commerce on 21 August 2020.

On 21 October 2020, the Company received share subscription for 317,310,110 shares from the exercise of Rights Offering offered to exist common shareholders, with the par value of Baht 1 per share, at the value of Baht 0.70 per share, totaling Baht 222.12 million. As a result, the fully paid-up share capital increase to 785,261,701 shares. The Company registered the share subscription with the Ministry of Commerce on 3 November 2020.

On 29 April 2021, the Annual General Meeting of shareholders for the year 2021 approved a reduction of a registered capital by reducing 576,925,916 unissued and non-offering shares and approved newly issued shares of up to 471,083,244 shares with a par value of Baht 1 per share to support a general mandate of capital increase.

The Company registered the increased share capital with the Ministry of Commerce on 15 June 2021.

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30 Warrants

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

At the Annual General Meeting of Shareholders held on 30 July 2020, the shareholders have passed the resolution to issue and offer warrants to newly issued ordinary shares no. 2 ("WAVE-W2") of not exceeding 350,963,694 units to the existing shareholders who subscribed the newly issued ordinary shares under the Rights Offering at the ratio of 2 newly issued ordinary shares to 1 unit of WAVE-W2 at the selling price of Baht 0 per unit and the exercise ratio at 1 unit of WAVE-W2 to 1 newly issued ordinary share with a par value of Baht 1 per share at the exercise price of Baht 0.70 per share. The warrant has the period of three years from the date of issuance and offering.

		At 31 December 2020		At 31 December 2021
		Outstanding warrants Unit	Change during the year	Outstanding warrants Unit
Issued	Exercise date			
WAVE-W2	28 October 2020			
	15 March 2021			
	15 June 2021	158,655,054	-	158,655,054
	15 September 2021 15 December 2021			
		158,655,054	-	158,655,054

31 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	46,795,718	46,795,718	46,795,718	46,795,718
Appropriation during the year	-	-	-	-
At 31 December	46,795,71	46,795,718	46,795,718	46,795,718

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

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32 Other income

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Interest income	1,065,554	1,342,300	3,730,955	4,219,751
Rental income	-	-	3,946,973	5,392,080
Dividends income	2,640,869	419,026	2,640,869	29,234,071
Management fee income	-	-	-	900,000
Gain on exchange rate	-	384,258	-	-
Gain on disposal of building improvement and equipment	-	1,213,891	-	-
Loan forgiveness	-	-	7,536,350	-
Write-off long outstanding overpaid from customer	4,727,279	2,987,923	-	-
Rental discount	35,376,071	-	739,782	-
Other income	2,692,906	1,489,442	1,561,420	2,394,902
Total	46,502,679	7,836,840	20,156,349	42,140,804

33 Other (loss) income

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Fair value losses on equity investments at FVPL recognised in other gains/(losses)	(9,571,712)	(175,888)	(9,571,712)	(175,888)
Gain on disposal of investments in a subsidiary	-	-	-	20,022,487
Gain on disposal of investments in an associate	-	900,601	123,726,803	126,315,375
Loss on impairment on goodwill	(634,845,951)	(100,000,000)	-	-
Total	(644,417,663)	(99,275,287)	114,155,091	146,161,974

34 Financial cost

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Interest and finance charges paid for financial liabilities not at fair value through profit or loss	2,481,265	2,659,233	2,382,192	2,815,378
Interest and finance charges paid for lease liabilities	3,897,738	3,759,071	585,069	885,615
Loan from financial institutions	16,579,237	20,042,979	14,839,342	18,042,982
Total finance costs	22,958,240	26,459,721	17,806,603	21,743,975

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35 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Expense included in continuing operations:				
Depreciation	17,306,273	18,433,450	91,471	1,015,420
Depreciation of right-of-use assets	54,321,127	64,748,393	6,053,495	5,790,727
Amortisation	5,055,013	6,109,797	-	-
Staff expense	221,232,862	232,472,407	23,763,635	33,847,209
Rental and service	7,286,982	7,583,536	-	-
Utilities expense	9,455,884	12,994,725	576,152	848,365

36 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Income tax expense from continuing operations				
Current tax:				
Current tax on profits for the year	22,368	17,781	-	-
Deferred tax:				
Increase in deferred tax assets (note 23)	32,656,476	(25,206,003)	32,656,476	(25,206,003)
Increase in deferred tax liabilities (note 23)	199,282	3,860	199,282	3,860
Total deferred tax	32,855,758	(25,202,143)	32,855,758	(25,202,143)
Income tax expense from discontinued operation:				
Current tax:				
Current tax on profits for the year	-	387,809	-	-
Adjustments in respect of prior year	-	-	-	-
	-	387,809	-	-
Deferred tax:				
Increase in deferred tax assets	-	(370,932)	-	-
Decrease in deferred tax liabilities (note 23)	(24,355,359)	(1,014,807)	-	-
Total deferred tax	(24,355,359)	(1,385,739)	-	-
Total income tax				
Income tax expense for continued operation	32,878,126	(25,184,362)	32,855,758	(25,202,143)
Income tax expense for discontinued operation (note 16)	(24,355,359)	(997,930)	-	-
Total income tax	8,522,767	(26,182,292)	32,855,758	(25,202,143)

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36 Income tax expense (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Loss before tax from continuing operations	(655,503,773)	(142,961,616)	(442,073,358)	(199,762,163)
Loss before tax from discontinued operation	(28,738,028)	(109,977,825)	-	-
Loss before tax	(684,241,801)	(252,939,441)	(442,073,358)	(199,762,163)
Tax calculated at a tax rate of 20% (2020: 20%)	(136,848,360)	(50,587,888)	(88,414,672)	(39,952,433)
Tax effect of:				
Share of profit from associates and joint ventures, net of tax	(5,051,226)	(5,517,371)	-	-
Income not subject to tax	(232,880)	(19,609,297)	-	(6,433,663)
Loss not subject to tax	21,691,888	30,845,964	-	-
Expenses not deductible for tax purpose	147,870,576	52,337,620	118,905,139	72,378,874
Expenses deductible for tax purpose at greater amount	(536,323)	(535,260)	(268,554)	(109,405)
Deferred tax expense relating to the origination and reversal of temporary differences	(21,721,514)	(32,656,476)	26,989,204	(32,656,476)
Utilisation of previously unrecognised tax losses	(720,396)	(18,590,357)	-	(18,429,040)
Tax losses for which no deferred income tax asset was recognised	4,071,022	18,130,773	-	-
Tax charge for operations	8,522,767	(26,182,292)	32,855,758	(25,202,143)

The weighted average applicable tax rate was 5.20% (2020: -17.62%).

The tax rate was lower due to higher non-deductible tax expense.

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37 Loss per share

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: warrants (as detailed in note 30). A calculation of warrants is made to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants. The difference is added to the denominator as an issue of ordinary shares for no consideration. However, warrants does not have impact on diluted loss per share as the Group and the Company has net loss for the year 2021 and 2020.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Net loss attributable to ordinary shareholders (Baht) :				
from continuing operations	(688,381,899)	(117,777,254)	(474,929,116)	(174,560,020)
from discontinued operation	(4,382,669)	(83,311,607)	-	-
	(692,764,568)	(201,088,861)	(474,929,116)	(174,560,020)
Weighted average number of ordinary shares in issue during the year (shares)	785,261,701	530,372,700	785,261,701	530,372,700
Weighted average number of ordinary shares to be issued for warrants WAVE-W2, (shares) (note 30)	-	-	-	-
Total weighted average number of ordinary shares (shares)	785,261,701	530,372,700	785,261,701	530,372,700
Basics and diluted loss per share (Baht per share)				
from continuing operations	(0.877)	(0.222)	(0.605)	(0.329)
from discontinued operation	(0.006)	(0.157)	-	-

38 Change in liabilities arising from financing activities

	Consolidated financial statements				
	Long - term borrowing from financial institution Baht	Long - term borrowing from related party Baht	Short - term borrowing from financial institution Baht	Short- term borrowing from third party Baht	Short - term borrowing from related parties Baht
Liabilities at 1 January 2020	491,542,852	13,114,365	50,000,000		42,500,000
Cash flows repayment	(45,919,973)	(9,515,365)	(50,000,000)	60,000,000	(42,000,000)
Cash inflows	-	-	2,000,000	49,500,000	-
Changes in non-cash item	-	(3,600,000)	(2,000,000)	-	-
Liabilities at 31 December 2020	445,622,879	-	-	64,500,000	-
Liabilities at 1 January 2021	445,622,879	-	-	64,500,000	-
Cash flows repayment	(207,598,715)	-	-	(2,000,000)	-
Cash inflows	-	-	-	5,000,000	-
Changes in non-cash item	-	-	-	(50,000,000)	-
Reclassify to non-current assets held-for-sale (note 16)	(53,255,300)	-	-	-	-
Liabilities at 31 December 2021	184,768,864	-	-	17,500,000	-

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38 Change in liabilities arising from financing activities (Cont'd)

	Separate financial statements			
	Long - term borrowing from financial institution Baht	Short - term borrowing from financial institution Baht	Short - term borrowing from third parties Baht	Short - term borrowing from related party Baht
Liabilities at 1 January 2020	305,831,540	50,000,000	60,000,000	58,500,000
Cash flows repayment	(19,019,066)	(50,000,000)	(20,000,000)	(44,500,000)
Cash inflows	-	-	22,500,000	-
Liabilities at 31 December 2020	286,812,474	-	62,500,000	14,00,000
Liabilities at 1 January 2021	286,812,474	-	62,500,000	14,00,000
Cash flows repayment	(103,097,908)	-	-	(4,000,000)
Cash inflows	-	-	5,000,000	-
Changes in non-cash item	-	-	(50,000,000)	-
Liabilities at 31 December 2021	183,714,566	-	17,500,000	10,000,000

39 Related party transactions

39.1 Parent entities

The major shareholders of the Company are Maleenont family, BEC World Public Company Limited, Chulangkool family and The Mall Group Company Limited (incorporated in Thailand), which owns 20.70%, 7.42%, 6.09%, and 5.95% of the Company's shares, respectively. The remaining 59.84% of the shares are widely held. Details of subsidiaries and associates are set out in note 18.

The following material transactions were carried out with related parties:

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39 Related party transactions (Cont'd)

39.2 Transactions with related parties

Transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Sales of goods and services				
BEC World Public Company Limited	-	19,717,702	-	-
Other income				
Subsidiaries	-	-	12,013,792	8,536,402
Related companies	1,351,908	-	739,782	-
	1,351,908	-	12,753,574	8,536,402
Interest income				
Subsidiaries	-	-	3,635,800	4,031,390
Related companies	96,232	-	67,932	-
	96,232	-	3,703,732	4,031,390
Dividend income				
Associate	-	-	2,612,288	28,815,045
	-	-	2,612,288	28,815,045
Selling and administrative expenses				
Related companies	1,262,360	10,398,270	1,148,016	5,309,334
	1,262,360	10,398,270	1,148,016	5,309,334
Interest expenses				
Subsidiaries	-	-	-	1,012,783
Key management	4,153	158,880	4,153	158,880
	4,153	158,880	4,153	1,171,663

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39 Related party transactions (Cont'd)

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

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Other receivables (note 13) (include in amount due from related parties)				
Subsidiaries	-	-	36,787,043	34,207,517
<u>Less</u> loss allowance	-	-	(32,100,000)	(32,100,000)
	-	-	4,687,043	2,107,517
Accrued interest income (note 13) (include in amount due from related parties)				
Accrued interest income of subsidiaries	-	-	130,613,344	128,174,186
<u>Less</u> loss allowance			(130,613,344)	(126,980,801)
Subsidiaries		-	-	1,193,385
Accrued dividend income (note 13) (include in amount due from related parties)				
Associate	-	5,914,545	-	5,914,545
Trade and other payables (included in liabilities related to assets classified as held-for-sale)				
Related companies	1,322,961	472,241	-	-
Accrued expenses				
Related companies	1,765,431	76,824	1,765,028	76,704
Accrued interest expenses				
Subsidiaries	-	-	-	2,836,350

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39 Related party transactions (Cont'd)

39.4 Short-term borrowings to related parties

	Separate financial statements	
	2021 Baht	2020 Baht
Short-term borrowings to:		
Subsidiaries	1,201,052,900	1,195,352,900
<u>Less</u> loss allowance	(1,021,052,900)	(604,086,865)
	180,000,000	591,266,035

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

	Separate financial statements
	Baht
For the year ended 31 December 2021	
Opening amount as at 1 January 2021	591,266,035
Addition during the year	6,400,000
Loan repayment during the year	(700,000)
Impairment losses on financial assets	(416,966,035)
Closing amount as at 31 December 2021	180,000,000

Short-term borrowings to subsidiaries are denominated in Thai Baht, bearing interest rate of MOR rate plus 0.25% per annum, 6.13% and interest-free, and they are due at call.

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

Impairment of financial assets

The reconciliations of loss allowance for short-term loans to related parties for the year ended 31 December 2021 are as follow:

	Separate financial statements	
	2021 Baht	2020 Baht
Opening loss allowance as at 1 January	604,086,865	328,626,500
Loan forgiveness	-	(15,000,000)
Increase in loss allowance recognised in profit or loss during the year	416,966,035	290,460,365
As of 31 December	1,021,052,900	604,086,865

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39 Related party transactions (Cont'd)

39.5 Short-term borrowings from related parties

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Borrowing from:				
Subsidiary	-	-	10,000,000	14,000,000
	-	-	10,000,000	14,000,000

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

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the years ended 31 December 2021		
Opening amount as at 1 January 2021	-	14,000,000
Loan forgiveness during the year	-	(4,000,000)
Closing amount as at 31 December 2021	-	10,000,000

The borrowings from subsidiaries were denominated in Thai Baht, bearing interest rate of MOR rate plus 0.25% per annum, and were due at call.

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

39.6 Key management compensation

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Short-term employee benefits	25,312,165	43,918,201	15,762,850	28,782,340
Post-employment benefits	2,737,527	1,792,526	1,858,364	1,704,203
	28,049,692	45,710,727	17,621,214	30,486,543

40 Commitments and contingencies

40.1 Guarantee

As at 31 December 2021, the Company provided guarantee on behalf of its subsidiary for sales and leaseback contracts amounting to Baht 1.05 million (2020: Baht 3.51 million) (note 25).

40.2 Bank Guarantee

As at 31 December 2021, there are outstanding bank guarantee given on behalf of the Group to the third parties in respect of business operation amounting to Baht 0.50 million (2020: Baht 0.50 million).

Wave Entertainment Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

40 Commitments and contingencies (Cont'd)

40.3 Commitment for franchise fees

As at 31 December 2021, the Group has the following commitments to pay on-going fees for operations of language institutions;

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

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

40.4 Operating lease commitments - where the Group is the lessee

As at 31 December 2021, the Group entered into short term lease agreements to lease spaces in department stores.

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Not later than 1 year	14,218,739	2,408,106	-	-
Later than 1 year but not later than 5 years	75,000	-	-	-
	14,293,739	2,408,106	-	-

41 Events occurring after the reporting period

On 5 January 2022, Wave Food Group Company Limited, a subsidiary of the Group, has increased its registered share capital and transfer shares to the Company in the amount of Baht 25.81 million, resulting in increase in registered share capital from Baht 56,400,000 to Baht 82,210,000. After the aforementioned increase in investment, there is no change in shareholding percentage of the Company in a subsidiary.

On 14 January 2022, the Group disposed remaining investment in Index Creative Village Public Company Limited, a financial assets measured at fair value through profit or loss by 0.91 million shares for total consideration of Baht 5 million.

On 28 January 2022, the Group disposed partial investment in Thai Solar Energy PCL in the amount of 4.32 million shares for the consideration of Baht 11.03 million. After such disposal, the shareholding percentage of the Group in Thai Solar Energy Public Company Limited decreased from 2.05% to 1.84%.

At the Board of Directors meeting no. 7/2021 held on 3 December 2021 has passed a resolution to approve Wave Food Group Company Limited, a subsidiary of the Group to dispose the shares of Jeffer Restaurant Company Limited totaling 10,098,999 shares or 100% of registered and fully paid up ordinary and preferred shares at a price of amount not exceed of Baht 1 million. Wave Food Group Company Limited will enter into the shares purchase agreement and complete the share transfer within March 2022.

At the Board of Directors meeting held on 28 February 2022, the meeting approved share issuance totaling not exceed 471 million shares par value of Baht 0.50 from Right Offering and Private Placement. The aforementioned increase in share capital will be proposed for approval by Annual General Meeting of shareholders in April 2022.

Certification of Information

"The Company has reviewed the information in this annual registration statement/annual report with caution. The Company certifies that such information is correct, complete, not false and does not mislead others or lack of information that should be notified in material matters. In addition, the Company certifies that:

- (1) The financial statements and financial information summarized in the annual registration statement/annual report present accurate and complete information in all material respects regarding financial positions, performance and cash flows of the Company and its subsidiaries.
- (2) The Company has established a good information disclosure system to ensure that the Company discloses material information of the Company and its subsidiaries correctly and completely, as well as controlling and supervising the implementation of such system.
- (3) The Company has established a good internal control system and supervision to ensure compliance with such system. The Company has informed results of the internal control assessment as of 28 February 2022 to the auditor and the Company's Audit Committee. Such information covers deficiencies and significant changes in the internal control system, including wrongful acts that may affect the preparation of financial reports of the Company and its subsidiaries.

In this regard, as evidence that all documents are the same set of documents that has been certified by the Company, the Company has assigned Mrs. Angkanee Rerksirisuk to sign this document on every page. If any document does not have the signature of Mrs. Angkanee Rerksirisuk, the Company will deem that it is not the information that the Company has certified as the accuracy of the information mentioned above."

Name	Position	Signature
1. Ms.Cathleen Maleenont	Director	
2.Mrs. Angkanee Rerksirisuk	Director and Chief Financial Officer	
Authorized Person		
Mrs. Angkanee Rerksirisuk	Director and Chief Financial Officer	



1.1 The Details of Board of Directors, Executives, Controlling Persons, The Person taking the Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and The Company's Secretary for 2021

Name / Position	Age	Education / Professional / Training	% of share holding in the Company *	Family Relationship	5 Years Professional Experience			Date appointed as Director/ Independent Director
					Period	Position	Company Name	
1 Mr. Matthew Kichodhan Chairman Chief Executive Officer Member of the Nomination and Remuneration Committee and Authorized Director	55	MSc. (Management) Imperial College, University of London, ENGLAND Bachelor of Commerce, University of Toronto, CANADA Seminar Program from Thai Institute of Directors Association (IOD) Directors Certification Program: DCP Class no. 95/2007 Directors Accreditation Program: DAP Class no. 57/2006	none	none	5 Apr. 2006 – Present 7 Oct. 2013 – Present 7 Oct. 2013 – Present 14 Mar. 2018 – Present 7 Oct. 2013 – Present <u>The Listed companies - Company's Group</u> Present 2013 – March 2017 <u>The Listed company - Other companies</u> Present Present <u>The Other company</u> 2017 – Present	Director Chairman Chief Executive Officer Member of the Nomination and Remuneration Committee Authorized Director Director Director Independent Director Independent Director	WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl. BEC World Pcl. Thai Solar Energy Pcl. S & P Syndicate Pcl. Ocean Glass Pcl. BBGI Pcl.	5 Apr. 2006
2 Mr. Prasert Patradhilok Independent Director and Chairman of the Audit Committee	64	Master Degree of Business Administration (Finance), Chulalongkorn University Bachelor's Degree in Engineering, Prince of Songkla University Seminar Program from Thai Institute of Directors Association (IOD) Anti Corruption : The practical Guide ACPG Class no. 15/2014 Refresher DCP: DCP Re Class no. 1/2005 Directors Certification Program: DCP Class no. 20/2002	none	none	30 Apr. 2015 – Present 30 Apr. 2015 – Present <u>The Listed companies - Other companies</u> May 2021 – Present Mar. 2021 – Present May 2011 – Present Aug. 2018 – Present <u>The Other companies</u> Dec. 2018 – Present Jun. 2015 – Present 2004 – Present 2004 – Present	Independent Director Chairman of the Audit Committee Member of the Audit Committee Chairman of the Audit Committee Member of the Audit Committee Advisor Chairman of the Audit Committee Director Director Director	WAVE Entertainment Pcl. WAVE Entertainment Pcl. Pinthong Industrial Park Pcl. Thai Solar Energy Pcl. Pace Development Corporation Pcl. Panjawattana Plastic Pcl. Teka Construction Pcl. Advisory Plus Co., Ltd. Robinson planer Co., Ltd. Kindreak Co., Ltd.	30 Apr. 2015
3 Mr. Somsak Phayapdacharchai Independent Director Member of the Audit Committee and Member of the Corporate Governance Committee	73	Diploma Degree Major in Marketing, Armstrong College AA Berkley, California USA. Seminar Program from Thai Institute of Directors Association (IOD) Directors Accreditation Program: DAP Class no. 49/2006	none	none	7 Sep. 1999 – Present 7 Sep. 1999 – Present 2 Dec. 2015 – Present	Independent Director Member of the Audit Committee Member of the Corporate Governance Committee	WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl.	7 Sep. 1999

Remark * The shareholding in the Company's securities by directors and senior management (including their spouses and minor children), according to the name list of shareholders as of December 30, 2021.

1.1 The Details of Board of Directors, Executives, Controlling Persons, The Person taking the Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and The Company's Secretary for 2021

Name / Position	Age	Education / Professional / Training	% of share holding in the Company *	Family Relationship	5 Years Professional Experience			Date appointed as Director/ Independent Director
					Period	Position	Company Name	
4 M.L. Nalinee Hastintra Independent Director Member of the Audit Committee and Member of the Nomination and Remuneration Committee	81	YWCA Secretary India - England Branch Executive Banking from Bank of Thailand Association	none	none	6 Jun. 2011 – Present 6 Jun. 2011 – Present 6 Jun. 2011 – Present	Independent Director Member of the Audit Committee Member of the Nomination and Remuneration Committee	WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl.	6 Jun. 2011
5 Mr. Chaipranin Visudhipol Independent Director Chairman of the Corporate Governance Committee and Chairman of the Nomination and Remuneration Committee	62	Master Degree in Advertising School of The Art, Institute of Chicago, USA Bachelor of Education, Chulalongkorn University Seminar Program from Thai Institute of Directors Association (IOD) Directors Certification Program: DCP Class no. 88/2007	none	none	26 Feb. 2015 – Present 2 Dec. 2015 – Present 1 Mar. 2018 – Present <u>The Listed company - Other company</u> 2007 – Present <u>The Other companies</u> 2010 – Present 2021 – Present 1991 – Present 1991 – Present	Independent Director Chairman of the Corporate Governance Committee Chairman of the Nomination and Remuneration Committee Independent Director and Member of the Audit Committee Honorary President Executive Director President President	WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl. Ocean Glass Pcl. Advertising Association of Thailand Blue Canvas Co., Ltd. PATOU (1969) Co., Ltd. PATUKAR Co., Ltd.	26 Feb. 2015
6 Mr. Philipp Oliver Piazz Independent Director Member of the Risk Management Committee Member of the Corporate Governance Committee and Member of the Nomination and Remuneration Committee	47	Elementary Studies of Economics and Law, University of St. Gallen HSG, Switzerland Elementary Studies of Law, University of Zurich, Switzerland Diploma - Banking, Swiss Banking Commission Seminar Program from Thai Institute of Directors Association (IOD) Directors Certification Program: DCP Class no. 260/2018 Directors Accreditation Program: DAP Class no. 146/2018	none	none	3 Dec. 2014 – Present 3 Dec. 2014 – Present 2 Dec. 2015 – Present 28 Feb. 2020 – Present <u>The Other company</u> 2009 – Present	Independent Director Member of the Risk Management Committee Member of the Corporate Governance Committee Member of the Nomination and Remuneration Committee Co-Founder and Managing Partner	WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl. Finaport Pte. Ltd., Singapore	3 Dec. 2014
7 Dr. Cathleen Maleenont Director Chairman of the Risk Management Committee and Authorized Director	50	Ed.D. in Institutional Management, Pepperdine University M.S.A. in Multinational Commerce, Boston University B.A. in Mass Communication, Chulalongkorn University Seminar Program from Thai Institute of Directors Association (IOD) Directors Certification Program: DCP Class no. 150/2011 Directors Accreditation Program: DAP Class no. 9/2004	20.08	none	5 Apr. 2006 – Present 3 Dec. 2014 – Present 5 Apr. 2006 – Present <u>The Listed companies - Company's Group</u> 2014 – Present 1999 – Present <u>The Other companies - Company's Group</u> 2013 – Present Present Present	Director Chairman of the Risk Management Committee Authorized Director Chairman Chairman of Executive Committee Chief Executive Officer Member of the Nomination and Remuneration Committee Assistant to the Senior Executive Vice President Director Director Director	WAVE Entertainment Pcl. WAVE Entertainment Pcl. WAVE Entertainment Pcl. Thai Solar Energy Pcl. Thai Solar Energy Pcl. Thai Solar Energy Pcl. Thai Solar Energy Pcl. BEC World Pcl. Thai Solar Energy Group Companies TVB 3 Network Co., Ltd. BEC-Multimedia Co., Ltd.	5 Apr. 2006

Remark * The shareholding in the Company's securities by directors and senior management (including their spouses and minor children), according to the name list of shareholders as of December 30, 2021.

1.1 The Details of Board of Directors, Executives, Controlling Persons, The Person taking the Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and The Company's Secretary for 2021

Name / Position	Age	Education / Professional / Training	% of share holding in the Company *	Family Relationship	5 Years Professional Experience			Date appointed as Director/ Independent Director
					Period	Position	Company Name	
8 Mr. Kijchamrit Sukangwanwit Director Member of the Risk Management Committee and Authorized Director	33	Master Degree MSc. Business with marketing management, Northumbria University, Newcastle, England Bachelor Degree, Communication Arts, Bangkok University International College	none	none	30 Jul. 2020 – Present	Director	WAVE Entertainment Pcl.	30 Jul. 2020
					30 Jul. 2020 – Present	Member of the Risk Management Committee	WAVE Entertainment Pcl.	
					21 Aug. 2020 – Present	Authorized Director	WAVE Entertainment Pcl.	
					<u>The Other companies</u>			
					2021 – Present	Director	Bizboy Holding Co., Ltd.	
					2021 – Present	Director	Bizbowl PRG Co., Ltd.	
					2020 – Present	Director	Bizbowl Co., Ltd.	
					2019 – Present	Director	Food expansion Co., Ltd.	
					2018 – Present	Director	Bizmeal Co., Ltd.	
					2017 – Present	Director	Re51 group Co., Ltd.	
					2012 – Present	Director	Pandec Co., Ltd.	
9 Mrs. Angkanee Rerksirisuk Director Authorized Director Chief Financial Officer The person assigned to take the highest responsibility in Accounting and Finance and The Company's secretary	49	Master Degree of Accounting in Financial Accounting, Chulalongkorn University Bachelor Degree of Business Administration in Accounting, Burapha University Seminar Program from Thai Institute of Directors Association (IOD) Directors Accreditation Program: DAP Class no. 138/2017 Training Course on Chief Financial Officer Certification Program Class no. 19, Organized by The Federation of Accounting Professions Under The Royal Patronage of His Majesty The King Training Course on Strategic CFO in Capital Markets Program Class no. 8, Organized by The Stock Exchange of Thailand Training course for company secretary practitioners. Organized by Thai Listed Companies Association Online seminar "TLCA CFO Professional Development Program (TLCA CFO CPD)" No. 1/2021 in the subject of "Economic update for CFO" and No. 4/2021 in the subject of "How finance leaders are adapting within the new normal", it is a continuous development of knowledge in accounting. Organized by Thai Listed Companies Association	none	none	11 Nov. 2020 – Present	Director	WAVE Entertainment Pcl.	appointed to act as the Director, effective from November 11, 2020 appointed to the person assigned to take the highest responsibility in Accounting and Finance, effective from May 15, 2013
					Jun. 2013 – Present	Chief Financial Officer	WAVE Entertainment Pcl.	
					23 Nov. 2020 – Present	Authorized Director	WAVE Entertainment Pcl.	
					<u>The Listed company - Company's Group</u>			
					Mar. 2017 – Present	Director	Thai Solar Energy Pcl.	
					<u>The Other company</u>			
					2020 – Present	Director	The Megawatt Co., Ltd.	

Remark * The shareholding in the Company's securities by directors and senior management (including their spouses and minor children), according to the name list of shareholders as of December 30, 2021.

1.1 The Details of Board of Directors, Executives, Controlling Persons, The Person taking the Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and The Company's Secretary for 2021

Name / Position	Age	Education / Professional / Training	% of share holding in the Company *	Family Relationship	5 Years Professional Experience			Date appointed as Director/ Independent Director
					Period	Position	Company Name	
10 Mrs. Sutaree Arayasomboon Accounting and Finance Director and The person assigned to take responsibility for accounting supervision	64	Bachelor of Accountancy in Accounting, Sripatum University Bachelor of Accountancy in Accounting, Sukhothai Thammathirat Open University The person assigned to take responsibility for accounting supervision Online seminar "NPAs, asset problems in practice", Count CPD Hours: Accountant, Accounting 4 Hours. Organized by Seminar and Training 2515 Co., Ltd. Carry out other activities in accordance with the measures to assist the Accountant. According to the announcement No. 24/2564, Count CPD Hours total 13 Hours.	none	none	2014 – Present	Accounting and Finance Director	WAVE Entertainment Pcl.	appointed to the person assigned to take responsibility for accounting supervision effective from Aug 14, 2014
11 Mr. Chochechai Tutiyaporn Legal Department Director	63	Bachelor of Laws Ramkhamhaeng University Thai Barrister	none	none	2003 – Present	Legal Department Director	WAVE Entertainment Pcl.	

Remark * The shareholding in the Company's securities by directors and senior management (including their spouses and minor children), according to the name list of shareholders as of December 30, 2021.

Attachment 1
1.1 The Details of Board of Directors, Executives, Controlling Persons, The Person taking the Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and The Company's Secretary for 2021

Work Experiences

Company Name	The type of business
WAVE Entertainment Pcl.	Lifestyle & Entertainment
BEC World Pcl.	Entertainment
Thai Solar Energy Pcl.	Energy
Ocean Glass Pcl.	Home & Office Products
BBGI Pcl.	Energy
Pinthong Industrial Park Pcl.	Property Development
Pace Development Corporation Pcl.	Property Development
Panjawattana Plastic Pcl.	Industrial
Teka Construction Pcl.	Construction
Advisory Plus Co., Ltd.	Financial advisory services
Robinson planer Co., Ltd.	Consulting services for Debt Rehabilitation plan
Kindreak Co., Ltd.	Holding Company
Blue Canvas Co., Ltd.	Advisory Services
PATOU (1969) Co., Ltd.	Real estate
PATUKAR Co., Ltd.	Real estate
TVB 3 Network Co., Ltd.	Entertainment
BEC-Multimedia Co., Ltd.	Entertainment
Bizboy Holding Co.,Ltd.	Holding Company
Bizbowl PRG Co.,Ltd.	Restaurant
Bizbowl Co.,Ltd.	Restaurant
Food expansion Co., Ltd.	Restaurant
Bizmeal Co.,Ltd.	Restaurant
Re51 group Co., Ltd.	Restaurant
Pandec Co., Ltd.	Wholesale of household furniture
The Megawatt Co., Ltd.	Energy

Attachment 1**Name of directors, executives and controlling persons in Subsidiaries, Associated and Related companies**

Company Name Name of directors	WAVE Entertainment Pcl.	Direct subsidiaries companies			Indirect subsidiaries companies			Associated companies	Related companies
		1	2	3	1	2	3	1	1
1 Mr.Matthew Kichodhan	X , / , //	X , / , //	X , / , //	X , / , //	X , / , //	X , / , //	X , / , //		/
2 Mr.Prasert Patradhilok	/								
3 Mr.Somsak Phayapdacharchai	/								
4 M.L. Nalinee Hastintra	/								
5 Mr.Chaipranin Visudhipol	/								
6 Mr.Philipp Oliver Piaz	/								
7 Dr.Cathleen Maleenont	/	/	/	/	/	/	/	X , / , //	
8 Mr.Kijcharnpit Sukangwanwit	/								
9 Mrs. Angkanee Rerksirisuk	//	/	/	/	/ , //	/ , //	/ , //	/	
10 Mrs. Suntaree Arayasomboon									
11 Mr. Chokechai Tutiyaoporn									

Remark

X : Chairman

// : Executive Director

/ : Director

List of companies in order in the table

Direct subsidiaries companies	Indirect subsidiaries companies	Associated companies	Related companies
1.WAVE Pictures Co., Ltd.	1.WAVE TV Co., Ltd.	1.Thai Solar Energy Pcl.	1.BEC World Pcl.
2.WAVE Food Group Co., Ltd.	2.Jeffer Restaurant Co., Ltd.		
3.WAVE Education Group Co., Ltd.	3.Wall Street English (Thailand) Co., Ltd.		

Attachment 1 Duties and Responsibilities of Company Secretary**1.2 Duties and responsibilities of Company Secretary**

The Company Secretary is responsible for performing duties as stipulated in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), which came into effect on 31 August 2008, with due care, caution and honesty. The Company Secretary shall comply with the laws, the Company's objectives and Articles of Association, resolutions of the Board of Directors' meeting, and resolutions of the shareholders' meeting. The Company Secretary's duties according to the laws are as follows:

1. To prepare and keep record of the following documents:
 - Register of directors;
 - Notice to the Board of Directors' meeting, minutes of the Board of Directors' meeting, and the Company's Annual Report;
 - Notice to the shareholders' meeting and minutes of the shareholders' meeting.
2. To keep record of reports on interest by directors or executives and submit a copy of the report on interest according to Section 89/14 to the Chairman of the Board of Directors and the Chairman of the Audit Committee for acknowledgement within 7 business days from the date on which the Company receives such report.
3. To perform any other act as prescribed by the Capital Market Supervisory Board.

In addition, the Company Secretary has other duties as assigned by the Company:

- To provide advice on the relevant legal and regulatory matters and good governance practices in performing activities by the Board of Directors to be in accordance with the laws.
- To arrange the Board of Directors' meetings and the shareholders' meetings.
- To coordinate with the Company's internal department for compliance with the resolutions of the Board of Directors' meetings and the resolutions of the shareholders' meetings.
- To liaise with regulatory agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand and to supervise the disclosure of information and information memorandum to regulatory agencies and the public to ensure completeness in accordance with the laws.
- To organize orientations and provide advice to newly appointed directors.
- To perform other duties as assigned by the Company.

Attachment 2 Details of the Directors of Subsidiaries

Details of the Directors of Subsidiaries

Company Name / Name of Directors	Wall Street English (Thailand) Co., Ltd.	Jeffer Restaurant Co., Ltd.
1. Mr. Matthew Kichodhan	X , / , //	X , / , //
2. Dr. Cathleen Maleenont	/	/
3. Mrs. Angkanee Rerksirisuk	/ , //	/ , //

Remark

- X = Chairman

// = Executive Director

/ = Director
- Subsidiaries means any significant subsidiaries with characteristics such as earnings more than 10 percent of the total income in the consolidated profit and loss statement of the most recent financial year, its Wall Street English (Thailand) Co., Ltd. and Jeffer Restaurant Co., Ltd.

Details of the Heads of the Internal Audit and Compliance Units

Name / Position	Age	Education / Professional	Professional Experience		
			Period	Position	Company Name
Mr. Parinya Sutthiyong Manager of Internal Audit Department	56	Master Degree of Accountancy in Accounting, Chulalongkorn University Graduate Diploma in Auditing, Chulalongkorn University Bachelor of Accountancy in Accounting, Ramkhamhaeng University	Aug. 2003 – Present Aug. 1999 – Aug. 2003	Manager of Internal Audit Department Assistant Manager of Internal Audit Department	WAVE Entertainment Pcl. WAVE Entertainment Pcl.
Ms. Anchalee Puttapatimok Manager of Compliance Department	52	Master Degree of Accountancy in Managerial Accounting, Chulalongkorn University Graduate Diploma in Auditing, Thammasat University Bachelor of Accountancy in Accounting, Thammasat University	2014 – Present Aug. 1997 – Dec. 2013	Manager of Compliance Department Manager of Internal Audit Department	WAVE Entertainment Pcl. GMM GRAMMY Pcl.

Attachment 4 Assets used in the Business

Assets used in the Business

As of 31 December 2021, the Company uses the following key assets in its business:

1. Key assets used in the business

(1) Fixed assets

Category/Type of Asset	Ownership	Net book value ¹ (Million Baht)	Encumbrance ²
Furniture and office equipment	Owned by Wave Entertainment Public Company Limited and Wall Street English (Thailand) Company Limited	25.92	Yes

Remarks

¹ Net book value = Cost – accumulated depreciation – allowance for asset impairment (if any)

² Encumbrance over fixed assets includes encumbrance created under financial lease agreement and/or mortgage as collateral for overdrafts and loans from financial institutions.

(2) Intangible assets

Category/Type of Asset	Ownership	Net book value ¹ (Million Baht)	Encumbrance
(1) Right-of-use assets ²	Owned by Wave Entertainment Public Company Limited and Wall Street English (Thailand) Company Limited	66.55	Yes ²
(2) Intangible assets ³	Owned by Wave Entertainment Public Company Limited, Wave Education Group Company Limited and Wall Street English (Thailand) Company Limited	21.37	None

Remarks

¹ Net book value = Cost – accumulated depreciation / accumulated amortization – allowance for asset impairment (if any)

² A right-of-use asset is a reclassification in accordance with Thai Financial Reporting Standard 16 regarding leases by recognizing right-of-use assets and liabilities under lease agreements.

³ Intangible assets include computer programs, copyrights, customer relationship and others.

(3) Goodwill

As of 31 December 2021, the Company has goodwill from business acquisition in the year 2014, including investments in Wall Street English (Thailand) Company Limited, in the amount of Baht 180 million.

(4) Business of subsidiary which relies on master franchise agreement

Wave Education Group Company Limited, the Company's wholly owned subsidiary, entered into the Master Franchise Agreement with WSE Hong Kong Limited, an exclusive owner of Wall Street English teaching and learning system. As a result, the company will be able to expand its English language schools in the form of sub-franchise. The entry into the Master Franchise Agreement is a shift from the current Area Development Agreement which has contract terms that are not significantly different, except for the company's right to open a branch for third parties. Under the Area Development Agreement, the company only has the right to open its own branches. Key terms of the agreement can be summarized as follows:

- 1) Contract date : May 2018
- 2) Contract term : 15 years (right to extend for another 10 years)
- 3) Countries with rights granted : Thailand, Kingdom of Cambodia and the Lao People's Democratic Republic

2 Investment policy in subsidiaries and associated companies

The Company has a policy to invest in subsidiaries and associated companies by focusing on investing in a proportion sufficient for the Company to participate in the management and determine business directions. The Company will send its director to act as a representative in such subsidiary and associated company.

Attachment 5 Corporate Governance Policy and Code of Conduct

The Company has made available a Corporate Governance Policy and Code of Conduct (Full Version) on the website: <https://www.wave-groups.com> , under the heading of “**Corporate Governance**” as follows:

1. Corporate Governance Policy (Thai Version) via the link
https://www.wave-groups.com/en/sustainability/cg/cg_policy
2. Code of Conduct (Thai Version) via the link
https://www.wave-groups.com/en/sustainability/cg/cg_policy

The Company also made available the Charter of Board of Directors and each Subcommittees on the website: <https://www.wave-groups.com> , under the heading of “**Corporate Governance**” as follows:

- 1) Board of Directors Charter
- 2) Audit Committee Charter
- 3) Nomination and Remuneration Committee Charter
- 4) Risk Management Committee Charter
- 5) Corporate Governance Committee Charter

The above Charters can be found via the link https://www.wave-groups.com/en/sustainability/cg/cg_charter

Attachment 6 Audit Committee Report

The Audit Committee of WAVE Entertainment Public Co. Ltd. consists solely of three independent directors with the authority, duties, and responsibilities set forth by the Securities & Exchange Commission i.e. Mr. Prasert Patradhilok as Chairman of the Audit Committee, M.L.Nalinee Hasadintra and Mr.Somsak Phayapdechachai, as Audit Committee Member.

During the year 2021, the Audit Committee had the meeting totally 4 times with the Internal Audit Office, the Management and the External Auditors to review the audit plan and audit scope, and discuss the results of the audit work, reviewed compliance with laws pertaining to securities and the stock exchange of Thailand and related laws. One of these meetings with the External Auditors without the Management to acknowledge independent opinion of external auditor.

The Audit Committee independently worked and expressed their opinions in accordance with the roles and responsibilities assigned by the Board of Directors. They oversaw the operation according to the principles, the standards and the regulations which relevant to the company's business. Major activities of the Audit Committee in the year 2021 were as follows :

1. Reviewed completely and reliable of financial reports :

- Reviewed the interim and 2021 annual financial statements with the External Auditors of the company and its subsidiaries, and the Management by questioning, discussing and advising on certain issues and matters relating to the company and its subsidiaries' financial reports. The External Auditors confirmed that they performed the engagements independently and obtained a kind cooperation with the Management, before submitted the financial statements to the Board of Directors for approval to disclosure to the SET and SEC.
- Acknowledged the Management analysis report pertaining to key financial data quarterly.
- Acknowledge and consider Key Audit Matters and management to disclosure to Auditor's Report for the year 2021.

The Audit Committee is of the opinion that the financial statements of the company and its subsidiaries for the year 2021 were prepared in accordance with generally accepted accounting standards and were presented accurately and fairly with sufficient information disclosure.

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

- Reviewed the independence of Internal Audit Office.
- Approved internal audit plans, acknowledged internal audit reports and evaluated the Internal Audit Office performance. In addition, the Audit Committee has also continually sought to provide recommendations on audit quality improvement and emphasized the monitoring process to ensure that the management's corrective action was implemented.
- Assessed the adequate appropriate and efficiency of internal control system by considering from internal audit report and the opinion of the External Auditors.
- Reviewed the adequacy of the internal control system for the year 2021 in compliance with the self – evaluation forms issued by the SEC.

The Audit Committee found the company and its subsidiaries to have adequate appropriate and efficiency of internal control, risk management and internal audit systems.

3. Reviewed compliance with laws pertaining to securities and the stock exchange, regulations of the Stock Exchange of Thailand and laws concerning company business, the Company's good corporate governance and Code of Conduct :

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

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

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

The Audit Committee has selected auditors, by considering various qualifications, including audit fees. To propose to the Board of Directors for consideration and seek approval to the shareholders' meeting for appointment.

The Audit Committee has selected auditors, by considering various qualifications, including remuneration and submitted the nomination list to the company's Board of Directors for consideration and approval in the Annual General Meeting of shareholders for the appointment of Miss Tithinun Vankeo and/or Mr. Paiboon Tunkoon and/or Miss Nuntika Limviriyalers, auditors from PricewaterhouseCoopers ABAS Co., Ltd. as the company and its subsidiaries' auditors for fiscal year 2022.

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

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

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

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

6. Others :

- Follow up on the actions of the Company and its subsidiaries regarding the prevention of the spread of Coronavirus 2019 (COVID-19).
- Reviewed the information disclosed to the SET and SEC, as disclosed in the company's annual registration statement / annual report as at December 31, 2021 (Form 56-1 One Report).
- Reported the Audit Committee's activities to the Board of Directors periodically.
- Conducted the Audit Committee self-assessment, of which the results in 2021 showed that the Committee's tasks have completely been fulfilled according to the Audit Committee charter.
- Reviewed audit committee charter annually.
- The Audit Committee has a duty and responsibility for regulatory policy and measures against bribery and corruption. To ensure that the Company has complied with the law and ethical requirements and assigned the Internal Audit Office has a duty and responsibility to monitor and review operational policies as against bribery and corruption.
- Record of attendance of the Audit Committee members is summarized as follows :

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

On behalf of the Audit Committee



(Mr. Prasert Patradhilok)

Chairman of the Audit Committee