

# ANNUAL REPORT 2018

GMM GRAMMY PUBLIC COMPANY LIMITED





# G<sup>MM</sup>

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## GRAMMY

 MUSIC

 OMM CHANNEL HOLDING GROUP

 THE ONE ENTERPRISE GROUP

 GDH 559

 O SHOPPING

 OTHERS



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TO BE A LEADER IN FULLY  
INTEGRATED ENTERTAINMENT  
BUSINESS AND TO ENGAGE  
WITH CONSUMERS THROUGH  
**MULTI CHANNELS**



“

The group has always held to the belief that business operations go hand-in-hand with a create balance between economic development society and environment

”

**GMM CHANNEL HOLDING GROUP**

GMM 25 Digital TV •  
Radio & Showbiz •  
Content creator •

**GMM MUSIC**

Physical products •  
Digital music •  
Show business •  
Rights management •  
Artist management •

**GDH 559**  
Movie •



**THE ONE ENTERPRISE GROUP**

• One 31 Digital TV  
• TV production & copyrights  
• Acts Studio

**O SHOPPING**  
• Home shopping

**OTHERS**

- Satellite TV platform
- Satellite TV media







# GMM MUSIC

Strengthening leadership  
with continuous growth

<small>Label</small> <b>31,000+</b> SONG & MASTER RECORDS	<b>6,700+ &amp; 17,700+</b> MV's KARAOKE RECORDS
<b>600+</b> CONCERTS	



# GMM CHANNEL HOLDING GROUP

Engaged modern lifestyles across a multitude  
of platform with professional experiences





# THE ONE ENTERPRISE GROUP

Continued to grow amongst  
the top digital tv channel of quality content







GDH 559





# O SHOPPING

Strengthen home shopping business  
toward sustainable growth



OTHERS







Mr. Paiboon Damrongchaitham  
Chairman



Miss Boosaba Daorueng  
Group Chief Executive Officer

We emphasize on human resource  
development plan and  
good corporate governance



## Message from Chairman and Group Chief Executive Officer

### Dear Shareholders,

In 2018, GMM Grammy successfully achieved strategy implementation to deliver remarkable content to global market as well as strategy to strengthen its music business by gaining more views and subscribers across all platforms. Doubled subscribers on “Grammy Gold Official” Channel, achievement of 50 million subscribers on all Grammy Group Channels, collaboration with digital platforms to expand customer base, and quick sold-out tickets of Grammy’s concerts were reported this year.

Investments business in Digital TV One31 and GMM25 demonstrated their talents to create quality contents for both of Thai and global audiences. They received many awards locally and internationally. As for movie business, GDH’s films has always been well-received and has expanded its audience across Asia and other regions. Home shopping business, which was in high growth industry that attracted new players in the market, can maintain market share with its strong online customer base.

The operating results of the Company improved in terms of income and profits, which resulted from successful profitability improvement plan. We also put more emphasize on human resource development plan since human capital is cornerstone of this business. Supported by a recent survey, GMM Grammy is one of the most attractive workplaces for young people. Additionally, we are committed to good corporate governance and sustainable development. It has been a great pleasure that Thai Institute of Directors (IOD) awarded the company the ‘Five Stars’ rating which represents the ‘highest rank of excellence’ from good governance assessment of the listed company in 2018 which continued for eighth consecutive years so far. By doing so, we hope to enhance our ability to generates higher returns to shareholders in immediate futures.

On behalf of the Board of Directors, we would like to express our gratitude to our stakeholders, whether they are our shareholders, customers, business partners, financial institutions, government agencies, media agencies, artists, executives and all employees for all support and contribution. We focus on the Company’s excellence in creative production, service and administration in order to deliver a profitable return to shareholders over the long term and moving forward to develop media and entertainment industry for our nation and society.



Mr. Paiboon Damrongchaitham  
Chairman



Miss Boosaba Daorueng  
Group Chief Executive Officer



## Securities and Shareholders Information

### 1. The Company's Security

As of December 31, 2018, the Company has registered capital of 819,949,729 baht, consisting of 819,949,729 common shares with a par value of 1 baht per share. The Company paid-up capital is 819,949,729 baht.

### 2. Major Shareholders

2.1) Top shareholders according to the share registration book closing on March 14, 2018 are as follows:

Rank	Shareholders	No. of Shares	% Holding
1	Mr. Paiboon Damrongchaitham*	392,834,599	47.910
2	Mr. Thaveechat Jurangkool	133,051,623	16.227
3	Mr. Nuttapol Jurangkool	80,774,500	9.851
4	Bualuang Long-Term Equity Fund	24,437,800	2.980
5	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	22,932,520	2.797
6	Mr. Komol Juangroongruangkit	22,720,000	2.771
7	Bangkok Bank Public Co.,Ltd.	12,278,693	1.497
8	Mr. Fahmai Damrongchaitham*	9,000,000	1.098
9	Mr. Rafha Damrongchaitham*	9,000,000	1.098
10	Miss Fahchai Damrongchaitham*	7,969,873	0.972
11	Miss Ingfah Chumrongchaitham	7,969,872	0.972
12	Mr. Takonkiet Viravan	6,930,856	0.845
13	Bualuang Long-Term Equity Fund 75/25 (BLTF75)	5,306,400	0.647
14	Bualuang Equity RMF (BERMF)	5,001,200	0.610
15	Bualuang Flexible RMF (BFLRMF)	4,816,500	0.587
16	Mr. Kitti Ngammaharat	4,795,900	0.585
<b>Total</b>		<b>749,820,336</b>	<b>91.447</b>

\* Mr. Paiboon Damrongchaitham Group consists of Mr. Paiboon Damrongchaitham; holding 392,834,599 shares (equivalent to 47.910%), , Mr. Fahmai Damrongchaitham; holding 9,000,000 shares (equivalent to 1.098%) ,Mr. Rafha Damrongchaitham, holding 9,000,000 shares (equivalent to 1.098%), Miss Fahchai Damrongchaitham holding 7,969,873 shares (equivalent to 0.972%) and Miss Ingfah Chumrongchaitham, holding 7,969,872shares (equivalent to 0.972%)

The free float of minority shareholders on March 14, 2018 (the day of the registration book closing by the Company for reporting the "Distribution of Ordinary Shares Report Form" to the SET) amounted to 2,620 shareholders, equivalent to 21.66 % of the Company's paid-up capital.



## Distribution of Shareholders by Nationality

The distribution of shareholders according to the nationality, as of the latest book registration closing date on March 14, 2018, is as follows:

The distribution of shareholders separated by nationality and person type

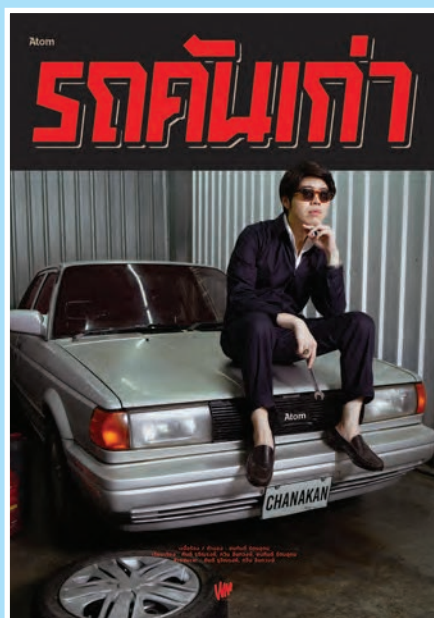
Shareholders	Grand Total			Juristic Person			Ordinary Person		
	*No. of Shareholders	Number of Shares	%	*No. of Shareholders	No. of Shares	%	*No. of Shareholders	No. of Shares	%
Thai Shareholders	2,901	790,973,737	96.47	44	62,594,961	7.64	2,857	728,378,776	88.83
Foreign shareholders	30	28,975,992	3.53	16	28,548,892	3.48	14	427,100	0.05
<b>Total</b>	<b>2,931</b>	<b>819,949,729</b>	<b>100.00</b>	<b>60</b>	<b>91,143,853</b>	<b>11.12</b>	<b>2,871</b>	<b>728,805,876</b>	<b>88.88</b>

\* Information provided by Thailand Securities Depository Co., Ltd., the number of shareholders will be counted based upon different accounts or addresses.

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

## 3. Dividend Policy

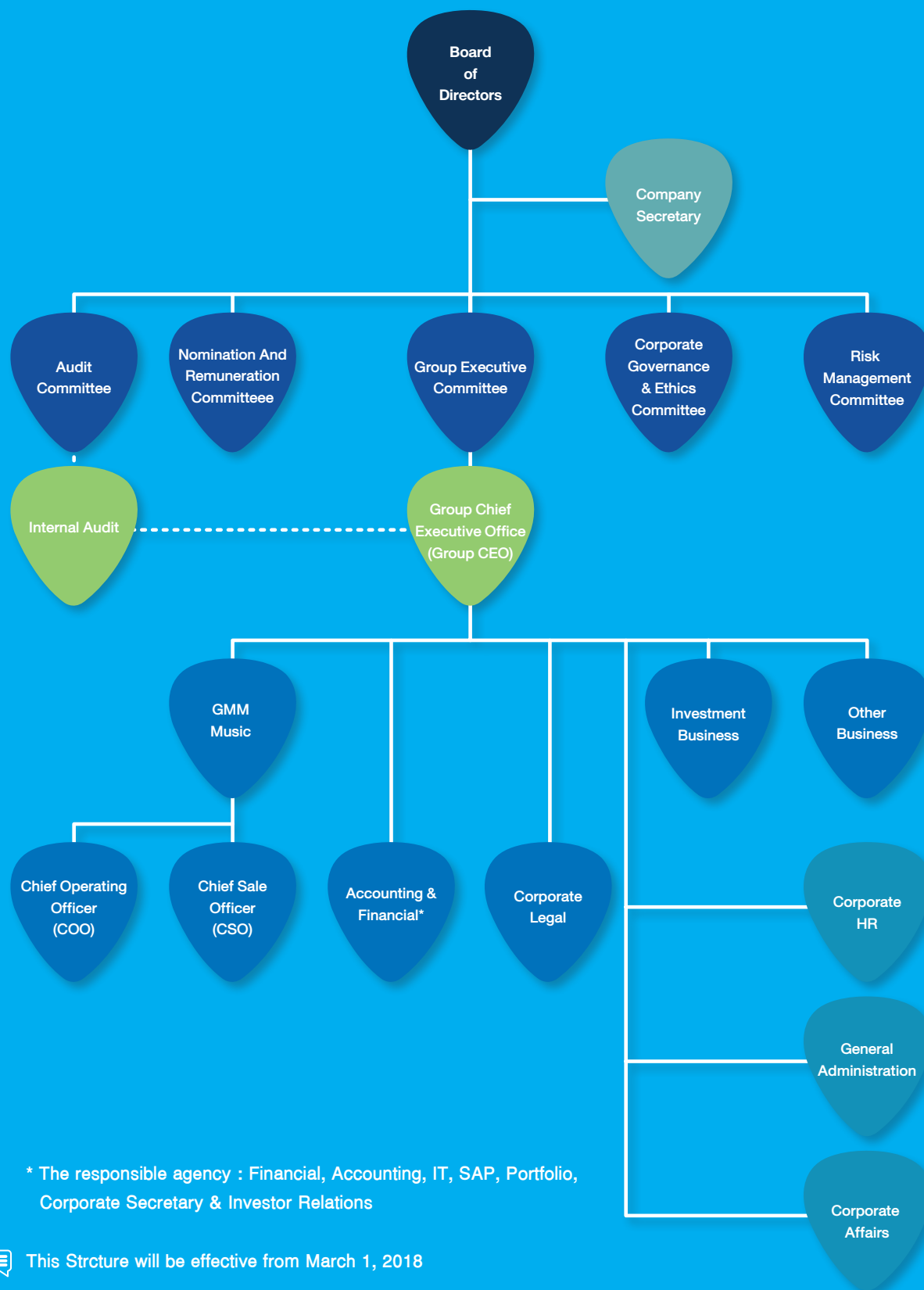
The Company and its affiliates have a policy of paying dividends to shareholders at a rate not less than 40% of the net profit after corporate income tax and regulatory reserve each year, based upon the Company separate financial statements, subject to the economic conditions and future operations.







# Management Structure



This Structure will be effective from March 1, 2018



The Company's management structure as of December 31st, 2018 comprises Board of Directors and other 4 sub-committees were appointed by the Board of Directors in order to support and facilitate maximized efficiency and performance of the Board of Directors, namely (1) Audit Committee, (2) Nomination and Remuneration Committee, (3) Risk Management Committee and (4) Corporate Governance and Ethics Committee. Moreover, the Board of Directors also appointed Group Executive Committee of which the structure comprising of top executives by positions, as shown by the above organization chart.

## Board of Directors

Pursuant to the Company's Articles of Association, it is stipulated that the Board of Directors shall comprise of not less than 5 directors, provided that at least half (1/2) of the directors shall reside within the Kingdom of Thailand.

As of December 31, 2018, the Board of Directors consisted of 11 directors who are qualified with extensive skills, knowledge and experiences that are beneficial to the Company's strategy implementation and future success as follows:

- (1) 3 members were executive directors.
- (2) 8 members were non-executive directors, comprised of:
  - 4 independent directors, equivalent to 1/3 of the total number of directors.
  - 4 non-executive directors, who did not involve in daily operations of the Company.

Each year, 1/3 of total numbers of directors due to retire by rotation (according to the Company's Articles of Association). In 2018, the Board of Directors held 5 meetings. The meeting schedules were set in advance.

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

Name	Title	Appointment Date at AGM	Meeting Attendance (times)	No. of Years for Directorship
1. Mr. Paiboon Damrongchaitham	Chairman	2017 Annual General Meeting (AGM)	4/5	24 years 9 months
2. Miss Boosaba Daorueng	Director / Vice-Chairman	2018 Annual General Meeting (AGM)	5/5	24 years 9 months
3. Dr. Naris Chaiyasoot	Independent Director	2016 Annual General Meeting (AGM)	5/5	5 years 9 months
4. Mr. Suvit Mapaisansin	Independent Director	2018 Annual General Meeting (AGM)	5/5	3 year 8 months
5. Mrs. Veeranuch Thammavaranucupt	Independent Director	2018 Annual General Meeting (AGM)	3/5	3 year 6 months
6. Mr. Chanitr Charnchainarong	Independent Director	2016 Annual General Meeting (AGM)	5/5	3 year 1 month
7. Mrs. Saithip Montrikul na Audhaya	Director	2017 Annual General Meeting (AGM)	4/5	16 years 5 months
8. Mr. Phawit Chitrakorn <sup>1</sup>	Director	2017 Annual General Meeting (AGM)	4/5	1 years 8 months
9. Mr. Fahmai Damrongchaitham <sup>2</sup>	Director	2016 Annual General Meeting (AGM)	3/5	1 years 7 months
10. Miss Suwimon Chungjotikapisit	Director	2018 Annual General Meeting (AGM)	5/5	8 years 1 month
11. Dr. Lackana Leelayouthayotin	Director	2017 Annual General Meeting (AGM)	5/5	3 year 6 months





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

## Directors with signing authority on behalf of the Company

Miss Boosaba Daorueng or Miss Suwimon Chungjotikapisit has to co-sign with one of the following Directors: Mrs. Saithip Montrikul Na Audhaya or Phawit Chitrakorn or Mr. Fahmai Damrongchaitam, on the document with a Company's seal.

## Duties and Responsibilities of the Board of Directors

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

Those of which could be summarized as follows:

1. To perform all duties using their knowledge, abilities and experience for the best benefit of the Company in accordance with the law, the Company's objectives and Articles of Association, Corporate Governance and Business Ethics Manual and resolution of the Shareholders' Meeting with honesty, integrity and prudence, to protect the Company's interests.
2. To set the corporate vision, mission, long term goal and Corporate Governance and Business Ethics Manual and to approve strategies, policies, business plans and budgets and to supervise the executives to make sure that they follow the established policies effectively and efficiently to increase economic value of the Company and maximize shareholders' wealth.
3. To clearly delineate and set forth the duties, responsibilities and authority of the Board of Directors, Sub-committees and executives team as specified in the Company's Corporate Authorization Index (CAI).
4. To approve or give consent to submit significant transactions to the Shareholders Meeting for approval such as new investments, acquiring or disposing assets, in accordance with the SEC and the SET rules and regulations and the Company's Corporate Authorization Index.
5. To approve or give consent to submit to the Shareholders Meeting for approval any connected transactions and transactions which may lead to potential conflicts of interest of the Company and subsidiaries, so as to be in compliance with the SEC and SET rules and regulations and the Company's Corporate Authorization Index.
6. To ensure that the Company has reliable accounting systems, financial reports and accounting audits.
7. To ensure that the Company has sufficient and effective internal controls and risk management systems, monitored by an internal audit department that collaborates with the Audit Committee on significant risks.
8. To be honest and loyal and to possess integrity and ethics in running the business; having a genuine interest in the Company and focusing on sustainable business operation.
9. To constantly aware of responsibility to shareholders and operate the business in the interest of shareholders and transparently disclose accurate and complete information to investors under high standard.
10. To be responsible for the executives team's performance and operations by ensuring that the team is well dedicated and cautious in operating the business.
11. To be responsible for financial reports by preparing a report of the Board of Directors' financial accountability in the annual report, together with the auditor's report.

According to the Corporate Authorization Index of the Company and its subsidiary companies, the Board of Directors has the authority to approve the following matters:

1. Policy and business operations of the Group.
2. Determination of the Corporate Authorization Index with exception to the matters which require the shareholders' approval such as, capital increase, capital decrease, debenture issuing.
3. Defining the organizational structure of the business line.
4. Approval of annual budget and manpower of the Group.
5. Employment, appointment, transfer and dismissal of the Chief Executive Officer.

6. Defining or changing of employee's provident fund.
7. Legal transaction with value equal to or greater than 100 million baht.
8. Loan, Bank Guarantee and Forward Exchange Contract with value greater than 1,000 million baht.
9. Short term investment with value greater than 50 million baht.
10. Long term investment with value greater than 20 million baht.
11. Debt restructuring and write off with value greater than 500 million baht per debtor.
12. New budget or new project on production of new program, or any project which is not included in the annual budget.
13. Legal transaction with respect to the transfer of intellectual property.
14. Legal transaction with respect to the grant of exploitation of Exclusive intellectual property right.
15. Write off fixed assets with value greater than 50 million baht.
16. Rules for the connected transactions with general commercial term and condition.

## Roles and Responsibilities of the Chairman

### Roles and Responsibilities towards the Company

To establish holistic and long term stability for the company and its subsidiary companies within the frame of corporate's vision and mission statement by encouraging good ethics for business operation and management such that it follows principles of Good Corporate Governance.

### Roles and Responsibilities towards the Board of Directors

To direct and oversee the Board of Directors, ensuring that it has the appropriate structure and qualifications to operate in a fashion that yields maximum benefit for shareholders and all involved parties and in addition, to promote and ensure that the Board of Directors takes its part and responsibilities with dedication, honesty and integrity whilst prioritizing the Company's benefits.

### Roles and Responsibilities towards the Executives

To encourage the executives to operate and manage the business with transparency and utmost efficacy, as well as smoothly, within bounds of the law and regulatory agencies so as to achieve the Company's business plan goals and objectives, along with promoting continuous advancement of skills and expertise of the executives.

### Roles and Responsibilities towards Employees, Shareholders and Stakeholders

To strengthen employees, shareholders and stakeholders' confidence and trust in the Company by stressing ethical business operation and consideration for all involved parties, community and environment.



## Group Executive Committee

The Group Executive Committee's structure comprises of top executives appointed at the Board of Directors' Meeting No.2/2018 held on February 27, 2018, which passed a resolution to appoint the members of The Group Executive Committee, effective from March 1, 2018 onwards, were noted as follows:

Name		Title	Meeting Attendance (times)
1. Miss Boosaba	Daorueng	Chairman	13/13
2. Mr. Phawit	Chitrakorn	Member	12/13
3. Mr. Sompohb <sup>1</sup>	Budspawanich <sup>1</sup>	Member	4/10
4. Mr. Fahmai	Damrongchaitham	Member	9/13
5. Mrs. Karnsuda	Sansuthi	Member	12/13
6. Miss Chitralada <sup>2</sup>	Hengyotmark	Member	11/13
7. Mrs. Montana	Thawaranont	Member	12/13
8. Miss Prapawadee	Thanirananon	Member	10/13

**Note :** Additional information and changes during the year 2018

<sup>1</sup> Mr. Sompohb Budspawanich was appointed the member of The Group Executive Committee, according to resolution passed at the Board of Directors' Meeting No.2/2018 on February 27th, 2018.

<sup>2</sup> Miss Chitralada Hengyotmark was resigned from the position of Group Executive Committee due to retire on December 31,2018

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

### Roles and Responsibilities of the Group Executive Committee

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

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

### Executives Team ('Executives' as defined by the SEC)

As of December 31, 2018, the Company's executives team ('Executives in this instance refers to the top four most senior members of the management team ranked below the Group Chief Executive Officer or Group CEO, irrespective of their positions, including the position equivalent to the fourth rank and senior executives in the Accounts and Finance Departments, or the position equivalent to the Chief Finance Officer or CFO), comprised 6 qualified members as follows:

Name		Title
1. Miss Boosaba	Daorueng	Group Chief Executive Officer
2. Mr. Phawit	Chitrakorn	Chief Executive Officer - GMM Music
3. Mr.Sompohb <sup>1</sup>	Budspawanich	Chief Operating Officer- GMM Music
4. Mr. Fahmai <sup>12</sup>	Damrongchaitham	Chief Sale Officer—GMM Music
5. Mrs. Karnsuda	Sansuthi	Chief Financial Officer
6. Miss Chitralada <sup>13</sup>	Hengyotmark	Chief Legal Officer

**Note :**

<sup>1/12</sup> Mr.Sompohb Budspawanich and Mr. Fahmai Damrongchaitham were appointed the Executive team, according to resolution passed at the Board of Directors' Meeting No.2/2018 on February 27th, 2018.

<sup>13</sup> Miss Chitralada Hengyotmark was terminated from being an executive due to retire on December 31, 2018.

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

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

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

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





### Changes to GRAMMY Shares Held by Directors Executives and Auditor

As of February 28th, 2019, the figures of individual shares holding (directly and indirectly) compared to February 27th, 2018, were as follows:

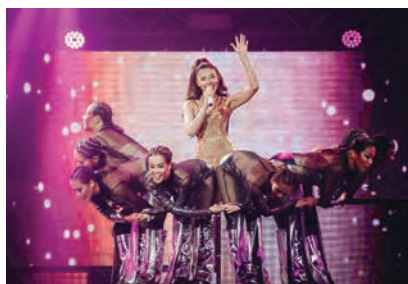
No.	Director/Executive/Auditor	Position	Number of Shares Holding As of February 28, 2019	Percentage (%)*	Number of Shares Holding As of February 27, 2018	Percentage (%)**	Number of Share Change Increase/ (Decrease) During the Year
1	Mr. Paiboon Damrongchaitham <sup>1</sup>	Chairman	392,834,599	47.91	392,834,599	47.91	-
	Spouse/Immature Children		-	-	-	-	-
	Concert Party <sup>1</sup>		34,084,945	4.16	33,939,745	4.14	145,200
	Related Juristic Person (Geurtfah)		-	-	-	-	-
2	Mrs. Boosaba Daorueng	Vice Chairman	1,150,120	0.14	1,150,120	0.14	-
	Spouse/Immature Children	Group CEO	600,120	0.07	600,120	0.07	-
	Related Juristic Person						
3	Dr. Naris Chaiyasoot	Independent Director	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person						
4	Mr. Suvit Mapaisansin	Independent Director	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person						
5	Mrs. Veeranuch Thammavaranucupt	Independent Director	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person						
6	Mr. Chanitr Charnchainarong	Independent Director	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person						
7	Dr. Lackana Leelayouthayotin	Director	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person						
8	Ms. Suwimon Chungjotikapisit	Director	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person						
9	Mrs. Saithip Montrikul Na Audhaya	Director	120	0.00	120	0.00	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person						
10	Mr. Phawit Chitrakorn	Director CEO GMM Music	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person						
11	Mr. Fahmai Damrongchaitham <sup>2</sup>	Director Chief Sale Officer— GMM Music	9,000,000	1.10	9,000,000	1.10	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person						
12	Mr. Sompohb Budspawanich	Chief Operation Officer— GMM Music	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person						

No.	Director/Executive/Auditor	Position	Number of Shares Holding As of February 28, 2019	Percentage (%)*	Number of Shares Holding As of February 27, 2018	Percentage (%)**	Number of Share Change Increase/ (Decrease) During the Year
13	Mrs. Karnsuda Sansuthi Spouse/Immature Children Related Juristic Person	Chief Financial Officer	- - -	- - -	- - -	- - -	- - -
14	Miss Chitralada Hengyotmark <sup>13</sup> Spouse/Immature Children Related Juristic Person	Chief Legal Officer (Completed retirement term 31 December 2018)	- - -	- - -	- - -	- - -	- - -
15	Mr. Termphong Opanaphan Spouse/Immature Children Related Juristic Person	Auditor (CPA No.4501)	- - -	- - -	- - -	- - -	- - -

Note:

<sup>11 12</sup> Mr. Paiboon Damrongchaitham is the father of Mr. Fahmai Damrongchaitham . (Mr. Paiboon Damrongchaitham Group , who is a concert party group consisting of Mr. Paiboon Damrongchaitham; holding 392,834,599 shares (equivalent to 47.910%), , Mr. Fahmai Damrongchaitham; holding 9,000,000 shares (equivalent to 1.098%) ,Mr. Ratha Damrongchaitham, holding 9,000,000 shares (equivalent to 1.098%) , Miss Fahchai Damrongchaitham holding 7,969,873 shares (equivalent to 0.972%) , Miss Ingfa Chumrongchaitham, holding 7,969,872 shares (equivalent to 0.972%) and Geurtfah Co., Ltd.; holding 145,200 shares (equivalent to 0.02%)

<sup>13</sup> Miss Chitralada Hengyotmark was terminated from being an executive due to retire on December 31, 2018.



## Company Secretary

Mrs. Somsuda Ruampumsuk, Director of Corporate Secretary, as the Company Secretary, effective as of May 13, 2015. This person is considered well qualified with great capabilities, possesses many years of useful experience, successfully participated in training seminars and related courses required and being able to carry out the duties of the Company Secretary so that the Company adheres to related laws and Good Corporate Governance regulations.





## Duties and Responsibilities of the Company Secretary

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

## The person taking the highest responsibility in finance and accounting (CFO) and the person supervising accounting (Chief Accountant)

### The person taking the highest responsibility in finance and accounting

Mrs. Karnsuda Sansuthi, Chief Financial Officer (CFO), as the person taking the highest responsibility in finance and accounting, effective as of January 21, 2016. This person is considered well qualified with great capabilities, possesses many years of useful experience, successfully participated in training seminars and related courses required and being able to carry out the duties of the CFO. Mrs. Karnsuda completed 12 hours orientation program in 2017 and attended continuous accounting knowledge enhancement training of 26.5 hours in 2018.

### The person supervising accounting

Miss Kadearoon Uppathamp, Accounting Director, as the person supervising accounting, effective as of December 31, 2016. This person is considered well qualified with great capabilities, possesses many years of useful experience, successfully participated in training seminars and related courses required and being able to carry out the duties of the Chief Accountant with criteria specified by Department of Business Development.

In 2018, Miss Kadearoon attended continuous training programs in accounting of 6 hours and seminar organized by NBTC on knowledge about annual license fees Accounting Income classification of 6 hours. Total training in 2018 was 12 hours.

## Remuneration of Directors and Executives

### 1. Remuneration of Directors and Sub-committee

#### 1.1 Remuneration of Directors

The Board of Directors has clearly and transparently set the policy on director's remuneration by assigning the Nomination and Remuneration Committee to determine guidelines and policies on the remuneration of the Board of Directors and sub-committees, both monetary and non-monetary in each year and presented to the Board of Directors and / or shareholders meeting for approval. The director's remuneration has been considered under appropriateness for duties and responsibilities, comparing with other companies in similar businesses, as well as the benefits to the Company. The Director's Remuneration Survey Report which conducted by the IOD (latest data), the information on remuneration of director and executive of listed companies by the SET was also taken into consideration.

Remuneration of Directors in 2018 was in accordance with the resolution from the 2018 annual shareholders' meeting on February 27th, 2018 at the amount of 6,650,000 baht based upon changing the remuneration criteria comprising of the monthly remuneration, the meeting allowance and annual bonus, for the Chairman of the Company, Independent Directors and Non-Executive Directors except the Executive Directors that will not receive monthly remuneration and meeting allowance because they already receive salary from being an employee of the Company; summarized as follows:

1.1.1 Monthly Remuneration (paid for directors every month)

Unit: Baht/Person/Time

Position	Monthly Remuneration
Chairman	50,000
Independent Director	20,000
Director	20,000
Executive Director*	-

Remark: \* Because Executive Directors already receive salary from being an employee of the Company

1.1.2 Meeting Allowance (paid for only directors who attended the meeting)

Unit: Baht/Person/Time

Position	Meeting Allowance
Chairman	20,000
Independent Director	20,000
Director	20,000
Executive Director*	-

Remark: \* Because Executive Directors already receive salary from being an employee of the Company

1.1.3 Annual Bonus (1 time per year) The allocation was according to the shareholders' meeting resolutions as follows:

- Total annual bonus in 2018 for the Board was being paid from the amount approved by the shareholders as mentioned above, deducted by total monthly remuneration and meeting allowances paid to directors and independent directors during the year. The annual bonus was proportionated according to individual attendance records for the year, with an allocation rate for Chairman applied twice the number of attendance; while an allocation rate for independent director, director and executive director applied at one time the number of attendance by consideration and approval of Chairman of the Nomination and Remuneration Committee

1.1.4 Non-monetary/Other benefits

None

1.2 Remuneration of Sub-committees

1.2.1 Remuneration for the Audit Committee

Remuneration for the Audit Committee was in accordance with the resolution from the shareholders' meeting as follows:

1.2.1.1 Monthly Remuneration (paid for directors every month)

Unit: Baht/Person/Time

Position	Monthly Remuneration for the Audit Committee
Chairman of Audit Committee	30,000
Audit Committee (per person)	10,000





1.2.1.2 Meeting Allowance (paid for only directors who attended the meeting)

Unit: Baht/Person/Time

Position	Monthly Remuneration for the Audit Committee
Chairman of Audit Committee	20,000
Audit Committee (per person)	20,000

1.2.1.3 Non-monetary/ Other benefits

None

## 1.2.2 Remuneration of other Sub-committees

Other Sub-committees (Group Executive Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance and Ethics Committee) have not received any non-monetary or other benefits.

## 1.2.3 Remuneration of directors as directors of the subsidiaries

No compensation or any other benefits paid to directors of the subsidiaries.

In 2018, remuneration for 11 directors of the Board, was amounting to 6,650,000 baht in total, with details as follows:

Name	Title	Remuneration for the Board of Directors			Remuneration for the Audit Committee		Non-Monetary	Total Remuneration (Baht)
		Meeting Allowance (Baht)	Monthly Remuneration (Baht)	Director's Annual Gratuity (Baht)	Meeting Allowance (Baht)	Monthly Remuneration (Baht)		
1.Mr. Paiboon Damrongchaitham	Chairman	80,000	600,000	420,000	-	-	None	1,100,000
2.Dr. Naris Chaiyasoot	Chairman of the Audit Committee+Independent Director	100,000	240,000	262,500	80,000	360,000	None	1,042,500
3. Mr. Chanitr Charnchainarong	Member of the Audit Committee+Independent Director	100,000	240,000	262,500	80,000	120,000	None	802,500
4. Mr. Suvit Mapaisansin	Member of the Audit Committee+Independent Director	100,000	240,000	262,500	80,000	120,000	None	802,500
5. Mrs. Veeranuch Thammavaranuapt	Member of the Audit Committee+Independent Director	60,000	240,000	157,500	20,000	120,000	None	597,500
6. Miss Suwimon Chungjotikapisit	Non-Executive Director	100,000	240,000	262,500	-	-	None	602,500
7.Dr. Lackana Leelayouthayotin	Non-Executive Director	100,000	240,000	262,500	-	-	None	602,500
8. Mrs. Saithip Montrikul Na Audhaya <sup>11</sup>	Non-Executive Director	60,000	200,000	210,000	-	-	None	470,000
9. Miss Boosaba Daorueng	Director / Executive Director	-	-	262,500	-	-	None	262,500
10. Mr. Phawit Chitrakorn	Director / Executive Director	-	-	210,000	-	-	None	210,000
11. Mr. Fahmai Damrongchaitham	Director / Executive Director	-	-	157,500	-	-	None	157,500
Total (Baht)		700,000	2,240,000	2,730,000	260,000	720,000		6,650,000

Note :

<sup>11</sup> Mrs. Saithip Montrikul Na Audhaya is a new non-executive director since March 1, 2018, due to the resolution of the Board of Directors No. 2/2018 on February 27, 2018, approving a new management structure.

## 2. Remuneration of Group Executive Committee Members and Top Executives (as defined by the SEC)

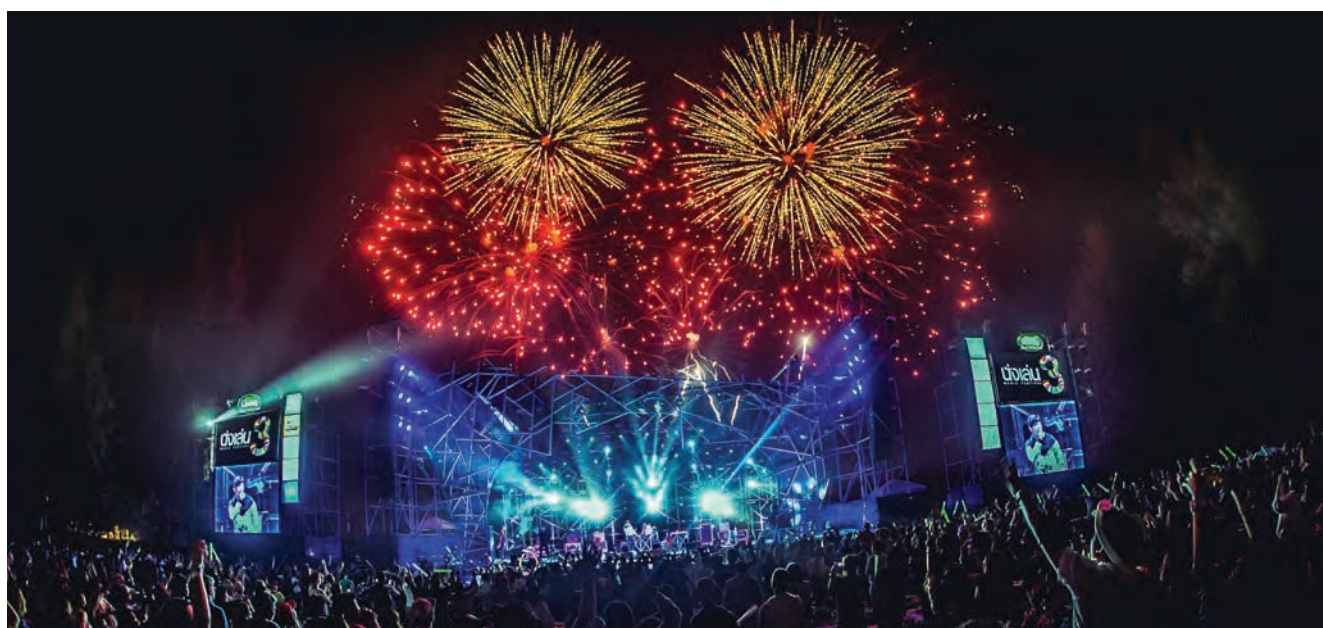
In 2018, the Company has evaluated the performance of top executives. (and all employees) in term of Key Performance Index (KPI). Each employee must set their KPIs together with action plans and submit to the Group Chief Executive Officer and/or Group Executive Committee and/or Board of Directors which will be in conjunction with compensation, salary adjustment and bonus. The performance evaluation with KPI is performed together with performance evaluation set by the Human Resources Department.

The Board of Directors has established a policy on the remuneration of the Group Chief Executive Officer (Top executive) for short-term by considering KPI and the success of the action plan, together with the performance evaluated by the Nomination and Remuneration Committee before submitting to the Board of Directors for approval. The long-term compensation will be in form of the provident fund based on period of employment.

Monetary remuneration for the Group Executive Committee and Top Executives ('Executives' in this instance refers the SEC's definition including Group Chief Executive Officer or Group CEO, the top four most senior members of the management team ranked below the Group CEO irrespective of their positions, including the position equivalent to the fourth rank and Chief Finance Officer) is in the form of salary, bonus, provident fund and other benefits such as company cars, car allowances in lieu of company cars and mobile phones usage fee.

In 2018, the total monetary remuneration for Group Executive Committee member and top executives in total 6 persons amounted to 59,548,000.00 Baht.

Remuneration Description	Amount (Baht)
Salary and Bonus	57,060,000
Other Benefits:	
- Provident Fund (Depend on the period of employment)	1,824,000
- Others	664,000
Total	59,548,000







## Human Resources

The Group's total numbers of workforce, both full-time and part-time employees (with a definite contract term), as of December 31st, 2018 were 1,917.

Company	2018		(Unit: Person)
	Full-time	Part-time	Total
GMM Grammy Plc.	668	27	695
Subsidiaries	1,170	52	1,222
<b>Total</b>	<b>1,838</b>	<b>79</b>	<b>1,917</b>

Note : Full-time employees are employees whose employment contracts do not indicate the date of their employment termination.

: Part-time employees are employees whose employment contracts clearly indicate the date when their employment with the Company ends, such as contractual employees and freelancers.

: Subsidiaries include subsidiaries, associates, and joint ventures

The Group places great importance on human resources as they are key drivers of the Company's optimum operational efficiency and effectiveness, as well as achievement of targets and success guided by the Company's vision. Therefore, the Board of Directors has established a Human Resources Management Policy, as follows:

1. The Company believes in the value of human beings by treating employees as the most important resource that the Company would promote its policy on employee's development for the utmost working efficiency.
2. The Company regards each employee as a respected and honored colleague who should be well cared for.
3. The Company will ensure fair employment and offer fair career advancement opportunities.
4. The Company will operate under the basis of teamwork, where everyone works together as a single unit and will work to build excellent morale among employees at every level.
5. The Company will develop all employees in terms of their knowledge, ability, expertise, operational and management skills as appropriate so that they can continue to advance and grow.
6. The Company will promote and retain all talented employees to ensure they work with the Company as long as possible.
7. The Company will promote and support employees to ensure stability in their profession, with promotions being granted to employees who have suitable quality before seeking to recruit externally sourced candidates to fill the positions.
8. The Company will review benefits and other remuneration to remain on par with other companies in the same industry and commensurate with the position, experience, qualifications and quality of each employee. The pay will also be based on the Company's performance, as well as the country's socio-economic environment.
9. The Company considers that human resources management is a duty to be directly handled by immediate supervisor and that the human resources department serves as a consulting unit. Therefore, it is the supervisor's responsibility to closely monitor and ensure the well-being of their staff.
10. Employees should consult with their supervisor in order to discuss any suggestions or assistance to resolve the problems or may obtain advice and assistance from the Human Resources Department as well.

The Company has publicized the Company Employment Regulations and Welfare Manual through the Group's Intranet so that all employees can study, understand and use as a reference. The Company constantly revises and updates the content so that it remains appropriate for the Company's business operations, based on fairness and/or changes in rules, regulations and laws of concerned authorities.

### Significant changes in the number of employees in the past 3 years

- None-

### Major labor disputes in the past 3 years

- None-

## Employee Remuneration and Benefits

The Board of Directors has prescribed a set of policies and guidelines on employee remuneration and benefits, as follows:

### 1. Salary and bonus

The Group's policy in remunerating its employees is on the basis of reasonableness, fairness, knowledge, capability, performance and compatibility with the industry's average pay scale, as well as growth of the business and the Company. The employee's compensation will be in conjunction with KPI and action plan which proposed to supervisor under the line of command. The salary adjustment and bonus payment will be based on KPI and performance evaluation set by the Human Resources Department.

### 2. Other benefits

Other benefits such as the provident fund which is a post-retirement benefit, the percentage of employees' and employer's contribution rate is equivalent. The rate of contribution is dependent upon the period of employment, namely:

- Less than 5 years, contribution rate of 3%
- 5 years or more, contribution rate of 5%

In 2018, total salaries, bonuses and employer's contributions paid for the entire Group were amounting to 1,314.52 million Baht, details are as follows:

(Unit: Million Baht)

Company	2018			
	Salaries	Bonuses	Employer's contributions	Total
GMM Grammy Plc.	542.47	98.07	17.71	658.25
Subsidiaries	568.08	72.02	16.16	656.26
<b>Total</b>	<b>1,110.56</b>	<b>170.09</b>	<b>33.87</b>	<b>1,314.52</b>

### 3. Employee Welfare

Improving the quality of work life requires more than offering various benefits for staff according to the law. Therefore, the Company has adjusted and increased its welfare and fringe benefit offering to better match the Company's businesses. Some of these benefits are, for example, healthcare payments (in-patients, out-patients, dental and eye care), in-house medical care, group life and accident insurance and annual check-up for employees and other types of financial and non-financial assistance (such as funds for funeral arrangements of employees, their parents, children or legal spouse, monk ordinations, preparing reliable sources providing loan with special interest rate for house purchasing, special discount for some company's activities. These measures are aimed to provide moral support and enhance confidence in working with the Company. Moreover, these benefits help to alleviate employees' financial burdens and provide some stability for employees and their families, taking into account the maximum benefits to employees. Therefore, the Company has documented these measures into a Welfare Manual for the employee.

Moreover, the Employee Self Service (ESS) system was developed to allow employees to easily and promptly view information about themselves such as personal information, employment terms, income, education, work experience, information about their parents, children and spouse, tax deductible, salary slips and summary of their annual income. Employees are allowed to make changes to information pertaining themselves and tax deduction at all times, while data security is adequately and properly in place.

In 2018, the Company reviewed and ensured that the Human Resources Management Policies, Company Employment Regulations and Welfare Manual were fully and constantly being complied.



## Board of Directors



**Mr. Paiboon Damrongchaitham**  
Chairman



**Miss Boosaba Daorueng**  
Vice-Chairman



**Dr. Naris Chaiyasoot**  
Independent Director



**Mr. Suvit Mapaisansin**  
Independent Director



**Mrs. Veeranuch Thammavaranucupt**  
Independent Director



**Mr. Chanitr Charnchainarong**  
Independent Director



**Dr. Lackana Leelayouthayotin**  
Director



**Miss Suwimon Jhungjotikapisit**  
Director



**Mrs. Saithip Montrikul na Audhaya**  
Director



**Mr. Phawit Chitrakorn**  
Director



**Mr. Fahmai Damrongchaitham**  
Director



## Executive Team



**Miss Boosaba Daorueng**  
Group Chief Executive Officer



**Mr. Phawit Chitrakorn**  
Chief Executive Officer  
(CEO)-GMM Music



**Mr. Sompohb Budspawanich**  
Chief Operating Officer  
(CSO)-GMM Music



**Mr. Fahmai Damrongchaitham**  
Chief Sale Officer  
(CSO)-GMM Music



**Mrs. Karnsuda Sansuthi**  
Chief Financial Officer (CFO)



**Miss Chitralada Hengyotmark**  
Chief Legal Officer (CLO)

## Board of Directors and Management Team

### As of 31 December 2018

#### Mr. Paiboon Damrongchaitham (Age: 69 years)

Chairman of the Board / Chairman of the Company Advisory Board

#### Date of Directorship

March 25, 1994

21 Dec 2017 — Present

Chairman of the Board,  
GMM Channel Holding Co., Ltd  
(Formerly GMM Channel Trading Co., Ltd)

#### Education Background

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

7 Dec 2017 — Present

Director(Authorized Director),  
GMM Channel Holding Co., Ltd

31 May 2017— Present

Chairman of the Board,  
The One Enterprise Co., Ltd

Apr 2015 — Present

Director, Judtangton Co.,Ltd

Nov 2011 — Present

Chairman of the Board,  
GMM CJ O Shopping Co., Ltd

#### Seminar Accomplishment

The National Broadcasting and Telecommunications Commission

- Broadcasting Executive Forum (BCF), Class 1/2013

2009 — Present

Director, Ruamfah Deawkan Co.,Ltd

2005 — Present

Director, Trinaga Co.,Ltd

2001 — Present

Director, Geurtfah Co.,Ltd

1998 — Present

Chairman/Founder,  
Damrongchaitham Foundation

#### Number of Share Holding (%) as of 28/2/2019

392,834,599 shares (47.91%),

including related parties, according to Section 59 of the Securities and  
Exchange Act

1987 — Present

Director, Ruamfah Co.,Ltd

2009 — 26 Dec 2018

Vice Chairman,  
Family Know-how Co., Ltd (Dissolution)

#### Experience

#### Listed Companies

2008 — Present Chairman of the Company Advisory Board,  
GMM Grammy Plc.

2002 — 11 May 2018

Director, Hou Yuu Co.,Ltd (Dissolution)

1998 — Present Chairman of the Board,  
GMM Grammy Plc.

2008 — 20 June 2017

Chairman of the Company Advisory,  
GMM Media Plc.

Jul 2011 — 13 Jul 2014 Member of the Nomination and Remuneration  
Committee,  
GMM Grammy Plc.

Mar 2012 — Sep 2012

Director, GMM Z Co.,Ltd

2005 — 2009

Chairman of the Nomination and Remu-  
neration Committee,  
GMM Media Plc.

2005 — Jul 2011 Chairman of the Nomination and Remu-  
neration Committee,  
GMM Grammy Plc.

2002 — 2009

Chairman of the Board, GMM Media Plc.

2007 — 2008

Advisor to the Executive Committee,  
GMM Media Plc.

1998 — 2008 Chairman of the Executive Committee  
Advisor,  
GMM Grammy Plc.

2005 — 2007

Chairman of the Risk Management Committee,  
GMM Media Plc.

2002 — 2007

Chairman of the Executive Director,  
GMM Media Plc.

#### Other Companies

11 Apr 2018 — Present Director,  
GDH 559 Co., Ltd

12 Jan 2018 — Present Director(Authorized Director),  
GMM Media Plc.







## Miss Boosaba Daorueng (Age: 66 years)

Vice Chairman of the Board (Authorized Director) / Chairman of the Risk Management Committee /  
Chairman of the Corporate Governance and Ethics Committee / Chairman of the Group Executive Committee /  
Group Chief Executive Officer

### Date of Directorship

March 25, 1994

15 Jul 2016 — Present Director,  
Siangdee Thaweesuk Co., Ltd

### Education Background

- Bachelor of Liberal Arts, Thammasat University

15 Jul 2016 — Present Director,  
Nadao Bangkok Co., Ltd

### Number of Share Holding (%) as of 28/2/2019

1,750,240 shares (0.21%),

including related parties, according to Section 59 of the Securities and  
Exchange Act

14 Dec 2015 — Present Director,  
GDH 559 Co., Ltd

27 May 2015 — Present Director,  
Ngandee Thaweesuk Co., Ltd

Jul 2013 — Present Director,  
Digistream Co., Ltd

Oct 2012 — Present Director,  
GDC Co., Ltd

### Experience

#### Listed Companies

13 May 2017— Present Chairman of the Corporate Governance  
and Ethics Committee,  
GMM Grammy Plc.

Oct 2010 — Present Director,  
GR Vocal Studio Co., Ltd

May 2012— Present Chairman of the Group Executive Committee,  
GMM Grammy Plc.

Feb 2006 — Present Director,  
GMM Goods Co., Ltd  
(Formerly GMM Fitness Club Co., Ltd)

Feb 2012 — Present Group Chief Executive Officer,  
GMM Grammy Plc.

Jul 2005 — Present Director,  
Fan TV Co., Ltd

2008 — Present Vice Chairman of the Board,  
GMM Grammy Plc.

Apr 2004 — Present Director,  
Scenario Co., Ltd

2005 — Present Chairman of the Risk Management Committee,  
GMM Grammy Plc.

Apr 2004 — Present Director,  
GMM Tai Hub Co., Ltd

Mar 1994 — Present Director (Authorized Director),  
GMM Grammy Plc.

2004 — Present Director,  
Deetalk Co., Ltd

2009 — May 2012 Co—Chief Executive Director,  
GMM Grammy Plc.

Jul 2003 — Present Director,  
Digital Arms Co., Ltd

2009 — Feb 2012 Co—Chief Executive Officer,  
GMM Grammy Plc.

May 2000 — Present Director,  
GMM Holding Co., Ltd

#### Other Companies

17 Aug 2018 — Present Director, OSP TV Co.,Ltd

Dec 1998 — Present Director,  
GMM Digital Domain Co., Ltd

18 Apr 2018 — Present Director, GS ONE Co.,Ltd

Nov 1998 — Present Director,  
MGA Co., Ltd

29 Mar 2018 — Present Director, Teen Talk Co.,Ltd

Nov 1998 — Present Director,  
Digital Gen Co., Ltd

29 Mar 2018 — Present Director, EXACT Co.,Ltd

19 Apr 2017— Present Director, Z Trading Co.,Ltd

Nov 1998 — Present Director,  
Grammy Publishing House Co., Ltd

21 Jul 2016 — Present Director,  
Good Things Happen Co., Ltd

Aug 1998 — Present Director,  
GMM Music Publishing International Co., Ltd

15 Jul 2016 — Present Director,  
Sawasdee Thaweesuk Co., Ltd

Jan 1997 — Present	Director, GMM Studio Co., Ltd	21 Jul 2015 — 31 May 2017	Director, The One Enterprise Co., Ltd
Aug 1996 — Present	Director, Magic Film Co., Ltd	Sep 2015 — 3 Mar 2017	Director, Memiti Co., Ltd
Nov 1995 — Present	Director, More Music Co., Ltd	Sep 2004 — Liquidation Completed	Director, Luckdee Thaweesuk Co., Ltd
Sep 1994 — Present	Director, Extraorganizer Co., Ltd	Nov 1998 — Liquidation completed	Director, GTH On—air Co., Ltd
Aug 1999 — 24 Sep 2018	Director, GBroadcast Co., Ltd (Formerly Mifah Co., Ltd)	Jul 2005 — 1 Jul 2015	Director, Index Creative Village Plc. (Former Index Event Agency Plc.)
20 Apr 2018 — 24 Sep 2018	Director, Change2561 Co.,Ltd	2003 — 2008	Advisor to the Executive Committee and the Board of Directors, GMM Media Plc.
4 Apr 2018 — 24 Sep 2018	Director, A—Time Media Co., Ltd		
4 Apr 2018 — 24 Sep 2018	Director, GMM TV Co., Ltd		
4 Apr 2018 — 20 Sep 2018	Chairman of the Board / Director, GMM Media Plc.		
4 Apr 2018 — 20 Sep 2018	Director, GMM Channel Co.,Ltd		
4 Apr 2018 — 14 Sep 2018	Director / Chief Executive Officer , GMM Channel Holding Co.,Ltd (Formerly GMM Channel Trading Co., Ltd)		
Aug 2015 — 12 Jan 2018	Director, A—Time Media Co., Ltd		
Aug 2015 —12 Jan 2018	Director, GMM TV Co., Ltd		
2015 — 12 Jan 2018	Director, GMM Media Plc.		
Sep 2013 —12 Jan 2018	Director, GMM Channel Co., Ltd		
Aug 2015 — 7 Dec 2017	Director, GMM Channel Trading Co., Ltd		
May 2010 — 2 Jun 2017	Director, Acts Studio Co., Ltd		
Sep 2015 — 1 Jun 2017	Director, Exact Scenario Co.,Ltd		
Sep 2013 — 1 Jun 2017	Director, GMM One TV Co., Ltd		



## Dr. Naris Chaikasoot (Age: 63 years)

Independent Director / Chairman of the Audit Committee /  
Chairman of the Nomination and Remuneration Committee

### Date of Directorship

March 20, 2013

### Education Background

- B.A. Economics (Honors), Thammasat University
- M.A. Economics (English Program), Thammasat University
- Ph.D. Economics, University of Hawaii, USA.

### Seminar Accomplishment

The Thai Institute of Directors (IOD)

- Advanced Audit Committee Program (AAP) , Class 29/2018
- Chartered Director Class (CDC), Class 3/2008
- Director Certification Program (DCP), Class 82/2006
- Director Accreditation Program (DAP), Class 32/2005
- Finance for Non—Finance Directors (FND), Class 19/2005

### Number of Share Holding (%) as of 28/2/2019

—None—

### Experience

#### Listed Companies

May 2016 — Present	Chairman of the Board, AP (Thailand) Plc.
13 Nov 2015 — Present	Chairman of the Nomination and Remuneration Committee, GMM Grammy Plc.
Aug 2015 — Present	Chairman of the Board / Audit Committee, Banpu Power Plc.
Mar 2013 — Present	Chairman of the Audit Committee/Independent Director, GMM Grammy Plc.
Dec 2012 — 18 Apr 2018	Chairman of the Audit Committee / Independent Director, Fortune Parts Industry Plc.
Mar 2013 — 13 Nov 2015	Member of the Nomination and Remuneration Committee, GMM Grammy Plc.
2009 — 2012	Director, Thai Oil Plc.
2008 — 2011	Director, PTT Plc.

### Other Companies

20 Jan 2018 — Present	Chairman, Function International Co., Ltd
Oct 2015 — Present	Chairman, RX manufacturing Co., Ltd
Oct 2015 — Present	Advisor, Organization for Researches in art, culture, urban and leisure develop- ment (ORAC), Japan
May 2016 — 2017	Chairman of the Board, Thai Credit Guarantee Corporation
Jan 2015 — 30 Sep 2015	Deputy Permanent Secretary, Ministry of Finance
Jul 2014 — 30 Sep 2015	Chairman of the Board, Export—Import Bank of Thailand
Apr 2014 — 30 Sep 2015	Director, Bangkok Commercial Asset Management Co., Ltd
Oct 2011 — 30 Sep 2015	Chairman of the Board, Dhanarak Asset Development Co., Ltd
2010 — 30 Sep 2015	Chairman, Deposit Protection Agency
2011 — Dec 2014	Director—General, The Treasury Department, Ministry of Finance
2011 — Jun 2014	Chairman, Small and Medium Enterprise Development Bank of Thailand
2010 — 2011	Board Member, Capital Market Supervisory Board, The Securities and Exchange Commission
2010 — 2011	Director—General, Fiscal Policy Office, Ministry of Commerce
2009 — 2010	Deputy Permanent Secretary, Ministry of Finance
2006 — 2007	Inspector—General, Ministry of Finance
1998 — 2004	President of Chancellor, Thammasat University



## Mr. Suvit Mapaisansin (Age: 60 years)

Independent Director / Member of the Audit Committee /  
Member of the Nomination and Remuneration Committee /  
Member of the Corporate Governance and Ethics Committee

### Date of Directorship

April 29, 2015

2009 — Present

Director,  
Phatra Securities Public Co., Ltd<sup>3</sup>

### Education Background

- Bachelor of Economics, Chulalongkorn University
- Master of Business Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University

3 Apr 2014 — 1 Feb 2017

Independent Director/Member of the Audit Committee,  
Golden Lime Plc.

2011 — 2012

Chairman of the Audit Committee /  
Member of the Audit Committee,  
Krungthai Card Plc.

### Seminar Accomplishment

The Thai Institute of Directors (IOD)

- Course Director Certification Program Class 12/2001
- Course Audit Committee Program Class 37/2011

2009 — 2012

Independent Director,  
Krungthai Card Plc.

2003 — 2009

Chief Executive Officer,  
Phatra Securities Plc.

### Number of Share Holding (%) as of 28/2/2019

—None—

### Other Companies

3 Sep 2018 — Present

Director, Alpha Absolute Co., Ltd

2010 — Present

Director, Phatra Capital Public Company Limited

2011 — 2 Apr 2014

Independent Director /  
Member of the Audit Committee,  
Golden Lime Co., Ltd

2012 — 2014

Chairman of the Board of Directors,  
Phatra Asset Management Co., Ltd

2012 — 2014

Chairman of the Board of Directors,  
KK TRADE Securities Co., Ltd

26 Jun 2002—27 May 2003

Vice Chairman of the Board,  
The Stock Exchange of Thailand

6 Feb 2001 — 25 Jun 2002

Director,  
The Stock Exchange of Thailand

2000 — 2002

Managing Director,  
Merrill Lynch Phatra Securities Co.,Ltd

### Experience

#### Listed Companies

13 Nov 2015 — Present	Member of the Nomination and Remuneration Committee, GMM Grammy Plc.
13 May 2015 — Present	Member of the Audit Committee, GMM Grammy Plc.
13 May 2015 — Present	Member of the Corporate Governance and Ethics Committee, GMM Grammy Plc.
29 Apr 2015 — Present	Independent Committee, GMM Grammy Plc.
2012 — Present	Director, Kiatnakin Public Co., Ltd



**Mrs. Veeranuch Thammavaranucupt (Age: 47 years)**  
**Independent Director / Member of the Audit Committee /**  
**Member of the Corporate Governance and Ethics**  
**Committee**

**Date of Directorship**

June 24, 2015

**Education Background**

- LL.B (Honors), Chulalongkorn University
- Barrister—at—Law, Thai Bar Association
- LL.M. (Commercial Law), University of Bristol, United Kingdom

**Number of Share Holding (%) as of 28/2/2019**

—None—

**Experience**

**Listed Companies**

24 Jun 2015 — Present	Independent Director /Member of the Audit Committee/Member of the Corporate Governance and Ethics Committee, GMM Grammy Plc.
2008 — 2013	Senior Vice President of Legal Division, Total Access Communication Plc.

**Other Companies**

Apr 2017 — Present	Partner/Director, Weerawong, Chinnavat and Partners Co., Ltd
4 Nov 2015 — Present	Director, Thanaset Business & Development Co., Ltd
2 Feb 2016 — Apr 2017	Director, Weerawong, Chinnavat & Peangpanor Co., Ltd
Jul 2013 — Apr 2017	Partner, Weerawong, Chinnavat & Peangpanor Co., Ltd

**Mr. Chanitr Charnchainarong (Age: 55 years)**

**Independent Director**  
**Member of the Audit Committee**

**Date of Directorship**

November 13, 2015

**Education Background**

- Bachelor of Science (Electrical Engineering), Purdue University, U.S.A.
- Master of Science (Electrical Engineering), Purdue University, U.S.A.
- Chartered Financial Analyst (CFA), CFA Institute, U.S.A.

**Seminar Accomplishment**

The Thai Institute of Directors (IOD)

- Director Certification Program (DCP), Class 52/2004

Other Institutes

- Senior Executives of Justice Administration, Class 19/2014, Office of the Judicial Training Institute
- Advanced Management Program (AMP), Class 185/2013, Harvard Business School, Harvard University, U.S.A.
- Public Economics Management for Executives, Class 9/2011, King Prajadhipok's Institute
- Capital Market Academy Leader Program, Class 2/2006, Capital Market Academy

**Number of Share Holding (%) as of 28/2/2019**

—None—

**Experience**

**Listed Companies**

May 2018 — Present	Independent Director / Chairman of the Board, Northeast Rubber Plc.
Nov 2015 — Present	Independent Director / Member of the Audit Committee, GMM Grammy Plc.
May 2015 — Present	Independent Director, UOB (Thailand) Plc.
Oct 2015 — Dec 2018	Independent Director / Chairman of the Board, Comanche International Co., Ltd

**Other Companies**

Jul 2016 — Present	Independent Director, Strategic Property Investors Co.,Ltd
2016 — Present	Senior Executive Vice President, Central Group.
May 2015 — Nov 2016	Advisor, Vnet Capital Co., Ltd
Apr 2015 — Jul 2016	Member of University Council, Kasetsart University
Apr 2001 — May 2016	Director, CA Infomedia Co., Ltd
May 2015 — Apr 2016	Senior Advisor, The Quant Group Co., Ltd
Feb 2014 — Feb 2015	Senior Vice President, The Stock Exchange of Thailand (SET)
Feb 2006 — Feb 2014	President, Market for Alternative Investment (mai)
Feb 2006 — Jun 2011	Vice President, The Stock Exchange of Thailand (SET)
Nov 2004 — Dec 2005	Advisor, Market for Alternative Investment (mai)

## Dr. Lackana Leelayouthayotin (Age: 65 years)

### Director

#### Date of Directorship

June 24, 2015

#### Education Background

- B.Sc (Chemistry), Chulalongkorn University
- MBA (Marketing), Catholic University of Leuven, Belgium
- DBA (Marketing), University of Southern Queensland, Australia

#### Seminar Accomplishment

The Thai Institute of Directors (IOD)

- Director Certification Program (DCP), Class 225/2016

Other Institutes

- Global Brand Forum (2004)
- Unleashed the Power Within by Anthony Robbins, Singapore (2001)
- Asia Pacific Chief Executive Grid Seminar, Grid Organization Development and Change Management (2000)
- Advance Executive Program (AEP), Kellogg School of Management, North Western University, USA (1998)
- Data-Based Competitive Benchmark in Marketing, Asia Pacific Marketing Federation, Philippines (1994)
- Update in Strategic Management by University of California Berkley, Singapore (1994)
- Developing the First-Class Manager, Hawksmere, Hong Kong (1989)
- Marketing Manager, Queen's University, Canada (1984)

#### Number of Share Holding (%) as of 28/2/2019

—None—

#### Experience

##### Listed Companies

26 Feb 2016 — Present	Chairman of the Audit Committee/Independent Director/Member of Nomination and Remuneration Committee , Techno Medical Public Co., Ltd
24 Jun 2015 — Present	Director , GMM Grammy Plc.
Apr 2015 — Present	Independent Director, Lam Soon (Thailand) Plc.
2015 — 2017	Company Advisor, GMM Grammy Plc.

#### Other Companies

Aug 2018 – Present	Funds for patients and hospitals Somdet Phra Yanasawon Foundation Patriarch Wat Bowornniwet Vihara, Royal Patronage Independent Director , Bangchak Retail Co., Ltd
2017 — Present	Director, Aisance Co., Ltd
2017 — Present	Independent Director/Member of Audit Committee, Shera Plc. (former is Mahaphant Fibre—Cement Plc.)
8 Aug 2016 — Present	Managing Director, Advisor and Beyond Co., Ltd
25 Jan 2016 — Present	Director/Chairman of the Audit Committee, Thailand Institute of Nuclear Technology (Public Organization)
15 Sep 2015 — Present	Chairman, The Foundation for Education of The Marketing Association of Thailand
25 Jul 2014 — Present	Company Advisor, Brand's Suntory (Thailand) Co. Ltd (former is Cerebos (Thailand) Co., Ltd Renamed since 22 May 2017)
Jul 2013 — Present	Revenue commissioner, Hong Dai Boon at Thai Red Cross Society
1997 — Present	Advisor/Director of The Recruitment and Promotion of Voluntary Blood Donor, National Blood Centre Thai Red Cross Society
1997 — Present	Director, GMM Channel Co., Ltd
Aug 2015 —12 Jan 2018	Director, The One Enterprise Co., Ltd
21 Jul 2015 —31 May 2017	Director, Tipco F & B Co., Ltd
Oct 2007—13 Mar 2017	Executive Vice President & CEO of Health Supplement Division, Cerebos Pacific Limited
2010 — 2014	Board of Director, Cerebos Pacific Limited
2006 — 2014	Executive Vice President & CEO South East Asia, Cerebos Pacific Limited
2005 — 2009	





## Miss Suwimon Jhungjotikapisit (Age: 66 years)

Director (Authorized Director) / Member of the Nomination and Remuneration Committee / Company Advisor

### Date of Directorship

November 13, 2010

### Education Background

- Bachelor of Political Science (Honors), Chulalongkorn University

### Seminar Accomplishment

The Thai Institute of Directors (IOD)

- Director Certification Program (DCP), Class 12/2001

### Number of Share Holding (%) as of 28/2/2018

—None—

### Experience

#### Listed Companies

Jul 2014 — Present	Member of the Nomination and Remuneration Committee, GMM Grammy Plc.
Nov 2010 — Present	Director (Authorized Director), GMM Grammy Plc.
Nov 2005 — Present	Company Advisor, GMM Grammy Plc.

#### Other Companies

5 Mar 2018 — Present	Director, Digistream Co., Ltd
17 Apr 2018 — Present	Director, Digital Gen Co., Ltd
18 Apr 2018 — Present	Director, GS One Co., Ltd
29 Mar 2018 — Present	Director, GDC Co., Ltd
5 Jun 2017 — Present	Director, GMM Z Co., Ltd
Jan 2016 — Present	Director, Suea Tid Peak Krub Co., Ltd
Apr 2015 — Present	Director, Judtangton Co., Ltd
Dec 2010 — Present	Director, MGA Co.,Ltd
Dec 2010 — Present	Director, GR Vocal Studio Co., Ltd
Dec 2010 — Present	Director, Magic Film Co., Ltd
Nov 2010 — Present	Director, A-Time Traveller Co.,Ltd
Nov 2010 — Present	Director, GMM Music Publishing International Co., Ltd
Nov 2010 — Present	Director, GMM Holding Co., Ltd
Nov 2010 — Present	Director, Deetalk Co., Ltd
Nov 2010 — Present	Director, Grammy Publishing House Co., Ltd
Nov 2010 — Present	Director, GMM Goods Co., Ltd (Formerly GMM Fitness Club Co., Ltd)

Nov 2010 — Present	Director, GBroadcast Co., Ltd (Formerly Mifah Co., Ltd)
Nov 2010 — Present	Director, Digital Arms Co., Ltd
Nov 2010 — Present	Director, Extraorganizer Co., Ltd
Nov 2010 — Present	Director, GMM Studio Co., Ltd
Nov 2010 — Present	Director, GMM Tai Hub Co., Ltd
Nov 2010 — Present	Director, GMM Digital Domain Co., Ltd
Oct 2010 — Present	Director, More Music Co., Ltd
Oct 2010 — Present	Director, Geurtfah Co.,Ltd
Oct 2010 — Present	Director, Teen Talk Co., Ltd
Oct 2010 — Present	Director, Ruamfah Co.,Ltd
Oct 2010 — Present	Director, Trinaga Co., Ltd
Oct 2010 — Present	Director, Exact Co.,Ltd
2010 — Present	Director, Fan TV Co., Ltd
Jul 2009 — Present	Director, Ruam Fah Deaw Gun Co., Ltd
28 Jan 2008 — Present	Director / Treasurer, Damrongchaitham Foundation
Oct 2010 — 11 May 2018	Director, Hou Yuu Co.,Ltd (Dissolution)
Nov 2010 — 12 Jan 2018	Director, GMM Media Plc.
Oct 2010 — 12 Jan 2018	Director, GMM TV Co., Ltd
Nov 2010 — 12 Jan 2018	Director, A-Time Media Co., Ltd
Dec 2010 — 30 Jun 2017	Advisor, GMM Media Plc.
Nov 2010 — Liquidation Completed	Director, Luckdee Thaweesuk Co.,Ltd
Dec 2010 — Dec 2015	Director, Bliss Publishing Co., Ltd (Dissolution)
Oct 2010 — Dec 2015	Director, Hou Yuu Central World Co.,Ltd (Dissolution)
Sep 2010 — Nov 2015	Director, A Gen Event Agency Co., Ltd
May 2010 — Sep 2015	Director, Acts Studio Co., Ltd
Dec 2010 — 4 Aug 2015	Director, In Publishing Co., Ltd
Dec 2010 — 4 Aug 2015	Director, GMM Times Co., Ltd
Nov 2010 — 4 Aug 2015	Director, Image Publishing Co., Ltd
Nov 2010 — 4 Aug 2015	Director, GMM Inter Publishing Co., Ltd
Dec 2010 — 1 Jul 2015	Director, Index Creative Village Plc.
Apr 2010 — 2014	Director, Image On—air Co., Ltd

## Mrs. Saithip Montrikul Na Audhaya (Age: 62 years)

### Director (Authorized Director)

#### Date of Directorship

July 16, 2002

#### Education Background

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

#### Number of Share Holding (%) as of 28/2/2019

120 shares (0%),

including related parties, according to Section 59 of the Securities and Exchange Act.

#### Experience

##### Listed Companies

2002 — Present	Director (Authorized Director), GMM Grammy Plc.
2009 — 27 Feb 2019	Member of the Risk Management Committee, GMM Grammy Plc.
Jan 2017 — 27 Feb 2018	Chief Executive Officer—GMM Media, GMM Grammy Plc
May 2012 — 27 Feb 2018	Member of the Group Executive Committee, GMM Grammy Plc.
Oct 2014 — Dec 2016	Chief Executive Officer—GMM Channel Digital TV (GMM Media), GMM Grammy Plc.
Feb 2012 — Jul 2014	Chief Executive Officer—Media Business, GMM Grammy Plc.
2009 — May 2012	Co-Chief Executive Director, GMM Grammy Plc.
1989 — Feb 2009	Executive Director, GMM Grammy Plc.

##### Other Companies

20 Apr 2018 — Present	Director / Chief Executive Officer , Change2561 Co.,Ltd
29 Mar 2018 — Present	Vice Chairman of the Board, GMM Channel Holding Co., Ltd (Formerly GMM Channel Trading Co., Ltd)
7 Dec 2017 — Present	Director, GMM Channel Holding Co., Ltd (Formerly GMM Channel Trading Co., Ltd)
21 Dec 2017 — 29	Mar 2018 Chief Executive Officer , GMM Channel Trading Co., Ltd
2007 — Present	Director, A—Time Traveler Co., Ltd

Aug 2014 — 4 Apr 2018	Director, GMM Channel Co.,Ltd
2002 — 4 Apr 2018	Director, GMM Media Plc.
2000 — 4 Apr 2018	Director, GMM TV Co., Ltd
1989 — 4 Apr 2018	Director, A—Time Media Co., Ltd
Aug 2015 — 30 Mar 2018	Director, Deetalk Co., Ltd
Oct 2006 — 30Mar 2018	Director, Digital Arms Co., Ltd
1996 — 30 Mar 2018	Director, GMM Digital Domain Co., Ltd
Mar 2012 — 29 Mar 2018	Director, GDC Co., Ltd
Feb 2009 — 29 Mar 2018	Chairman of the Board, GMM Media Plc.
2004 — 29 Mar 2018	Director, Exact Co., Ltd
Nov 1995 — 29 Mar 2018	Director, Teen Talk Co., Ltd
Mar 2012 — 19 Apr 2017	Director, Z Trading Co., Ltd
Dec 2010 — Dec 2015	Director, Bliss Publishing Co., Ltd (Defunct)
Sep 2010 — Nov 2015	Director, A Gen Event Agency Co., Ltd
Jun 2011 — Sep 2015	Director, Memiti Co., Ltd
May 2010 — Sep 2015	Director, Acts Studio Co., Ltd
Aug 2014 — Aug 2015	Director, GMM One TV Co.,Ltd
Mar 2009 — Jul 2015	Director, Index Creative Village Plc.
2007 — Oct 2014	Chief Executive Officer, GMM Media Plc.
2002 — 30 Sep 2014	Managing Director, GMM Media Plc.
1989 — Sep 2014	Managing Director, A—Time Media Co., Ltd
Mar 2012 — 23 Jul 2014	Director, GMM Z Co., Ltd
2007 — Dec 2011	Managing Director, A—Time Traveler Co., Ltd
Aug 2008 — Feb 2009	Vice Chairman of the Board, GMM Media Plc.
2007 — Feb 2009	Chairman of the Risk Management Committee, GMM Media Plc.
1995 — Jan 2007	Managing Director, GMM TV Co., Ltd
2005 — 2007	Member of the Risk Management Committee, GMM Media Plc.
2002 — 2007	Executive Director, GMM Media Plc.



## Mr. Phawit Chitrakorn (Age: 43 years)

Director (Authorized Director) / Member of the Group Executive Committee

Member of the Risk Management Committee / Member of the Corporate Governance and Ethics Committee /

Chief Executive Officer— GMM Music

### Date of Appointment (as a director)

April 28, 2017

18 Apr 2018 — Present Director , GR Vocal Studio Co.,Ltd

18 Apr 2018 — Present Director , FAN TV Co.,Ltd

### Date of Appointment (as an executive)

January 1, 2016

10 Apr 2018 — Present Director , GMM Goods Co.,Ltd

28 Mar 2018 — Present Director , Tee Fah Studio Co.,Ltd

### Education Background

- Bachelor of Business Administration (Advertising), Assumption University

18 Apr 2018 — 5 Mar 2018 Director , Digistream Co.,Ltd

19 Apr 2017- 5 Jun 2017 Director, GMM Z Co., Ltd

2011 — 2015 Managing Director,  
Ogilvy and Mather Advertising

2008 — 2011 Managing Partner,  
Ogilvy and Mather Advertising

2003 — 2008 Business Director,  
Ogilvy and Mather Advertising

2002 — 2003 Group Account Director,  
Grey Worldwide Thailand

2000 — 2002 Account Director,  
DY&R Thailand

1997 — 2000 Account Manager,  
Grey Worldwide Thailand

1995 — 1997 Account Executive,  
Grey Worldwide Thailand

### Number of Share Holding (%) as of 28/2/2019

—None—

### Experience

#### Listed Companies

13 May 2017 — Present Member of the Risk Management Committee,  
GMM Grammy Plc.

13 May 2017 — Present Member of the Corporate Governance and  
Ethics Committee, GMM Grammy Plc.

28 Apr 2017 — Present Director (Authorized Director),  
GMM Grammy Plc.

1 Jan 2017 — Present Chief Executive Officer— GMM Music,  
GMM Grammy Plc.

26 Feb 2016 — Present Member of Group Executive Committee,  
GMM Grammy Plc.

Jan 2016 — Dec 2016 Chief Marketing Officer,  
GMM Grammy Plc.

#### Other Companies

Apr 2018 — Present Advisory, SIX Network Co.,Ltd

21 May 2018 — Present Director , Gung Ho Studio Co.,Ltd

21 May 2018 — Present Director , Bravo Studio Co.,Ltd



## Mr. Fahmai Damrongchaitham (Age: 32 years)

Director (Authorized Director) / Member of the Group Executive Committee /  
Member of the Risk Management Committee / Chief Sales Officer—GMM Music

### Date of Appointment (as a director)

May 12, 2017

### Date of Appointment (as an executive)

February 27, 2018

### Education Background

- Bachelor of Arts in Communication, Faculty of Annenberg School for Communication, University of Southern California, USA

### Seminar Accomplishment

—None—

### Number of Share Holding (%) as of 28/2/2019

9,000,000 shares (1.10%), including related parties, according to Section 59 of the Securities and Exchange Act

### Experience

#### Listed Companies

27 Feb 2018 — Present	Member of the Risk Management Committee, GMM Grammy Plc.
12 May 2017 — Present	Director (Authorized Director), GMM Grammy Plc.
27 Feb 2017 — Present	Member of the Group Executive Committee, GMM Grammy Plc.
1 Dec 2016 — Present	Chief Sale Officer—GMM Music, GMM Grammy Plc.
22 Aug 2011 — Present	Director, Investment Committee, GMM Grammy Plc.
9 Dec 2011 - 12 May 2017	Member of Risk Management Committee. GMM Grammy Plc.
Oct 2014 - 30 Nov 2016	Managing Director - Artist, GMM Grammy Plc.
16 Jun 2010 - 30 Sep 2014	Managing Director, Sanamluang Music, GMM Grammy Plc.
2011 - Dec 2012	Co-Chief Operation Officer (Co-COO), GMM Grammy Plc.
9 Dec 2011 — Mar 2012	Member of the Corporate Governance and Ethics Committee, GMM Grammy Plc.
28 Jul 2008 — 15 Jun 2010	Marketing Officer, GMM Grammy Plc.

### Other Companies

24 Aug 2018 — Present	Director, Proud Project One Co.,Ltd
21 May 2018 — Present	Director, Gung Ho Studio Co.,Ltd
21 May 2018 — Present	Director, Bravo Studio Co.,Ltd
18 Apr 2018 — Present	Director, FAN TV Co.,Ltd
28 Mar 2018 — Present	Director, Tee Fah Studio Co.,Ltd
7 Dec 2017 — Present	Director, GMM Channel Holding Co., Ltd (Formerly GMM Channel Trading Co., Ltd)
31 May 2017 — Present	Director, The ONE Enterprise Co., Ltd
Mar 2017 - Present	Director, Z Trading Co., Ltd
Jan 2016 - Present	Director, Suea Tid Peak Krub Co., Ltd
Apr 2015 - Present	Director, Judtangton Co., Ltd
Oct 2012 - Present	Managing Director, Z Trading Co., Ltd
Aug 2012 — Present	Director, U-Star (Thailand) Co., Ltd
2011 - Present	Director, Geurtfah Co., Ltd
2011 - Present	Director, Ruamfah Co., Ltd
2009 - Present	Director, Ruam Fah Deaw Gun Co., Ltd.
13 Sep 2007 - Present	Director and Secretary, Damrongchaitham Foundation
18 Apr 2018 — 5 Mar 2018	Director, Digistream Co.,Ltd
20 Apr 2018 — 24 Sep 2018	Director, Change2561 Co.,Ltd
12 Jan 2018 — 24 Sep 2018	Director, A-Time Media Co., Ltd
12 Jan 2018 — 24 Sep 2018	Director, GMM TV Co., Ltd
12 Jan 2018 — 20 Sep 2018	Director, GMM Channel Co., Ltd
6 Dec 2017 — 20 Sep 2018	Director, GMM Media Plc.
2011 — 11 May 2018	Director, Hou Yuu Co., Ltd (Dissolution)
Apr 2013 - 5 May 2017	Director, 3-RD Co., Ltd
Feb 2012 - Sep 2012	Marketing Director, GMM Z Co., Ltd



## Mr. Sompohb Budspawanich (Age: 52 years)

Member of the Risk Management Committee / Member of the Group Executive Committee /

Chief Operating Officer-GMM Music

### Date of Appointment (as an executive)

February 27, 2018

### Education Background

- Bachelor of Business Administration (Accounting),  
Ramkhamhaeng University

### Seminar Accomplishment

Other Institutes

- Finance for the boss Class 34/2012, Management & Psychology  
Institute

### Number of Share Holding (%) as of 28/2/2019

—None—

### Experience

#### Listed Companies

Feb 2018 — Present	Member of Group Executive Committee, GMM Grammy Plc.
Feb 2018 — Present	Member of Risk Management Committee, GMM Grammy Plc.
2017 — Present	Chief Operating Officer- GMM Music, GMM Grammy Plc.
2016 - 2017	Vice of Chief Executive Officer - GMM Music, GMM Grammy Plc.
2014 - 2016	Vice of Chief Financial Officer, GMM Grammy Plc.
2007-2014	Vice President of Accounting, GMM Grammy Plc.

### Other Companies

21 May 2018 — Present	Director , Gung Ho Studio Co.,Ltd
21 May 2018 — Present	Director , Bravo Studio Co.,Ltd
18 Apr 2018 — Present	Director , GR Vocal Studio Co.,Ltd
18 Apr 2018 — Present	Director , FAN TV Co.,Ltd
10 Apr 2018 — Present	Director , GMM Goods Co.,Ltd
28 Mar 2018 — Present	Director , Tee Fah Studio Co.,Ltd
2015 - Present	Director, GDH 559 Co.,Ltd.
2015 - Present	Director, GMM Music Publishing International Co., Ltd.
2006 - Present	Director, GMM Tai Hub Co., Ltd.
2012 -Mar 2018	Director, Teen Talk Co., Ltd.
2014 - 2017	Director, Family Know—how Co., Ltd. (Dissolution)
19 Aug 2015 — 1 Jun 2017	Director, GMM One TV Co., Ltd
2013 — 1 Jun 2017	Director, Acts Studio Co.,Ltd
2013 — 1 Jun 2017	Director, Exact Scenario Co.,Ltd
2013 — 3 Mar 2017	Director, Memiti Co., Ltd.
2012 — Apr 2017	Director, GMM Z Co., Ltd
2011 — Liquidation completed	Director, GTH On—air Co., Ltd

## Mrs. Karnsuda Sansuthi (Age: 49 years)

Member of the Risk Management Committee / Member of the Group Executive Committee /  
Chief Financial Officer

### Date of Appointment (as an executive)

January 12, 2016

### Education Background

- Bachelor of Accountancy, Chulalongkorn University
- Master of Business Administration, Financial Management, National Institute of Development Association, Bangkok

### Seminar Accomplishment

The Thai Institute of Directors (IOD)

- Director Certification Program (DCP), Class 199/2015
- Company Secretary Program (CSP), Class 56/2014

Thai Listed Companies Association (TLCA)

- Strategic Financial Leadership Program (SFLP) 2560

### Number of Share Holding (%) as of 28/2/2019

—None—

### Experience

#### Listed Companies

26 Feb 2016 — Present	Member of Risk Management Committee, GMM Grammy Plc.
12 Jan 2016 — Present	Member of Group Executive Committee, GMM Grammy Plc.
12 Jan 2016 — Present	Chief Financial Officer, GMM Grammy Plc.
2013 — Aug 2015	Member of Executive Committee/Senior Vice President of Financial and Accounting, The Platinum Group Public Co., Ltd
2012 — 2013	Senior Vice President of Financial and Accounting, Subsidiary Companies of The Platinum Group Public Co., Ltd

#### Other Companies

17 Aug 2018 — Present	Director, OSP TV Co., Ltd
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21 May 2018 — Present	Director , Gung Ho Studio Co.,Ltd
21 May 2018 — Present	Director , Bravo Studio Co.,Ltd
28 Mar 2018 — Present	Director , Tee Fah Studio Co.,Ltd
18 Mar 2016 — Present	Director, GMM Tai Hub Co., Ltd
18 Mar 2016 — Present	Director, GMM CJ O Shopping Co., Ltd
18 Mar 2016 — Present	Director, Z Trading Co., Ltd
18 Mar 2016 — 5 Mar 2018	Director, Digistream Co., Ltd
5 Jul 2016 — 26 Dec 2018	Director, Family Know—how Co., Ltd (Dis-solution)
18 Mar 2016 — 18 Apr 2018	Director, Digital Gen Co., Ltd
18 Mar 2016 — 18 Apr 2018	Director, Deetalk Co., Ltd
18 Mar 2016 — 18 Apr 2018	Director, G S—One Co., Ltd
18 Mar 2016 — 12 Jan 2018	Director, GMM Channel Co., Ltd
18 Mar 2016 — 12 Jan 2018	Director, GMM TV Co., Ltd
18 Mar 2016 — 12 Jan 2018	Director, A—Time Media Co., Ltd
18 Mar 2016 — 12 Jan 2018	Director, GMM Media Plc.
18 Mar 2016 — 7 Dec 2017	Director, GMM Channel Trading Co., Ltd
18 Mar 2016 — 2 Jun 2017	Director, Acts Studio Co., Ltd
18 Mar 2016 — 1 Jun 2017	Director, GMM One TV Co., Ltd
18 Mar 2016 — 1 Jun 2017	Director, Exact Scenario Co., Ltd
18 Mar 2016 — 31 May 2017	Director, The ONE Enterprise Co., Ltd
4 Jan 2017 — 5 May 2017	Director, 3-RD Co., Ltd
18 Mar 2016 — 18 Apr 2017	Director , GMMZ Co.,Ltd.
18 Mar 2016 — 3 Mar 2017	Director, Memiti Co., Ltd
Sep 2015 — Dec 2015	Chief Financial Officer, NIST International School
2002 — 2012	Finance Director, United Distribution Business Co., Ltd





## Miss Chitralada Hengyotmark (Age: 55 years)

(Retired on 31 December 2018)

Member of the Risk Management Committee / Member of the Group Executive Committee / Chief Legal Officer

### Date of Appointment (as an executive)

July 1, 2015

### Education Background

- Bachelor of Law, Chulalongkorn University
- Master of Business Laws, Chulalongkorn University

### Seminar Accomplishment

Other Institutes

- Capital Market Academy Leader Program, Class 19/2014, Capital Market Academy
- TLCA Executive Development Program (EDP), Class 11/2013, Thai Listed Companies Association

1 Oct 2014 — 1 Jul 2015

Group Executive Vice President of Legal, GMM Grammy Plc.

1 Jan 2013 — 1 Oct 2014

Senior Vice President of Legal, GMM Grammy Plc.

1 Mar 2012 — 1 Jan 2013

Senior Vice President of Legal and Regulatory, GMM Grammy Plc.

1 Jan 2011 — 1 Mar 2012

Vice President of Legal, GMM Grammy Plc.

### Other Companies

21 Jul 2015 — 31 May 2017

Director, The One Enterprise Co., Ltd

### Number of Share Holding (%) as of 31/12/2018

—None—

### Experience

#### Listed Companies

26 Feb 2016 — 31 Dec 2018	Member of Group Executive Committee, GMM Grammy Plc.
1 Jul 2015 — 31 Dec 2018	Chief Legal Officer, GMM Grammy Plc.
9 Dec 2011 — 31 Dec 2018	Member of the Risk Management Committee, GMM Grammy Plc.





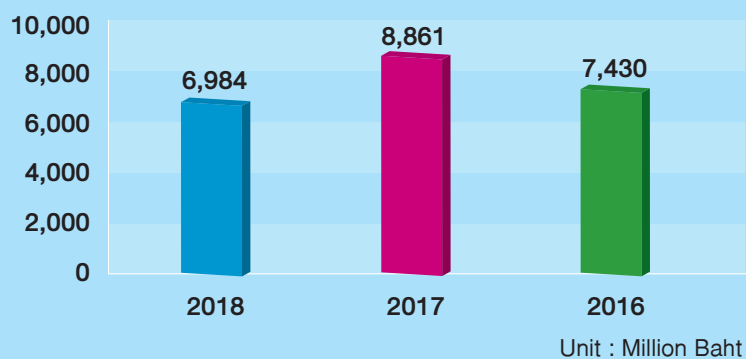
## FINANCIAL HIGHLIGHT

GMM Grammy Public Company Limited and its subsidiaries

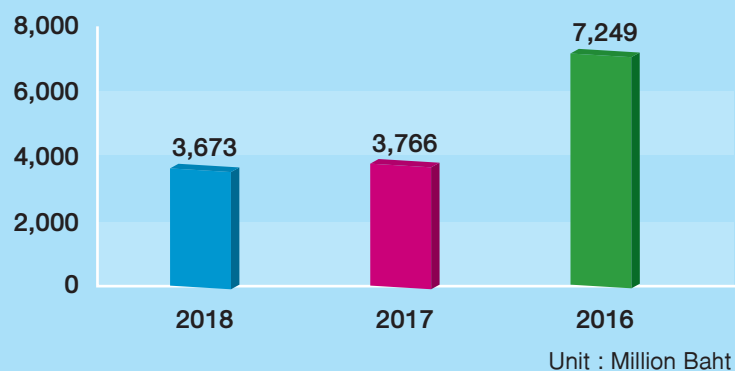
Performance	Consolidated Financial Statement (Unit : Million Baht)		
	2018	2017	2016
Total revenues	6,984.4	8,861.3	7,430.0
Revenue from sales and services	6,870.5	7,595.3	7,294.6
Total costs	4,364.7	4,917.1	4,586.3
Gross profit	2,505.8	2,678.2	2,708.3
Earnings/(loss) before Non-controlling interest of the subsidiaries	63.0	(349.7)	(533.4)
Net earnings/(loss) for the year	15.4	(384.3)	(520.1)
Dividend paid	-	-	-
Total assets	3,673.1	3,766.1	7,248.6
Total liabilities	2,529.3	2,658.8	5,780.1
Non-controlling interest of the subsidiaries	174.4	157.5	166.3
Equity attributable to the Company's shareholders	969.4	949.8	1,302.2
Weighted average number of ordinary shares (Million shares)	819.9	819.9	819.9
Net earning/(loss) per share (Baht)	0.02	(0.47)	(0.63)
Dividend paid per share (Baht)	-	-	-
Book value per share (Baht)	1.18	1.16	1.59
Net profit/(loss) margins	0.22%	-4.34%	-7.00%
Return on equity	1.61%	-34.13%	-33.30%
Return on assets	0.41%	-6.98%	-7.01%



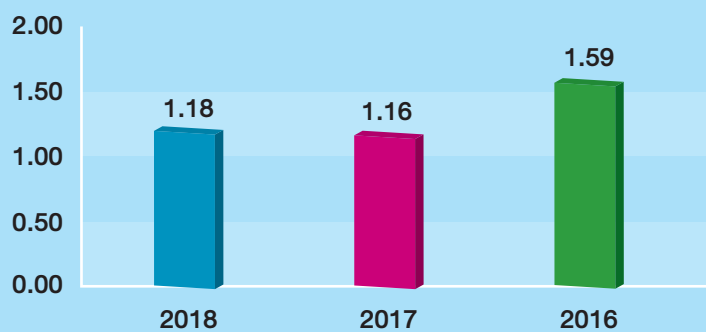
### Total revenues



### Total assets



### Book value per share (Baht)





# มันเวอร์มาก

PEPSI PRESENTS BIG MOUNTAIN MUSIC FESTIVAL 9

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## Policy and Business Overview

### Vision, Mission and Long Term Goal

The Board of Directors will review the Company's vision, mission and long term goal every year, so as to determine and adjust the Company's business targets and directions to suit the situation as appropriated. The Board's Meeting No.1/2019 on February 28, 2019 reviewed and affirmed vision, mission and long term goal as stated below.

#### Vision

To be a leader in fully-integrated entertainment business and to engage with consumers through multi channels.

#### Mission

- To be the holistic content provider with artistic creativity, innovation, and invention of Music, Films, Drama, Series, News, Entertainment, Commercial Media, and Artists.
- To invest, produce, manage and distribute content through advanced media integration that delivers a wide variety of entertainment experience to people, and future society.

#### Long Term Goal

To be a leading company with excellence in content creation locally and globally.





## Major changes and development

In the past three years, the Company underwent significant changes in shareholders' structures, management, and business operations as follows:

### 2016

January	<ul style="list-style-type: none"> <li>GDH 559 Company Limited (GDH 559), a subsidiary of the Company has increased paid-up capital to 150 million baht.</li> </ul>
February	<ul style="list-style-type: none"> <li>Z PAY TV service operated and owned by CTH group was discontinued, but such Pay TV service was no longer related to the Company after the divestment in 2014. At present, GMM Z actively manages satellite TV platform business providing free to air programs in both C-Band and KU-Band systems for the audiences.</li> </ul>
November	<ul style="list-style-type: none"> <li>The company entered into the Agreement of Sale and Purchase of Shares in One Enterprise (the "Share Sale and Purchase Agreement") where One Enterprise increase its registered capital by 1,905 million baht. Therefore, the Company will hold 25.50 percent, Mr. Takonkiet's Group would hold 24.50 percent, and Pranaporn would hold 50 percent of the shares in the One Enterprise.</li> <li>The Company has duly entered into an agreement directly with UNION DES ASSOCIATIONS EUROPEENNES DE FOOTBALL ("EUFA") in order for the Company to obtain the broadcasting rights of the European Qualifiers-Qualification Competitions for the 2018 FIFA World Cup. In addition, the Company has entered into a memorandum of agreement with Bangkok Entertainment Co., Ltd., and BEC Multimedia Co., Ltd. (collectively "BEC") to grant the broadcasting rights of the European Qualifiers-Qualification Competitions for the 2018 FIFA World Cup to BEC for airing via BEC's channels.</li> </ul>
December	<ul style="list-style-type: none"> <li>The Chief of the National Council for Peace and Order (NCPO) exercised Section 44 of the interim constitution by issuing Order 76/2016 to relieve the burden for digital TV operators by granting an extension of the deadline to make license payments from 3 years to 6 years with interest rate charged based on MLR by Bank of Thailand. Also, the NBTC and the broadcasting development research fund administrative committee would subsidize the satellite uplink costs for all digital TV stations under the must-carry rules for the next three years.</li> <li>In addition, NCPO's order also grants authority to NBTC to revoke the radio frequency licenses totaling 537 channels from government agencies and state enterprises within five years instead of the old one which NBTC has to revoke the licenses in April 2017.</li> </ul>

### 2017

May	<ul style="list-style-type: none"> <li>The Company disposed of the total investment of 90,000 shares or 50 percent of registered capital in 3-RD Company Limited ("3RD"), a subsidiary of the Company to TV Direct Public Company Limited at the price of 111.11 baht per share amounting to THB 10 million.</li> <li>The One Enterprise Co., Ltd., a joint venture successfully increased its registered capital by selling 19,050,000 shares to Pranaporn Co., Ltd. at a price of 100 baht per share totaling 1,905 million baht equivalent to 50 percent of registered capital. Which resulted in changes in shareholding proportion in The One Enterprise of the Company and Mr. Takonkiet Viravan into 25.50 percent and 24.50 percent respectively; while each shareholder shall provide a guarantee against the debt obligation that The One Enterprise has against the financial institution amounting to 50 percent.</li> </ul>
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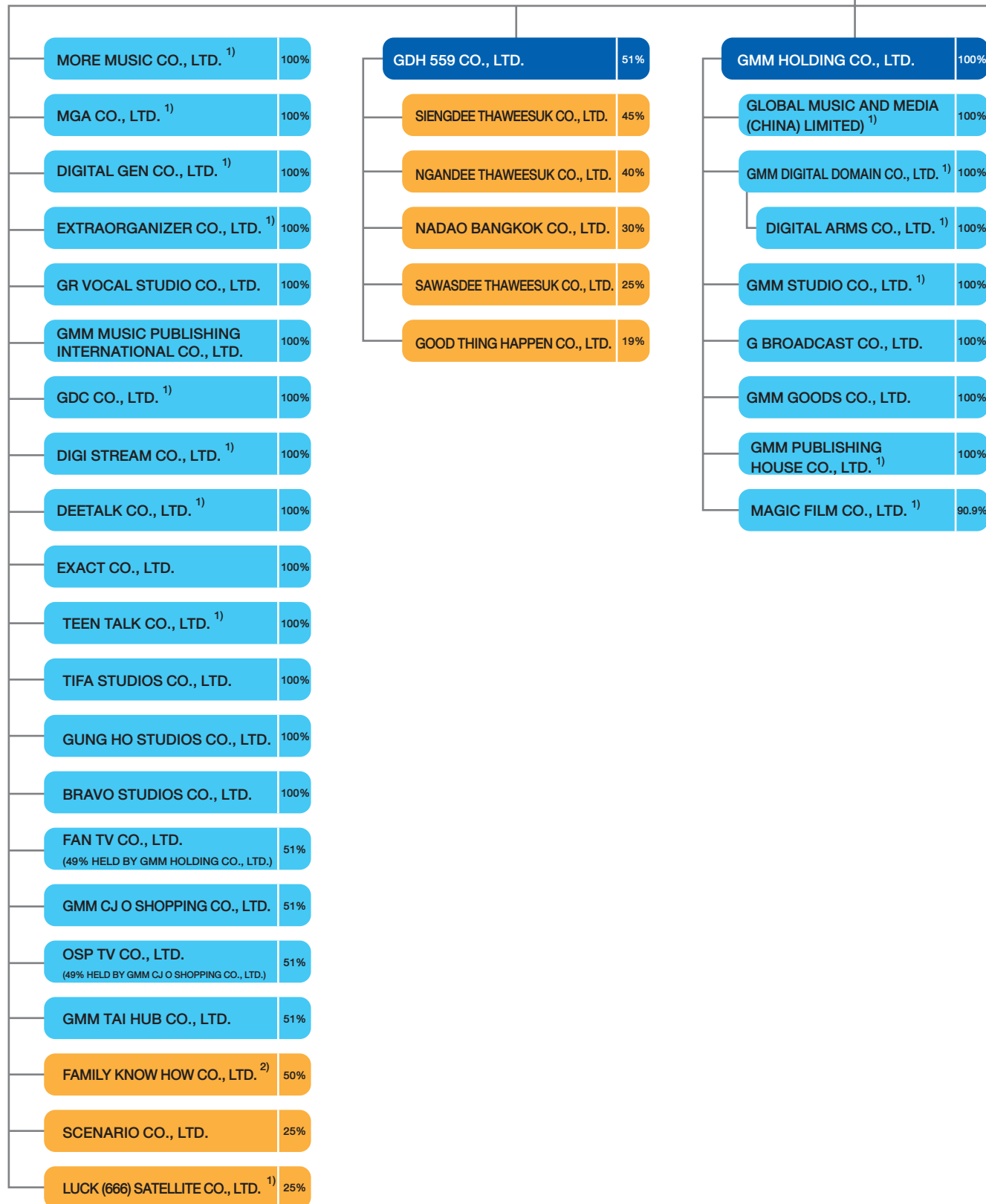
August	<ul style="list-style-type: none"> <li>The Company entered into the Share Subscription Agreement for newly issued ordinary shares in GMM Channel Trading Co., Ltd. pursuant to a resolution of the Company's Board of Directors Meeting No.8/2017, whereby the Subscriber is a juristic person in the category of private limited company with Mr. Thapana Sirivadhanabhakdi and Mr. Panot Sirivadhanabhakdi as its majority shareholders. When combining the increase with the existing registered capital of 800 million baht, GMM Channel Trading's registered capital will become a total 2,000 million baht. The conditions precedent specified in the Share Subscription Agreement required the Company to proceed with the restructuring of the investments by its group of companies. In order to have the target group of companies under the GMM Channel Trading comprising (1) GMM Channel Trading Co., Ltd (2) GMM Channel Co., Ltd (3) GMM TV Co., Ltd (4) GMM Media Public Company Limited (5) A-Time Media Co., Ltd and (6) A-Time Traveler Co., Ltd.</li> </ul>
September	<ul style="list-style-type: none"> <li>The Company entered into a settlement agreement with Fox Network Group Asia Pacific Co., Ltd. ("FOX") under the Marketing and Distribution Licensing Agreement. Whereby the Company agreed to make a payment of USD 10 million to FOX to not only settle the lawsuit filed at the Central Intellectual Property and International Trade Court (the "CIPITC") but also to prevent any other claims which may arise from the agreement in dispute. Accordingly, FOX has filed a petition to withdraw the lawsuit at the CIPITC, and the CIPITC has granted its permission for FOX to withdraw the lawsuit.</li> </ul>
December	<ul style="list-style-type: none"> <li>The Company completed the restructuring of the investments by its group of companies as specified in the Share Subscription Agreement, thereby the Extraordinary General Meeting of Shareholders of GMM Channel Trading passed a special resolution to approve the increase of the registered capital of GMM Channel Trading by 1,200 million baht. After completion of the registration of capital increase, the Company will hold 50 percent of the registered shares in GMM Channel Trading; while the Subscribers being Siridamrongdham Co., Ltd wholly owned by Mr. Thapana Sirivadhanabhakdi hold 24.99 percent of the registered shares in GMM Channel Trading; and Bhakdivattana Co., Ltd. wholly owned by Mr. Panot Sirivadhanabhakdi held 24.99 percent of the registered shares in GMM Channel Trading.</li> </ul>

## 2018

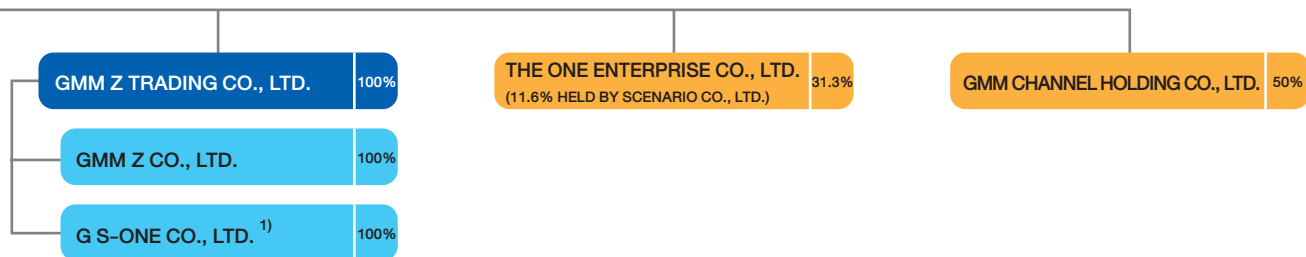
March	<ul style="list-style-type: none"> <li>The Company additionally purchased ordinary shares of The One Enterprise Co., Ltd., a joint venture, for 220 million baht from Scenario Company Limited, an associate. Thus, the shareholding of the Company in The One Enterprise Co., Ltd. increased from 25.50 percent to 31.27 percent.</li> </ul>
May	<ul style="list-style-type: none"> <li>GMM Channel Holding Co., Ltd., a joint venture, established a subsidiary name "Chane2561 Co., Ltd" to operates the production of TV programs for broadcasting on Digital TV and online platforms as well as organizing concerts. Change2561 has 20 million baht in paid-up capital.</li> </ul>
August	<ul style="list-style-type: none"> <li>Established a subsidiary name "OSP TV Co., Ltd" to operates as a satellite television platform provider. The percentage of shareholding is 51 percent and Paid-up 25 percent at 130,000 baht. Where, GMM CJO Shopping Co., Ltd, a subsidiary, hold 49 percent of shares.</li> </ul>
September	<ul style="list-style-type: none"> <li>GMM Channel Holding Co., Ltd., a joint venture, established a subsidiary name "GMM Studio International Company Limited" to operates the production of TV programs for broadcasting on Digital TV and online platforms. GMM Studio International has THB 20 million in paid-up capital.</li> </ul>
November	<ul style="list-style-type: none"> <li>The Company closed down "Family know how Co., Ltd" an associate, jointly-owned (50 percent) with the Stock Exchange of Thailand, announced the discontinuing of Money Channel which broadcast on cable TV and satellite TV from 1 January 2019 onwards.</li> <li>The Company closed down inactive subsidiaries; Tifa Studio, Gung Ho Studios and Bravo Studios.</li> </ul>

# GMM Group Structure

## GMM Group Structure





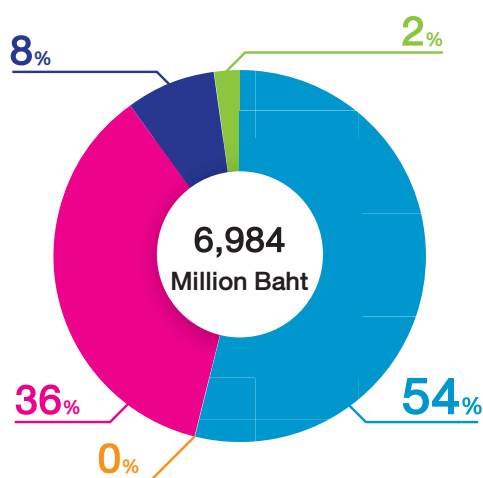


- 1) Temporary discontinued operations.  
2) Dissolution, liquidation is being process.

● ● Subsidiaries  
● Associate Companies/Joint Venture



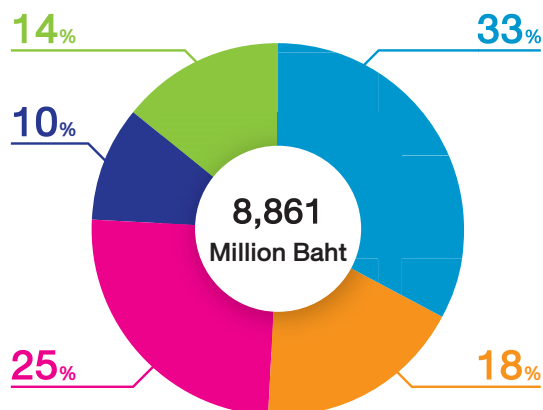
## Revenue Structure



### Revenue Structure 2018

Unit : Million Baht

Music	3,738	54%
Media - GMM25 Channel	-	0%
Merchandise	2,546	36%
Other Business	586	8%
Other Income	114	2%
<b>Total</b>	<b>6,984</b>	<b>100%</b>



### Revenue Structure 2017

Unit : Million Baht

Music	2,963	33%
Media - GMM25 Channel	1,551	18%
Merchandise	2,178	25%
Other Business	902	10%
Other Income	1,267	14%
<b>Total</b>	<b>8,861</b>	<b>100%</b>



Product / Service Operated by	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Music and digital businesses</b>						
<b>Music</b>						
GMM Grammy Plc.	621.31	8.9	469.61	5.3	545.29	7.3
GMM Music Publishing International Co., Ltd.	249.88	3.6	209.84	2.4	219.82	3.0
Digistream Co., Ltd.	0.00	0.0	0.43	0.0	21.09	0.3
Fan TV Co., Ltd.	17.15	0.2	27.84	0.3	42.57	0.6
Other subsidiaries	23.72	0.3	21.36	0.2	16.00	0.2
<b>Total revenues from music</b>	<b>912.06</b>	<b>13.1</b>	<b>729.08</b>	<b>8.2</b>	<b>844.77</b>	<b>11.4</b>
<b>Digital Music</b>						
GMM Grammy Plc.	860.23	12.3	625.96	7.1	798.89	10.8
<b>Total revenues from digital music</b>	<b>860.23</b>	<b>12.3</b>	<b>625.96</b>	<b>7.1</b>	<b>798.89</b>	<b>10.8</b>
<b>Showbiz</b>						
GMM Grammy Plc.	1,965.65	28.1	1,608.42	18.2	1,232.53	16.6
<b>Total revenues from showbiz</b>	<b>1,965.65</b>	<b>28.1</b>	<b>1,608.42</b>	<b>18.2</b>	<b>1,232.53</b>	<b>16.6</b>
<b>Total revenues from music and digital businesses</b>	<b>3,737.94</b>	<b>53.5</b>	<b>2,963.46</b>	<b>33.4</b>	<b>2,876.19</b>	<b>38.7</b>
<b>Media businesses-GMM25 channel</b>						
<b>Digital TV and others</b>						
GMM Grammy Plc.	-	-	3.37	0.0	8.38	0.1
GMM Media Plc.	-	-	65.11	0.7	148.34	2.0
GMM TV Co., Ltd.	-	-	465.53	5.3	384.13	5.2
Deetalk Co., Ltd.	-	-	53.20	0.6	61.37	0.8
GMM Channel Co., Ltd.	-	-	582.26	6.6	663.37	8.9
<b>Total revenue from digital TV and others</b>	<b>-</b>	<b>-</b>	<b>1,169.47</b>	<b>13.2</b>	<b>1,265.59</b>	<b>17.0</b>
<b>Radio</b>						
GMM Media Plc.	-	-	381.70	4.3	506.24	6.8
<b>Total revenue from radio</b>	<b>-</b>	<b>-</b>	<b>381.70</b>	<b>4.3</b>	<b>506.24</b>	<b>6.8</b>
<b>Total revenue from media businesses-GMM25 channel</b>	<b>-</b>	<b>-</b>	<b>1,551.17</b>	<b>17.5</b>	<b>1,771.83</b>	<b>23.8</b>



Product / Service Operated by	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Merchandise businesses</b>						
<b>Home shopping</b>						
GMM CJ O Shopping Co., Ltd.	2,305.50	33.0	1,940.87	21.9	1,710.34	23.0
OSP TV Co.,Ltd.	0.19	0.0	-	-	-	-
<b>Total revenue from home shopping</b>	<b>2,305.69</b>	<b>33.0</b>	<b>1,940.87</b>	<b>21.9</b>	<b>1,710.34</b>	<b>23.0</b>
<b>Set top box and broadcasting</b>						
GMM Z Co., Ltd.	-	-	0.00	0.0	1.13	0.0
Z Trading Co., Ltd.	240.44	3.4	237.42	2.7	241.93	3.3
<b>Total revenue from set top box and broadcasting</b>	<b>240.44</b>	<b>3.4</b>	<b>237.42</b>	<b>2.7</b>	<b>243.06</b>	<b>4.8</b>
<b>Total revenue from merchandise businesses</b>	<b>2,546.13</b>	<b>36.5</b>	<b>2,178.29</b>	<b>24.6</b>	<b>1,953.40</b>	<b>26.3</b>
<b>Other businesses</b>						
GMM Grammy Plc.	148.07	2.1	448.65	5.1	223.83	3.0
Exact Co., Ltd.	7.41	0.1	16.57	0.2	35.50	0.5
GMM Tai Hub Co., Ltd.	6.85	0.1	2.27	0.0	39.10	0.5
GDH 559 Co., Ltd.	412.57	5.9	402.27	4.5	240.19	3.2
Good Things Happen Co., Ltd.	-	-	0.00	0.0	40.53	0.5
3-RD Co., Ltd.	0.00	0.0	32.35	0.4	109.45	1.5
Other subsidiaries	11.58	0.2	0.30	0.0	4.63	0.1
<b>Total revenue from other businesses</b>	<b>586.48</b>	<b>8.4</b>	<b>902.42</b>	<b>10.2</b>	<b>693.23</b>	<b>9.3</b>
<b>Interest income</b>	<b>7.21</b>	<b>0.1</b>	<b>13.02</b>	<b>0.1</b>	<b>12.92</b>	<b>0.2</b>
<b>Dividend received</b>	<b>0.00</b>	<b>0.0</b>	<b>4.00</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>
<b>Gain on sale of investments</b>	<b>0.00</b>	<b>0.0</b>	<b>5.11</b>	<b>0.1</b>	<b>0.00</b>	<b>0.0</b>
<b>Gain associated with the loss of control in subsidiary</b>	<b>0.00</b>	<b>0.0</b>	<b>1,004.00</b>	<b>11.3</b>	<b>2.56</b>	<b>0.0</b>
<b>Gain on deemed disposal of investment in joint venture</b>	<b>0.00</b>	<b>0.0</b>	<b>138.72</b>	<b>1.6</b>	<b>0.00</b>	<b>0.0</b>
<b>Other income</b>	<b>106.60</b>	<b>1.5</b>	<b>101.06</b>	<b>1.1</b>	<b>119.92</b>	<b>1.6</b>
<b>Total revenues</b>	<b>6,984.36</b>	<b>100.0</b>	<b>8,861.26</b>	<b>100.0</b>	<b>7,430.05</b>	<b>100.0</b>



## Business Description

The Group divides its business into three main categories, consisting of 1) Core Business, 2) Related Business, and 3) Joint Venture Business, which are summarized as follows:

### 1. Core Business

The music business operates under the “Total Music Business” model, including artist selection, music production, marketing, music content management, music distribution in terms of physical and digital products, show business and artist management business.

#### 1.1 Music Business

##### 1.1.1 Physical Products

Physical distribution of products includes DVD, MP3, USB, and MP3 formats as well as box-set albums. Sales and distribution are carried out through traditional trade channels, modern trade channels, and kiosks as well as e-commerce and the call center.

##### 1.1.2 Digital Music Business

Fast-developing technology together with changes in consumer behavior compels the music industry to find the best way to reach consumers and generate more revenue for the Company. The digital music business involves converting music content into a digital format for distribution through online music streaming platforms such as YouTube, iTunes, JOOX, Line TV or Spotify, where users can listen to music online, on-demand, or from playlists. Users may also download music for listening offline.

##### 1.1.3 Rights Management Business

Management and collection of copyrights fees from business operators who use the Company’s music for commercial purposes such as radio operators, restaurants and karaoke operators.

#### 1.2 Show Business

Organized concerts and music festivals generate revenue in the form of tickets sales, sponsorships and event organizing fees. In 2018, the Company was very successful in organizing many concerts, as seen from the “Sold Out” concert tickets during Genie Fest 19, PECK PALITCHOKE “FIRST DATE” Concert, MY NAME is NOOM KALA, Clash Awake Concert, OAT PRAMOTE SHOW, The Uncensored and Bab Bird Bird no. 11 DREAM JOURNEY, as well as music festivals including Nanglen Music Festival 3, What The Fest Music Festival and Big Mountain Music Festival 9, which captured the attention of audiences nationwide.

#### 1.3 Artist Management Business

The Company has a policy to improve artist singing skills and acting skills with an emphasis on artist development to elevate to the real professional level. In this regard, the Company places importance on increasing income for artists in the form of live performances in pubs and bars, as well as other opportunities such as serving as product presenters, which leads to artists’ growing popularity over time.

#### 1.4 Other Business

The Company also operates the space rental business for exhibitions, event activities and medium-sized concerts at GMM Live House, which is located on the 8th floor of Central World Department Store. Also, a music school called GR Vocal promotes the Company’s show business and artist management business while generating more revenue for the Company’s music business.





### Industry Outlook

As a leader in the music business, the Company is committed to driving an industry that has changed in the new era under the influence of the digital age. And provides an opportunity for artists to reach out to audiences around the world and enables them to precisely capture the success of a hit song with a clear indication. In the past year, the Company has adjusted its music business model to keep pace with the competition in this new era and support the growth of music streaming, where consumers listen to music using mobile or computer applications. Creating playlists makes it easier to listen to music by partnering with music platform operators such as JOOX, Spotify, LINE, and YouTube. From now on, the Company's mission is to develop quality and robust content, which is a crucial success factor for any content provider.

## 2. Related Business

### 2.1 Movie Business

The movie business operates under GDH 559 Co., Ltd, a subsidiary of the Company. Films released in 2018 include “Brother of the Year”, “Homestay” and a documentary film “2,215” with the inside stories and unseen footage behind the historical fundraising phenomenon of ‘Kao Kon La Kao’ campaign. GDH559 aims to release 3-4 films each year to capitalize on its unique capabilities to produce a variety of high-quality films. GDH559 is well equipped in terms of production and personnel, comprising highly-skilled teams to create outstanding films that bring about differentiation and happiness for movie watchers.

### Industry Outlook

In 2018, the Thai movie industry began to recover and experience renewed growth. Thai movies generate higher average revenue and thus higher market share, which results from more big-budget films being released compared to the previous year. Cinema expansion to suburban areas has also had a positive impact. However, the movie business requires high investment, while the degree of a film's success depends on the popular trends with audiences. In 2019, industry trends anticipate growth in advertisement spending in theaters following more branches opening, especially in the provincial market. New film line-ups from leading operators will drive the Thai film market to expand further, with a positive viewpoint from the operator with respect to production and presentation in Thailand and overseas markets. Several internal and external factors contribute to the success of Thai movies, including:

- Stories and scripts must be fresh and remarkable. Thorough research is needed to produce each story. The screenwriter must use effective writing skills and possess knowledge of movie language as well as conversational language so that the message is conveyed to the target audience in a relatable way.
- Branding: Film producers and studios must ensure moviegoers of the quality in all the movies they produce and that their films always receive grand receptions and are successful.
- Analyses are needed to truly understand target customers, determine the movie genre, and prepare proper scripts, actors and actresses, as well as the right public relations plans. These will help meet the demands of target customers.



## 2.2 Home Shopping Business

The home shopping business concerns the 24-hour distribution of goods through program channel “O Shopping”, where customers can choose and purchase products from their home. O Shopping is managed by GMM CJ o Shopping Co., Ltd., a joint venture of the Company and CJ O Shopping CO., Ltd., a leading home shopping operator in South Korea. The Company aims to become the leader in Thailand’s home shopping industry by creating a home shopping program that is fresh and unique under the concept “Be better, Everyday life”; the more you know O Shopping, the better everyday life.

### Industry Outlook

In 2018, O shopping succeeded in selling beauty products, especially to female customers. The home shopping market is valued at more than 13 billion baht, which attracts more players. However, there’s still potential growth in Thailand’s home shopping market.

In 2019, O Shopping plans to expand its target consumers to a broader and younger base in response to consumer behavior, which has turned to buying products online. O Shopping will focus on strengthening its e-commerce business strategy by making O Shopping a new destination for online shoppers. The Company believes that the overall business of home shopping will continue to grow and that the Company could maintain its existing customer base as well as acquiring a new customer base, even with higher competition in the market. The Company is aware of these factors and has prepared to confront rivals to retain sustainable growth as follows:

- Creating exciting and reliable television content presented in formats that are easy to understand, which will induce consumers to purchase goods;
- Building confidence in the purchase of goods and services, including providing services as advertised, guaranteeing product quality, efficient delivery systems, and secure payment systems;
- An increasing variety of goods and emphasizing on popular products such as fashion goods, lifestyle goods and E-commerce goods offered to meet demand from consumers of all groups.
- Developing online, internet sales channels and applications on smartphones and social media.

## 2.3 Satellite TV Business

The satellite TV business can be divided into two main categories as follows:

### 2.3.1 Satellite TV Platform

Sales of Set-top boxes (STB) for Satellite TV and Digital TV, Internet Protocol Television, Music Box, MP3 Player, and Karaoke Microphone to support the Company’s main business include the products below:

- GMM Z STREAM is an internet protocol TV box with Android 7.1 operating system providing Ultra HD4K.
- GMM Z HD WISE PLUS is a newer model enabling high-definition Full HD with PVR system, time shift system, and multiplicative media playing function.
- GMM Z HD SMILE, the new look in white color comes with OTA system that adds a channel automatically, smart remote for simple use, and a newly-designed LED screen as well as simple button design.
- GMM Z Music Box Chill Out is a new music box with more than 10,000 easy listening hits.
- MP3 KARAOKE GMM Z STAR, free hit music from WE, Easy to connect with karaoke application. Applicable to both Android and iOS with 2-way speaker power and portable MP3 player.

### 2.3.2 Satellite TV Media

Content production of “Fan Music” and “Money Channel” will be aired on satellite TV channels. However, the Company discontinued broadcasting “Money Channel” from 1 January 2019 onwards.



## Industry Outlook

The satellite TV platform remains the television medium that has the highest number of viewers in the country coupled with the NBTC's must-carry regulations imposed on digital TV, companies and media agencies, which continue to use satellite TV platform as a medium to reach their target market more effectively. However, the satellite TV industry has slowed down since 2018 due to technological advancements in communications. Media consumption behavior has also shifted from traditional media to digital and online media, which results in more intense competition. While the economic recession and advertising spending has slowed, the operating results for the satellite TV business continues to decline. Especially in the past year, business operators have adapted and expanded to online channels as well as cooperating with strategic partners to sell content on other platforms. The direction is likely to remain stable. For the Group, the satellite television business has an essential role in supporting the public relations of the Group such as the music business, offering greater exposure across the country.

## 3. Joint Venture

At present, the Company operates its Digital TV Business, Radio Business, and Content Creator Business under joint ventures (JV) in The One Enterprises Company Limited and GMM Channel Holding Company Limited. The details are as follows:

### The One Enterprise Company Limited

#### Digital Terrestrial TV Business

The One Enterprise Company Limited operates a general category high-definition channel under "One 31". One31 aims to create high-quality content providing entertainment for mass audiences to become one of the top national television networks. One31 has a variety of program types including drama, variety program, competition, news, and entertainment news. In 2018, One31 had many popular dramas and programs in terms of response and ratings, for example "Wife 2018" "The Shining Stars" "You are my destiny" "Man is Not Real Woman" and programs such as "LOOKTUNG The Battle Project" "Top Chef Thailand 2" and "Roo Mai Krai Sode".

### GMM Channel Holding Company Limited

The company comprises Digital TV "GMM25" Channel, Radio Business and Content Creator Business as follows:

#### Digital Terrestrial TV Business




GMM25 is a general category channel with standard definition. The target audiences are young adults aged between 18-35 years old and Young-at-heart audiences aged 35 years old and older. In 2018, GMM25's popular drama and programs included "Roop Thong" "Khun Por Jom Za" "Club Friday The Series" and "Girl from Nowhere", a teen series which became a phenomenon on social media and reached a global audience on "Netflix", winning many awards locally and internationally.

#### Radio Business

This business includes the production of content or programming to be broadcasted through FM radio, website and mobile applications. In 2018, there were three radio stations, each with unique characteristics and strengths to reach and respond to the needs of the target audiences. Also, the Group operates Show Business to promote its Radio Business. In 2018, there were successfully "sold-out" concerts including "Sam Yak Pak Wan 3+1" "Green Concert #21 Dance Fever" and "Sao Sao Sao", which was the first reunion of the girl group after 34 years.

#### Content Creator Business

This business is the production of content such as prime-time drama, series and variety programs to be aired on Digital TV channels as well as online platform. The goal is to strengthen the digital TV business of the Group. In 2018, this business under GMM Channel Holding created significant content including "Sotus the Series" "Wake Up Chanee the Series" "Toey Tiew Thai" "Happy Birthday the Series" and "School Rangers".

Radio Station	Day / Airtime / Network Coverage	Concession
EFM  	24 hours daily / Bangkok Metropolitan (FM 104.5 MHz) and online (www.efm.fm, “Atime Online” application)	The Royal Thai Army Radio Station
Green Wave  	24 hours daily / Bangkok Metropolitan (FM 106.5 MHz) and online (www.greenwave.fm, “Atime Online” application)	The National Telecommunications Commission
Chill Online  	24 hours daily / Online (www.chill.fm, “Atime Online” application, “Chill Online” application)	-

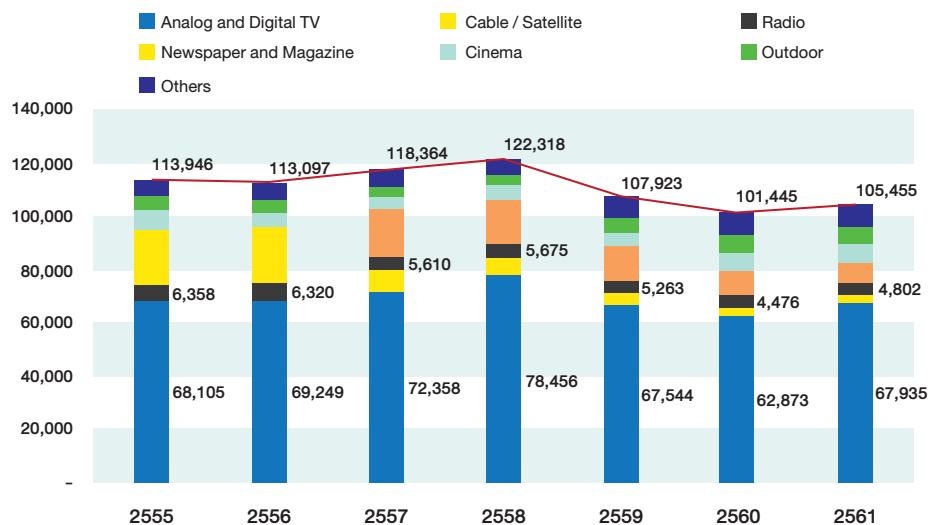




## Industry Outlook

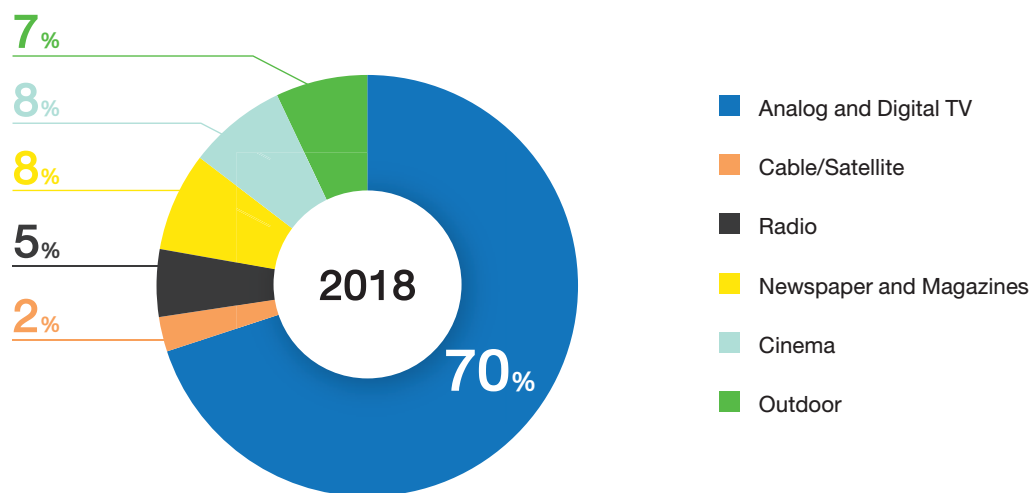
The overall advertising expenditure for all media increased from 101,445 million baht in 2017 to 105,455 million baht in 2018, an increase of 3.8 % Y-o-Y due to an increase in advertising expenditures on Analog/Digital TV and Radio by 7.5% and 6.8%, respectively. On the other hand, advertising spending on Publishing, Newspaper, Satellite TV and Cable TV continued to decrease.

## Value of Media Advertising Expenditures (Million Baht)



Source: AGB Nielsen Media Research (Thailand) Ltd.

## Media Advertising Expenditures in 2018 is 105,455 million baht.



Source: AGB Nielsen Media Research (Thailand) Ltd.



In the past years, the advertising media industry has continued to grow. While the overall digital TV industry has remained stable, the majority of ad spending has been allocated to digital TV media. TV media has a strong viewer base and is able to reach Thai households throughout the country, which affects brand awareness. Also, the new leader in digital TV group has outstanding content and attracts viewers, resulting in media spending in TV to grow continuously. In 2019, the total value of the advertising market is expected to increase from improved economic and political support factors. While the situation of digital TV competition remains intense, each channel released a magnetic content to gain ratings. All TV station attracted the audience with premium quality content that was distinctive and characterized to interest audience to watch live programs rather than from the online platform. This was the variable of creating ratings for more advertising revenue, creating brand recognition among the audience.

The overall transition progress towards digital TV has made significant inroads this year with growing Thai audiences reaching digital TV. As of December 2018, viewers of terrestrial TV channels are evident from higher viewership at 89% and 11% for cable & satellite TV, respectively. By the end of 2018, viewers of terrestrial TV channels in the Bangkok metropolitan area was 93% and 88% (Source: NBTC). In addition, more upside to the digital TV industry in 2019 is derived from governmental aid measures, which can enhance the turnover of digital TV business further.

The Company has set the following strategic plan to create distinctive characteristics and promote digital TV channels to make them more widely known:

- Focus on content that is outstanding, interesting and has variety since viewers select a program based on content. Interesting programming will create an impression on viewers and make them remember the channel. The Company will produce and develop high-quality content in the form of drama, news, variety, and game shows that offer a new choice for the audience.
- Create broader audience awareness of digital TV under GMM 25 and One 31 Channel. The Company is planning a promotion through a variety of channels such as large advertising boards, online media, printed media and promotional activities at various locations and competitions, as well as running a campaign and participating in cross-marketing activities with partners to expand the digital TV audience base by engaging partnership clientele.

The Company intends to establish both digital TV channels as leaders in the Thai digital TV industry to be strong and have high quality.



9 JUNE 2018

PRODUCE BY:  
Yuthana Boonorm

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## RISK FACTORS

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

In 2018, the Group has improved strategies in various areas on a continued basis, aiming to manage risks that may arise in both new and core businesses of the Group, such as preparation on production technologies and capital funds, improvement of organizational structures and work processes, and human resources development at high and middle levels in support of the Group's business management team in response to rapid business growth.

### Corporate Risk

#### 1. Risk from Piracy

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

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





well as the artists themselves have pushed, promoted and enticed the consumers into purchasing the copyrighted while avoiding pirated products.

Moreover, to promote the legal purchase of goods, the Group has continuously developed goods and services as well as new digital service platforms to keep pace with consumers' ever-changing behavior and convenience as well as technological developments while also supplementing the Group's revenue. These digital services include categories of download services, such as ringtones, ring-back tones, full songs and full MVs, in both a la carte and subscription services, through channel application 123GMM on both iOS and Android, website [www.gmmmember.com](http://www.gmmmember.com) and the iTunes Store. Moreover, we include services for listening to music on the internet without the need for downloading (Music Streaming). Customers can listen to hot music tracks from around the world. We also expand the method for reaching the Group's content via GMM Grammy Official Account on YouTube as well as other web-based and mobile applications. In addition, the Company has developed digital content and partnered with digital platforms to create various types of content such as Music stickers with LINE and Artist Content with Line TV. Artist content lets fans feel closer to their favorite artists and creates loyalty, which encourages them to buy copyrighted products. By keeping pace with technology and changes in consumer behavior, the Company builds customer engagement and generates more revenue.

## 2. Risk from Competition in Digital TV Business

Transforming into digital TV is a significant step where people have more option in selecting information they want to see (Fragmentation of Viewing). Such change causes high competition in advertisement rate and broadcast programs. Existing plus new players in the market generates fluctuation in advertisement rate (per minute), especially newly broadcast programs which have not been rated. Therefore, income derived from TV programs are depended on ratings of each program where most of the advertisement agencies and products or service providers would hold their decision to see the supplement factors such as government regulations, ratings standards or general image of each channel. Nonetheless, the transition from analog to digital television has been delayed due to many factors. For instance, an intermittent in expansion of digital television network (MUX-Multiplexer) and digital television subsidy coupons distribution scheme by NBTC causes availability to access to digital content in many areas.

The Company, as a professional operator with experience and expertise in production of television program, still commit to bring to our audience the appropriate and useful television programs. We have created and developed the content of drama, series, news, variety show, game show to constantly present to audiences through two digital TV channels namely ONE HD (31) and GMM25 (25). The Company is capable of producing a variety of contents therefore both digital TV channels are distinct and able to meet the needs of audiences. In order to expand the target audience and to compete in the domestic market and towards the ASEAN community, we have added online channel which enables audience to reach the content through computer or even smart-phones or tablets so as to lead the two digital TV channels to achieve leadership of digital television industry.

The Company has actively acquired strategic alliances to jointly invest in digital TV channels to both strengthen the business and enhance competitiveness in the digital TV industry through continuous development of content and programming that meets target audiences preferences, which boosts popularity and channel ratings. Moreover, the Company has partnered with Netflix, an on-demand VDO streaming platform with viewers all around the World. More than 700 hours of Thai TV series and movies have been featured on Netflix, which generate more revenue for the Company.

## 3. Risk of Business Interruptions due to Force Majeure

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

The Company has therefore arranged the Disaster Recovery Site and conducted an annual rehearsal on the restoration of information so as to reassure that staffers, systems and work places are ready to manage any emergencies and return to normal operations quickly in case of any crisis. This helps to absorb impacts and mitigate any damage that may occur from Force Majeure or any disaster that may hamper business operations. Moreover, the Company also arranged the incident management plan to handle emergency cases which might occur that interrupt the broadcasting operation of both digital TV channels. The plan is reviewed annually.



#### 4. Risk from Retarded Internal Process Adjustment to the Rapid Business Expansion

At present, fast-changing technology and changes in consumers' behavior may affect the business operations of the Company, including the creative structure of products and services to meet customers' needs as well as communication with them. That is why the Company continuously conducts research to keep up with changing technology and changes in consumer behavior to effectively meet customers' needs, including forming partnerships with digital platforms.

The rapid changes in technology and consumer behavior may also affect the internal process adjustment of each business group in various ways, including the Group's organization structure, policy, etc. Consequently, these factors may create risks from retarded internal process adjustment to rapid business expansion.

In order to sustain business growth, however, such risk has always been efficiently managed by revising the organizational structure and adjusting key processes in order to effectively implement all centralized policies together with developing a standardized performance evaluation across all units in the Group. As well as keeping pace with technology and changes in consumer behavior, developing products and services that best serve customers has also been effective.

#### 5. Risk from Relying on Individual Talent

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

However, the Group has continually managed the risk by focusing on rapport between the Group and its staff, emphasizing on promoting, among the staff, the understanding of the underlying business. In addition, it is the Group's policy that deserving talents, whether artists or supporting staff, are given the opportunity to participate in the management process and/or become business partners. As a part of the Group's strategic human resource plan, there exists a protocol outlining career paths for key management figures, top management executives and equally important, plan for recruiting and promoting talents. Furthermore, the Group has developed the standardized performance evaluation together with placing great importance on revising compensation package and benefits for staff to be competitive compared to the other companies in the same industry.

# Presentation and Analysis of Financial Status and Operating Results

## (A) Operating Results

### Overview of Operating Results

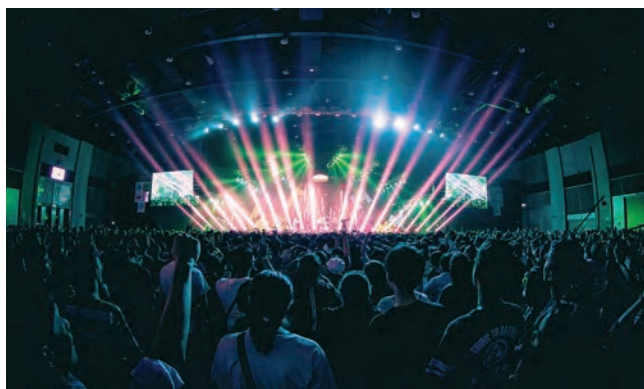
In considering the operating results of the Group in 2018, the difference from the operating results in 2017 is the operating results of GMM Channel Holding Group presented in the financial statement in the first 11 months of the year. In December 2017, after changes to investment and control structure GMM Channel Holding was reclassified as a joint venture and booked on equity method basis. Therefore, to compare the results in 2018 and 2017, the above mention transactions are considered significant.

In 2018, the Company reported an operating income comprising; sales of goods, service income and revenues from copyrights amounted to THB 6,871 million, decreased by 10% from previous year amounted to THB 7,595 million. By excluding revenue of GMM Channel Holding Group, normalized operating revenues for 2018 increased by 14%.

- 1) Revenue from Music Business consists of the physical distribution of products, digital music business, copyrights management business, showbiz and artist management business, and satellite TV business “Fan music.” Income from the music business is amounted to THB 3,738 million, increased by 22% from the previous year and accounted for 54% of the operating income comprising the sales of goods, service income and revenues from copyrights. The increased results from the showbiz success of large-scale concerts such as “Genie Fest 19 Years of Rock” at Rajamangala Stadium, the largest music festival in the country “Big Mountain 9”, PECK PALITCHOKE “First Date”, “BABB BIRD BIRD SHOW # 11” DREAM JOURNEY and more. While the revenue from digital music rose from contents and revenue sharing from online platforms, the Group works in partnership with LINE TV to create Original Content in the form of Artist contents and Premium music content. In 2018, YouTube channels of GMM Grammy Group combined had the highest views and generated the highest revenue from YouTube Thailand.







- 2) Revenue from Movie Business in 2018, two films were released “Brother of the Year” and “Homestay” GDH559’s first drama thriller fantasy film. The box office revenue nationwide amounted to THB 202 million, by including income from another source, the total revenue amounted to THB 419 million, increased by 3% from 2017.
- 3) Revenue from Trading Business consists of the home shopping business under the name “O Shopping,” and satellite set-top boxes “GMM Z.” In 2018, home shopping revenue amounted to THB 2,306 million, increased by 19% from 2017, mainly due to the stronger customer base and the development of online shopping. The satellite TV business revenue amounted to THB 240 million, which is approximately the same as the previous year.
- 4) Other Revenue in 2018 totaled THB 167 million, decreased by 58% from 2017, from revenue granting the broadcasting rights of the European Qualifiers for 2018 FIFA World Cup to air on alliances platform which ended in 2017.

Total revenue in 2018 amounted to THB 6,984 million, decrease by THB 1,619 million from 2017, mainly due to the other income with extraordinary gains from investment restructuring and disposal at THB 1,148 million.

Gross profits are amounted to THB 2,506 million, decreased by 6% from 2017. However, the gross profit margin rose from 35% to 36%.

Meanwhile, cost of sales and services amounted to THB 4,365 million, decreased by 11%, mainly due to the changes in investment restructuring and control.

### Investment Business

The investment in The One Enterprise Company Limited and GMM Channel Holding Company Limited are classified as an investment in the joint venture and booked on equity method basis. Therefore, the financial performance of the two Digital TV and Radio Business presented in the shares of profit/loss from investment in joint venture. In 2018, share of profit/loss from joint venture amounted to THB 150 million, resulting from higher performance of the two-business group.

The One Enterprise Group consists of One31 digital TV channel. The increasing success came from their ability to create quality contents, programming strategy to capture target audience and revenue from online platforms. In the past year, One31’s prime-time drama gained popularity in terms of TV ratings and viral feedback. Prime-time drama “Hunt” “Wife 2018” and “In Family, We Trust” became a talk of the town drama. As well as the News and Variety program also gain popularity and ratings.

GMM Channel Holding Group consists of GMM25 digital TV channel, radio, and showbiz under “A time” and content creator business. GMM25’s differentiated, and trendy contents targeting younger generations and Young-at-Heart audiences. Becoming the most talked about Digital TV on social media and the 2nd top rank views on Line TV. In 2018, TV series “Girl from Nowhere” aired on GMM25 had become a teen phenomenon and received awards locally and internationally. “A time” radio and showbiz able to maintain their excellent performance. As for content creator business, GMM TV, Change2561 and GMM Studio International join forces in creating quality content for a broader range of audience on Digital TV and online platform.

## (B) The financial status of the GMM Grammy Group at year-end 2018

### 1) Assets

As at 31 December 2018, the Group's total assets amounted to THB 3,673 million, a decrease of THB 93 million from THB 3,766 million as at 31 December 2017. Significant items are as follows:

- Cash and cash equivalents and temporary investments amounted to THB 540 million, a decrease of THB 366 million from the year-ended 2017 of THB 905 million. Mainly due to the increase in investment in The One Enterprise Group and new subsidiaries.
- Trade and other receivables amounted to THB 1,125 million, an increase of THB 362 million from the year-ended 2017 of THB 763 million, resulting from higher sales and events towards the last quarter of the year.
- Inventory amounted to THB 195 million, an increase of THB 49 million from THB 146 million at the end of 2017, mostly due to from finished products in the form of contents waiting to be aired.
- Non-current assets amounted to THB 1,685 million, a reduction of THB 138 million from THB 1,823 million at the end of 2017 from the share of loss from associates' company and the allowance for impairment of investment in affiliated company and depreciation.

### 2) Liabilities

The Group's total liabilities at year-end 2018 amounted to THB 2,529 million, a decrease of THB 130 million from THB 2,659 million at the end of the previous year. The significant details are as follows:

- Long-term loans including current portions due within a year, amounted to THB 466 million, a decrease of THB 84 million from the end of 2017 at THB 550 million, due to long term loan repayment.
- Income taxes payable amounted to THB 11 million, a decrease of THB 162 million from the end of 2017 at THB 174 million at the end of previous year, due to payment of tax incurred from investment restructuring in GMM Channel Holding Group.

### 3) Shareholders' equity

At year-end 2018, the Group had shareholders' equity of THB 969 million, an increase of THB 20 million from the operating profits incurred during the year.

### Liquidity and Cash Flow

Cash and cash equivalents amounted to THB 538 million, a decrease of THB 206 million. This consisted of THB 9 million from operating activities, while cash flow used in investing activities amounted THB 123 million, and cash flow from financing activities amounted to THB 92 million. Overall, the liquidity and cash flow status at the end of 2018 was reasonably maintained, demonstrating a firm financial position of the Group.







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#### 4) Significant Ratios in 2018

	2561	2560
<b>Liquidity ratio</b>		
Liquidity ratio (times)	1.06	1.05
Average collection period (days)	34.66	35.03
Inventory Turnover (times)	25.56	33.59
Inventory period (days)	14.28	10.86
Payment period (days)	81.76	66.89
<b>Profitability ratio</b>		
Gross profit margin (%)	36.47	35.26
Operating profit margin (%)	5.5	5.34
Net profit / loss (%)	0.22	-4.34
Return on assets (%)	0.41	-10.2
Return on equity (%)	1.61	-40.46
<b>Financial ratio</b>		
Debt to equity (times)	2.21	2.4
Interest coverage ratio (times)	9.02	2.86

#### 5) Main factors and influences on future business operations and financial status

The overall music business remains firm. The increase in consumer confidence, government's economic policy and the upcoming elections expected in the first quarter of 2019 will have a positive impact on advertising expenditures. While majorities of advertising spending go towards analog and digital TV media. Digital media have the highest growth among all media. For the Company to maintain its competitive position the time where audience media consumption shifted to mainly on smart devices. The Company determined to produce hits songs and contents for the online platforms as well as organizing concerts and music festivals to expand target audiences. Including change in selling strategies to have a more variety of channel of distribution.

In addition to the government and the NBTC relief measures to grant digital TV operators a debt-moratorium on unpaid license fees with the subsidy on broadcasting network charges such as Multiplexers (MUX) and incurred from the implementation of Must Carry rules will result in a significant cost reduction for operators. Combined with creative and development of quality content to meet the preference of target audiences will be a positive factor to enhance the operating results of the company's joint venture.

The financial status of the Company remains firm as the restructuring of the business has led to a significant reduction in liabilities, and the interest-bearing debt-to-equity ratio had improved to 0.51 times as at the year ended 2018. This puts the Group on a firm position to move the business forward, and we believe that this will deliver further growth in the operating results for 2019.

**1 เด็กใหม่ 13 ข่าวดาว**

ที่ทุกโรงเรียนอยากปิดให้มืดที่สุด  
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GMM  
GRAMMY

\* S O U R



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

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

At the Board of Directors' meeting on February 28, 2019, which every Audit Committee members, management and internal audit department attended to evaluate the sufficiency of the Company's internal control system for the year 2018. The system set by the management which compliance with the SET regulations and COSO guideline. The Board agreed with the Audit Committee that the Group's quarterly and the annual financial statement for the year 2018 (which has been audited by the external auditor) has been prepared in accordance with generally accepted accounting principles and disclosed sufficiently, accurately and reliably. In general, the internal control system of the Company and subsidiaries was fairly established and appropriate to the Company business. There were no internal control deficiencies which would affect the accuracy and reliability of the financial statement and the achievement of the entity's business goal. The Board of Directors has expressed the opinion on the sufficient of the Company and subsidiaries' internal control system in "Internal Control" section.

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



Mr. Paiboon Damrongchaitham  
Chairman



Ms. Boosaba Daorueng  
Group Chief Executive Officer



## Independent Auditor's Report To the Shareholders of GMM Grammy Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of GMM Grammy Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of GMM Grammy Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GMM Grammy Public Company Limited and its subsidiaries, and of GMM Grammy Public Company Limited as at 31 December 2018, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Key Audit Matters

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



I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

### ***Impairment of investments***

As discussed in Note 12 - 15 to the financial statements, the Group has investments in subsidiaries, joint ventures, associates and other long-term investments at cost totaling Baht 10,262 million and has impairment losses on investments in subsidiaries, associates and other long-term investments totaling Baht 6,969 million. In determining the impairment loss, management had to exercise judgement with respect to its projections of future operating performance, plans for each investee, and determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of impairment loss recorded on investments.

I assessed the management's identification of cash generating units and selection of a financial model, by gaining an understanding of management's decision-making process and evaluating whether the decisions were consistent with its financial history and industry trends. In addition, I gained an understanding of and assessed the following:

- The assumptions applied in preparing plans and cash flow projections for each company, based on the understanding I gained of the process by which the figures were arrived at, comparison of the assumptions with external and internal sources of information and comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections, and comparison of the long-term growth rate of each company with economic and industry forecasts.
- The discount rate, based on comparison of the average cost of capital and other data with those used by comparable organisations.
- The assumptions and approaches used by the management in calculating the fair value of assets.



I considered the scope and probability of potential changes in the key assumptions (both individually and collectively as a group) and in particular the growth rates applied in preparing the cash flow projections, by comparing them to economic and industry forecasts. In addition, I reviewed the disclosure of information with respect to impairment of investments.

### ***Revenue recognition***

The Group's revenue is significant to the financial statements and directly affects its operating results, to which users of financial statements pay attention. The Group has numerous types of revenue and it is derived through various channels, under agreements with a large number of customers that contain a variety of conditions, pertaining to matters such as sales promotions and discounts. In addition, changes in consumer behavior and industry trends have directly affected the competitive environment in media and entertainment industry. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for sales and service transactions occurring during the year and near the end of the accounting period, and with special consideration given to expanding the scope of the examination supporting documentation for transactions occurring near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end, with special consideration given to expanding the scope of sampling of documentation.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.





## **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.



As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 those charged with governance 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 those charged with governance 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 those charged with governance, I determine those matters that were of most significance in the audit of the 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.

I am responsible for the audit resulting in this independent auditor's report.

Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 28 February 2019



**Statement of financial position**  
GMM Grammy Public Company Limited and its subsidiaries  
As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	538,359,206	744,049,679	302,080,688	313,463,030
Current investments	8	1,450,957	161,394,327	-	150,000,000
Trade and other receivables	9	1,125,374,688	763,214,560	891,444,994	505,403,617
Prepaid expenses		27,405,473	28,561,728	6,801,195	7,844,605
Inventories	10	195,194,189	146,367,884	106,104,096	68,922,327
Advance payments		25,390,288	24,922,395	20,999,726	13,245,305
Other current assets	11	74,494,164	74,294,248	18,139,179	6,350,299
<b>Total current assets</b>		<b>1,987,668,965</b>	<b>1,942,804,821</b>	<b>1,345,569,878</b>	<b>1,065,229,183</b>
<b>Non-current assets</b>					
Investments in subsidiaries	12	-	-	902,253,920	936,404,348
Investments in joint ventures	13	491,564,633	508,434,621	2,191,549,400	1,971,549,400
Investments in associates	14	216,789,925	272,384,258	196,541,357	213,641,357
Other long-term investments	15	2,546,327	1,630,908	2,546,327	1,630,908
Loans to related parties	6	-	-	-	39,245,000
Leasehold improvement and equipment	16	278,709,927	287,149,550	157,038,448	184,270,472
Other intangible assets	17	315,548,287	296,957,547	312,691,602	295,382,239
Deferred tax assets	25	187,382,904	215,239,653	164,631,548	156,629,423
Other non-current assets	18	192,896,100	241,498,463	86,931,052	125,714,013
<b>Total non-current assets</b>		<b>1,685,438,103</b>	<b>1,823,295,000</b>	<b>4,014,183,654</b>	<b>3,924,467,160</b>
<b>Total assets</b>		<b>3,673,107,068</b>	<b>3,766,099,821</b>	<b>5,359,753,532</b>	<b>4,989,696,343</b>

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

# Statement of financial position (continued)

GMM Grammy Public Company Limited and its subsidiaries  
As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	19	1,245,165,064	1,194,410,297	693,126,676	641,680,934
Unearned income		213,361,573	188,827,065	103,904,906	90,335,547
Short-term loans from related parties	6	-	-	849,000,000	423,500,000
Current portion of long-term loan	20	84,000,000	48,000,000	84,000,000	48,000,000
Current portion of liabilities under finance lease agreements		10,658,318	11,481,341	8,867,100	10,195,788
Income tax payable		11,203,514	173,675,701	-	167,932,133
Other current liabilities	21	312,657,990	241,689,508	282,109,877	150,076,363
<b>Total current liabilities</b>		<b>1,877,046,459</b>	<b>1,858,083,912</b>	<b>2,021,008,559</b>	<b>1,531,720,765</b>
<b>Non-current liabilities</b>					
Long-term loan - net of current portion	20	466,065,704	549,635,861	466,065,704	549,635,861
Liabilities under finance lease agreements - net of current portion		19,987,876	30,330,147	19,987,876	28,538,929
Provision for long-term employee benefits	22	166,183,536	220,717,574	138,096,641	186,537,978
Deferred tax liabilities	25	10,253	24,194	-	-
<b>Total non-current liabilities</b>		<b>652,247,369</b>	<b>800,707,776</b>	<b>624,150,221</b>	<b>764,712,768</b>
<b>Total liabilities</b>		<b>2,529,293,828</b>	<b>2,658,791,688</b>	<b>2,645,158,780</b>	<b>2,296,433,533</b>

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

## Statement of financial position (continued)

GMM Grammy Public Company Limited and its subsidiaries

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Shareholders' equity</b>					
Share capital					
Registered					
819,949,729 ordinary shares of Baht 1 each		<u>819,949,729</u>	<u>819,949,729</u>	<u>819,949,729</u>	<u>819,949,729</u>
Issued and fully paid					
819,949,729 ordinary shares of Baht 1 each		819,949,729	819,949,729	819,949,729	819,949,729
Paid-in capital					
Share premium		4,847,628,795	4,847,628,795	4,847,628,795	4,847,628,795
Transferred of share premium to offset deficit in separate financial statements		271,203,657	271,203,657	-	-
Retained earnings					
Appropriated - statutory reserve	23	81,994,973	81,994,973	81,994,973	81,994,973
Transferred of statutory reserve to offset deficit in separate financial statements		50,000,000	50,000,000	-	-
Unappropriated (deficit)		(4,831,943,347)	(4,851,260,335)	(3,032,655,571)	(3,054,055,177)
Other components of shareholders' equity		<u>(269,449,433)</u>	<u>(269,674,157)</u>	<u>(2,323,174)</u>	<u>(2,255,510)</u>
Equity attributable to owners of the Company		969,384,374	949,842,662	2,714,594,752	2,693,262,810
Non-controlling interests of the subsidiaries		<u>174,428,866</u>	<u>157,465,471</u>	-	-
<b>Total shareholders' equity</b>		<u>1,143,813,240</u>	<u>1,107,308,133</u>	<u>2,714,594,752</u>	<u>2,693,262,810</u>
<b>Total liabilities and shareholders' equity</b>		<u>3,673,107,068</u>	<u>3,766,099,821</u>	<u>5,359,753,532</u>	<u>4,989,696,343</u>

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





## Income statement

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018



(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Revenues					
Sales of goods		2,754,159,029	2,556,444,265	292,338,455	402,422,909
Service income		2,820,905,262	3,708,441,102	2,344,107,048	1,967,434,613
Revenues from copyrights		1,295,478,871	1,330,449,245	1,154,724,791	1,082,699,473
Interest income		7,210,307	13,018,287	6,690,798	12,551,899
Dividend income		-	4,001,700	76,744,621	304,429,209
Gain on sale of investments in subsidiaries		-	5,103,861	-	944,236,472
Gain associated with the loss of control in subsidiaries	1.2	-	1,004,003,404	-	-
Gain on deemed disposal of investment in joint venture		-	138,721,775	-	-
Other income		106,597,910	101,070,927	85,053,675	59,629,987
Total revenues		6,984,351,379	8,861,254,566	3,959,659,388	4,773,404,562
Expenses					
Cost of sales and services		4,364,707,463	4,917,133,677	2,489,571,779	2,140,129,266
Selling and servicing expenses		589,968,566	533,125,111	101,598,097	80,546,634
Administrative expenses		1,624,287,181	2,503,793,221	1,061,318,783	1,306,323,278
Loss on impairment of investments in subsidiaries		-	-	184,276,978	16,499,800
Loss on impairment of investment in associate		-	-	17,100,000	-
Expenses for legal dispute settlement		-	418,157,768	-	418,157,768
Total expenses		6,578,963,210	8,372,209,777	3,853,865,637	3,961,656,746
Profit before share of profit (loss) from investments in joint ventures and associates, finance cost and income tax expenses					
Share of profit (loss) from investments in joint ventures	13	(150,301,046)	(323,449,977)	-	-
Share of profit (loss) from investments in associates	14	(48,220,118)	8,020,276	-	-
Profit before finance cost and income tax expenses		206,867,005	173,615,088	105,793,751	811,747,816
Finance cost		(33,623,759)	(166,669,072)	(46,408,558)	(77,362,583)
Profit before income tax expenses		173,243,246	6,946,016	59,385,193	734,385,233
Income tax expenses	25	(110,250,906)	(356,687,450)	(44,274,754)	(218,604,383)
Profit (loss) for the year		62,992,340	(349,741,434)	15,110,439	515,780,850
Profit (loss) attributable to:					
Equity holders of the Company		15,434,953	(384,262,166)	15,110,439	515,780,850
Non-controlling interests of the subsidiaries		47,557,387	34,520,732		
		62,992,340	(349,741,434)		
Basic earnings (loss) per share (Baht)					
Profit (loss) attributable to equity holders of the Company	26	0.02	(0.47)	0.02	0.63

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

# Statement of comprehensive income

GMM Grammy Public Company Limited and its subsidiaries  
For the year ended 31 December 2018

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit (loss) for the year</b>	<u>62,992,340</u>	<u>(349,741,434)</u>	<u>15,110,439</u>	<u>515,780,850</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements				
in foreign currency - net of income tax	292,388	2,263,655	-	-
Loss on change in value of available-for-sale investments				
- net of income tax	<u>(67,664)</u>	<u>(20,022)</u>	<u>(67,664)</u>	<u>(20,022)</u>
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods - net of income tax	<u>224,724</u>	<u>2,243,633</u>	<u>(67,664)</u>	<u>(20,022)</u>
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods</i>				
Actuarial gain - net of income tax	8,630,930	14,496,501	6,289,167	10,768,290
Share of actuarial gain (loss) of joint ventures - net of income tax 13	<u>(3,971,193)</u>	<u>16,256,844</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods - net of income tax	<u>4,659,737</u>	<u>30,753,345</u>	<u>6,289,167</u>	<u>10,768,290</u>
<b>Other comprehensive income for the year</b>	<u>4,884,461</u>	<u>32,996,978</u>	<u>6,221,503</u>	<u>10,748,268</u>
<b>Total comprehensive income for the year</b>	<u>67,876,801</u>	<u>(316,744,456)</u>	<u>21,331,942</u>	<u>526,529,118</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	19,541,712	(352,327,315)	<u>21,331,942</u>	<u>526,529,118</u>
Non-controlling interests of the subsidiaries	<u>48,335,089</u>	<u>35,582,859</u>		
	<u>67,876,801</u>	<u>(316,744,456)</u>		

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

## Statement of changes in shareholders' equity

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company						Other components of shareholders' equity			
	Issued and paid-up share capital	Share premium	Transferred of share premium to offset deficit in separate financial statements	Capital surplus from share premium of subsidiaries	Appropriated - statutory reserve	Transferred of statutory reserve to offset deficit in separate financial statements	Other components of shareholders' equity			
							Exchange	Surplus (deficit) on changes in value of financial statements in foreign currency	Difference resulting from share swap between the Company and a subsidiary	Total other components of shareholders' equity
<b>Balance as at 31 December 2016</b>	819,949,729	4,847,628,795	271,203,657	859,297,366	81,994,973	50,000,000	(5,160,958,678)	(305,838)	(189,604,191)	(466,945,865)
Gain (loss) for the year	-	-	-	-	-	-	(384,262,166)	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	29,681,218	2,263,655	(20,022)	2,243,633
Total comprehensive income for the year	-	-	-	-	-	-	(354,570,948)	2,263,655	(20,022)	2,243,633
Disposal in subsidiaries	-	-	-	(659,297,366)	-	-	664,269,291	-	5,423,884	195,028,075
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2017</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,851,260,335)	1,957,817	(269,376,464)	(269,674,157)
<b>Balance as at 31 December 2017</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,851,260,335)	1,957,817	(269,376,464)	(269,674,157)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2018</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,831,943,347)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2019</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,811,743,347)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2020</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,791,543,347)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2021</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,771,343,347)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2022</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,750,908,490)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2023</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,730,473,637)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2024</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,710,038,784)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2025</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,689,603,931)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2026</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,669,169,078)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2027</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,648,734,225)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2028</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,628,299,372)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2029</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,607,864,519)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2030</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,587,429,666)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2031</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,566,994,813)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2032</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,546,559,960)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2033</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,526,125,107)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2034</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,505,690,254)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2035</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,485,255,401)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2036</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,464,820,548)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2037</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,444,385,695)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2038</b>	819,949,729	4,847,628,795	271,203,657	-	81,994,973	50,000,000	(4,423,950,842)	2,250,205	(2,323,174)	(269,449,433)
Gain for the year	-	-	-	-	-	-	15,434,853	-	-	15,434,853
Other comprehensive income for the year	-	-	-	-	-	-	3,882,035	292,388	(67,664)	4,106,759
Total comprehensive income for the year	-	-	-	-	-	-	19,316,988	292,388	(67,664)	19,541,712
Equity attributable to non-controlling interests of the subsidiaries										

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



GMM Grammy Public Company Limited and its subsidiaries  
For the year ended 31 December 2018

(Unit: Baht)

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



## Statement of cash flows

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018



(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit before tax	173,243,246	6,946,016	59,385,193	734,385,233
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	92,234,551	124,407,178	53,233,269	50,568,189
Amortisation	118,817,624	637,043,266	45,088,021	328,540,060
Amortisation of spectrum license	-	119,545,751	-	-
Allowance for doubtful accounts (reversal)	(1,877,708)	90,867,540	(1,738,858)	94,694,620
Reduction of cost of inventory to net realisable value (reversal)	(28,554,615)	48,500,180	(18,118,621)	59,541,106
Allowance for impairment of leasehold improvement and equipment (reversal)	(2,899,206)	(1,014,904)	-	1,285,000
Provision for sales returns (reversal)	144,197,889	(36,726,112)	144,174,012	(34,203,021)
Allowance for impairment of investments in subsidiaries	-	-	184,276,978	16,499,800
Allowance for impairment of investment in associate	-	-	17,100,000	-
Gain on sale of investments in subsidiaries	-	(5,103,861)	-	(944,236,472)
Allowance for doubtful accounts of loans to related parties	-	-	37,245,000	-
Allowance for impairment of intangible assets	2,880,000	44,400,365	-	44,454,917
Gain on disposal of equipment	(1,631,824)	(1,431,989)	(2,644,526)	(372,528)
Dividend income	-	(4,001,700)	(76,744,621)	(304,429,209)
Share of loss from investments in joint ventures	150,301,046	323,449,977	-	-
Share of loss (profit) from investments in associates	48,220,118	(8,020,276)	-	-
Long-term employee benefit expenses	39,412,107	49,890,512	28,828,802	41,103,709
Interest income	(7,210,307)	(13,018,287)	(6,690,798)	(12,551,899)
Gain associated with the loss of control in subsidiaries	-	(1,004,003,404)	-	-
Gain on deemed disposal of investment in joint ventures	-	(138,721,775)	-	-
Interest expenses	33,623,759	166,669,072	46,408,558	77,362,583
Profit from operating activities before changes in operating assets and liabilities	760,756,680	399,677,549	509,802,409	152,642,088
Decrease (increase) in operating assets				
Trade and other receivables	(360,282,420)	(27,741,016)	(375,477,044)	38,024,460
Prepaid expenses	1,156,255	(7,330,692)	1,043,410	20,076,104
Inventories	(143,553,840)	(461,040,933)	(76,805,427)	(113,256,419)
Advance payments	(467,893)	(6,264,732)	(7,754,421)	(5,027,373)
Other current assets	19,668,061	64,788,496	(234,115)	37,285,035
Other non-current assets	(8,478,057)	(93,887,230)	(3,003,310)	(39,743,833)

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

**Statement of cash flows (continued)**  
GMM Grammy Public Company Limited and its subsidiaries  
For the year ended 31 December 2018

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Increase (decrease) in operating liabilities				
Trade and other payables	49,713,818	518,319,836	50,497,141	163,070,517
Unearned income	24,534,508	(23,837,772)	13,569,359	(83,863,020)
Other current liabilities	9,368,341	9,761,989	(12,140,498)	1,370,564
Provision for long-term employee benefits	(53,044,459)	(2,557,014)	(49,020,550)	(2,557,014)
Cash flows from (used in) operating activities	299,370,994	369,888,481	50,476,954	168,021,109
Cash paid for interest expenses	(33,193,916)	(129,444,007)	(46,071,063)	(80,186,052)
Cash paid for termination wages	(30,103,971)	-	(20,388,131)	-
Cash paid for income tax	(266,898,129)	(151,413,000)	(233,405,188)	(86,722,439)
Cash received from income tax refund	40,074,206	64,727,327	37,131,166	34,769,775
<b>Net cash flows from (used in) operating activities</b>	<b>9,249,184</b>	<b>153,758,801</b>	<b>(212,256,262)</b>	<b>35,882,393</b>
<b>Cash flows from investing activities</b>				
Acquisition of equipment	(85,822,614)	(62,835,318)	(27,628,304)	(29,062,140)
Cash received from returning investments of subsidiaries	-	-	-	8,434,125
Cash paid to purchase addition investments in joint venture	(220,000,000)	-	(220,000,000)	-
Cash paid to purchase other long-term investments	(1,000,000)	-	(1,000,000)	-
Cash paid to purchase additional investments in subsidiaries	-	-	(150,126,550)	(526,239,551)
Cash received from disposal of investments in subsidiaries	-	7,841,770	-	1,511,006,193
Net decrease in cash due to loss of control in subsidiaries	-	(282,862,937)	-	-
Cash paid for rights of claim arising from the repayment return of capital as a result of a subsidiary's liquidation	-	(43,551,803)	-	(43,551,803)
Cash received from sale of investments of associates	-	2,605,005	-	-
Cash received from returning investments of associates	-	3,150,000	-	-
Cash paid to purchase additional investments in associates	-	-	-	(188,641,357)
Cash received from disposal of equipments	9,388,665	6,049,963	7,101,534	2,431,538
Decrease in loans to related parties	-	-	2,000,000	10,935,000
Dividend received from subsidiaries and associates	7,374,215	9,658,971	68,445,043	546,523,011
Dividend received from other long-term investments	-	4,001,700	-	2,500
Cash paid (received) to non-controlling interests of subsidiaries				
from investments in subsidiaries	650	(6,329,655)	-	-
Interest income	7,210,307	13,018,287	6,250,938	13,275,816
Decrease in current investments	159,943,370	89,256,263	150,000,000	81,178,214
Cash paid for spectrum license	-	(210,000,000)	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>(122,905,407)</b>	<b>(469,997,754)</b>	<b>(164,957,339)</b>	<b>1,386,291,546</b>

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





## Statement of cash flows (continued)

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018



(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from financing activities</b>				
Increase in short-term loans from banks	-	231,179,584	-	-
Increase (decrease) in short-term loans from related parties	-	-	425,500,000	(1,501,000,000)
Repayment of long-term loan	(48,000,000)	-	(48,000,000)	-
Repayment of liabilities under finance lease agreements	(12,954,294)	(11,766,206)	(11,668,741)	(9,035,719)
Dividend paid to non-controlling interest of subsidiaries	(31,372,344)	(30,209,611)	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>(92,326,638)</b>	<b>189,203,767</b>	<b>365,831,259</b>	<b>(1,510,035,719)</b>
<b>Increase in translation adjustments</b>	<b>292,388</b>	<b>2,263,655</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(205,690,473)</b>	<b>(124,771,531)</b>	<b>(11,382,342)</b>	<b>(87,861,780)</b>
Cash and cash equivalents at beginning of year	744,049,679	868,821,210	313,463,030	401,324,810
<b>Cash and cash equivalents at end of year</b>	<b>538,359,206</b>	<b>744,049,679</b>	<b>302,080,688</b>	<b>313,463,030</b>

### Supplemental cash flows information:

Non-cash transactions:

Assets purchases which payment has yet to be made	1,040,949	-	1,040,949	405,691
Increase in assets from finance lease agreements	1,789,000	18,751,592	1,789,000	19,477,799

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

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 1. General information

#### 1.1 Corporate information

GMM Grammy Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. GMM Grammy Public Company Limited and its subsidiaries (together “the Group”) are principally engaged in various entertainment businesses, including music business, satellite television business, movies business, home shopping business, and co-investment in other businesses (2017: music business, media business, satellite television business, digital TV business and other entertainment businesses). The registered office of the Company is at 50 Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok.

#### 1.2 Partial waiver of subscription rights to the additional issue of ordinary shares of GMM Channel Holding Company Limited (formerly known as “GMM Channel Trading Company Limited”) in 2017

In December 2017, the Company waived Baht 1,000 million of its subscription rights (10 million ordinary shares with a par value of Baht 100 each) in favour of Siridamrongdham Company Limited and Bhakdivattana Company Limited. As a result, the Company’s shareholding in GMM Channel Holding Company Limited decreased from 100 percent to 50 percent, and the Company had only joint control of this company. The Company therefore classified the investment in GMM Channel Holding Company Limited as investment in joint venture and recorded it under the equity method in the consolidated financial statements. The fair value of investment in joint venture at the date of loss of control of GMM Channel Holding Company Limited and its subsidiaries thus assessed was Baht 36.17 per share, and the Company recognised gains totaling Baht 1,004 million, from the restructuring of investments and the partial waiver of subscription rights to the additionally issued ordinary shares and on the measurement of fair value of investment, in 2017 consolidated income statements, under the caption of gain associated with loss of control in subsidiaries.

### 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

# “Notes to consolidated financial statements”

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

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

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

## 2.2 Basis of consolidation

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

Company	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			Percent	Percent
<u>Subsidiaries directly held by the Company</u>				
1. GMM Holding Company Limited	Holding company	Thailand	100	100
2. GMM Music Publishing International Company Limited	Management of music copyrights	Thailand	100	100
3. GMM Tai Hub Company Limited	Production of films and television programmes	Thailand	51	51
4. Fan TV Company Limited (Held 49 percent by GMM Holding Company Limited, a subsidiary)	Production of satellite television programmes	Thailand	51	51
5. GR Vocal Studio Company Limited	Vocal and music schools	Thailand	100	100
6. GMM C.J.O Shopping Company Limited	Wholesale and retail by using advertising media and receiving phone orders and E-commerce order	Thailand	51	51
7. MGA Company Limited	Currently non-active	Thailand	100	100
8. Digital Gen Company Limited	Currently non-active	Thailand	100	100
9. Extraorganizer Company Limited	Currently non-active	Thailand	100	100
10. More Music Company Limited	Currently non-active	Thailand	100	100
11. GDC Company Limited	Currently non-active	Thailand	100	100
12. Z Trading Company Limited	Production and distribution of satellite television and digital TV receivers	Thailand	100	100
13. Digistream Company Limited	Currently non-active	Thailand	100	100
14. Deetalk Company Limited	Currently non-active	Thailand	100	100
15. GDH 559 Company Limited	Production of films and television programmes	Thailand	51	51
16. Teen Talk Company Limited	Currently non-active	Thailand	100	100
17. Exact Company Limited	Production of television programmes	Thailand	100	100



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

Company	Nature of business	Country of incorporation	Percentage of shareholding	
			2018 Percent	2017 Percent
18. Tifa Studios Company Limited	Production of TV programmes for broadcasting on Digital TV and online platforms	Thailand	100	-
19. Gung Ho Studios Company Limited	Production of TV programmes for broadcasting on Digital TV and online platforms	Thailand	100	-
20. Bravo Studios Company Limited	Production of TV programmes for broadcasting on Digital TV and online platforms	Thailand	100	-
21. OSP TV Company Limited (Held 49 percent by GMM CJ O Shopping Company Limited, a subsidiary)	Satellite television platform provider	Thailand	51	-
<u>Subsidiaries held by GMM Holding Company Limited</u>				
1. GMM Studio Company Limited	Currently non-active	Thailand	100	100
2. Grammy Publishing House Company Limited	Currently non-active	Thailand	100	100
3. GMM Goods Company Limited (Formerly known "GMM Fitness Club Company Limited")	Wholesale and retail	Thailand	100	100
4. G Broadcast Company Limited (Formerly known as "Mifah Company Limited")	Satellite television platform provider	Thailand	100	100
5. GMM Digital Domain Company Limited	Currently non-active	Thailand	100	100
6. Magic Film Company Limited	Currently non-active	Thailand	90.91	90.91
7. Global Music and Media (China) Limited	Currently non-active	Hong Kong SAR	100	100
<u>Subsidiary held by GMM Digital Domain Company Limited</u>				
1. Digital Arms Company Limited	Currently non-active	Thailand	100	100
<u>Subsidiaries held by Z Trading Company Limited</u>				
1. G S-one Company Limited	Currently non-active	Thailand	100	100
2. GMM Z Company Limited	Satellite television platform provider	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) During the year 2018, there were the following changes in the composition of the subsidiaries:

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### Newly established subsidiaries

Investor	Subsidiaries	Nature of business	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
GMM Grammy Public Company Limited	Tifa Studios Company Limited	Production of TV programs for broadcasting on Digital TV and online platforms	100	Invested in 99,997 ordinary shares of the subsidiary, which registered its incorporation with the Ministry of Commerce on 28 March 2018, at a price of Baht 100 per share, for a total of Baht 10 million. Then, additionally invested in 400,000 ordinary shares, at a price of Baht 100 per share, for a total of Baht 40 million. The capital increase has no effect to the Company's shareholding in that company.	50,000
GMM Grammy Public Company Limited	Gung Ho Studios Company Limited	Production of TV programs for broadcasting on Digital TV and online platforms	100	Invested in 499,997 ordinary shares of the subsidiary, which registered its incorporation with the Ministry of Commerce on 21 May 2018, at a price of Baht 100 per share, for a total of Baht 50 million.	50,000

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

Investor	Subsidiaries	Nature of business	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
GMM Grammy Public Company Limited	Bravo Studios Company Limited	Production of TV programs for broadcasting on Digital TV and online platforms	100	Invested in 499,997 ordinary shares of the subsidiary, which registered its incorporation with the Ministry of Commerce on 21 May 2018, at a price of Baht 100 per share, for a total of Baht 50 million.	50,000
GMM Grammy Public Company Limited	OSP TV Company Limited	Satellite television platform provider	51	Invested in 5,098 ordinary shares of the subsidiary, which registered its incorporation with the Ministry of Commerce on 17 August 2018, at a price of Baht 100 per share, (25 percent paid up)	127
GMM C.J.O. Shopping Company Limited	OSP TV Company Limited	Satellite television platform provider	49	Invested in 4,899 ordinary shares of the subsidiary, which registered its incorporation with the Ministry of Commerce on 17 August 2018, at a price of Baht 100 per share, (25 percent paid up)	123





## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018



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

### 3. New financial reporting standards

#### **(a) Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarification directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.

#### **(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019**

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

The management of the Group believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Group believe that this standard will not have any significant impact on the financial statements when it is initially applied.

### **(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

## Notes to consolidated financial statements

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These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entity's business model, calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### 4. Significant accounting policies

#### 4.1 Revenue recognition

##### *Sales of goods*

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

##### *Revenues from services*

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

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

- b) Revenues from production of concerts

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

- c) Revenues from production of motion pictures

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



## Notes to consolidated financial statements

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

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

d) Management fee and consultant fee income

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

e) Artist management income

Artist management income is recognised when services have been rendered.

f) Revenues from studio service

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

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

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

h) Revenues from production and service

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

*Revenues from copyrights*

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

*Interest income*

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

*Dividend received*

Dividend received is recognised when the right to receive the dividends is established.



## Notes to consolidated financial statements

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### 4.2 Cash and cash equivalents

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

### 4.3 Trade and other receivables

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

### 4.4 Inventories

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

## Notes to consolidated financial statements

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### 4.5 Investments

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

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

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

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

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in the income statement.



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

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### 4.6 Leasehold improvement and equipment / Depreciation

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

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

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

Depreciation is included in determining income.

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

An item of leasehold improvement and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the income statement when the asset is derecognised.

### 4.7 Intangible assets

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

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

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

- a) Computer software is carried at cost less accumulated amortisation and impairment losses (if any). It is amortised on a straight-line basis over the contract periods.
- b) Program rights are carried at cost less accumulated amortisation and impairment losses (if any).

## Notes to consolidated financial statements

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They are recognised as the assets and liabilities under the license contracts when the license contracts period whereby, the cost of rights are known, and rights are under control of the Group. Program rights are amortised on a straight-line basis over the license contract periods.

The Program rights that transfers from inventory, the Group had amortised this right by using 60 percent of the cost from the first on-air, and other cost are amortised by the basis of straight line for 5 years.

- c) Motion picture and cartoon copyrights are carried at cost less accumulated amortisation and impairment losses (if any). They are amortised in proportion to their consumptions through various distribution channels, but over periods of no more than 10 years (for motion pictures) and 5 years (for cartoons) from the release date.

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

Intangible assets with indefinite useful lives are the copyrights and musical compositions which are carried at cost less accumulated amortisation and impairment losses (if any). They have the indefinite useful life, therefore they are not amortised but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually.

### 4.8 Goodwill

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

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

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

## Notes to consolidated financial statements

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### 4.9 Related party transactions

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

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

### 4.10 Long-term leases

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

Leases of building and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

### 4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

## Notes to consolidated financial statements

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### 4.12 Impairment of assets

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

An impairment loss is recognised in the income statement.

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

### 4.13 Provision for goods returns

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

### 4.14 Employee benefits

#### ***Short-term employee benefits***

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

#### ***Post-employment benefits***

##### *Defined contribution plans*

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

##### *Defined benefit plans*

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



## Notes to consolidated financial statements

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

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

### 4.15 Provisions

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

### 4.16 Income Tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

#### Current tax

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

#### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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### 4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

### 5. Significant accounting judgements and estimates

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

#### Allowance for doubtful accounts

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

## “ Notes to consolidated financial statements ”

GMM Grammy Public Company Limited and its subsidiaries  
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### **Impairment of investments**

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

### **Leasehold improvement and equipment/Depreciation**

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

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

### **Intangible assets/Amortisation**

In determining the amortisation of intangible assets, the management is required to make estimates of economic useful lives and the amortisation method of the intangible assets, and to review the amortisation period when there are any changes.

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

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Post-employment benefits under defined benefit plans**

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

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### 6. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Pricing policy*
	2018	2017	
<u>Transactions with joint ventures</u>			
Service income	273	138	(2)/(5)/(6)
Revenues from copy rights	41	6	(3)
Service expenses	390	179	(5)/(6)
<u>Transactions with associated companies</u>			
Service income	15	153	(2)
Service expenses	33	61	(5)
<u>Transactions with related companies</u>			
Rental and service expenses	168	302	(1)/(5)/(6)
<u>Transactions with management and directors</u>			
Service expenses	1	5	(3)/(5)

(Unit: Million Baht)

	Separate		Pricing policy*
	financial statements		
	2018	2017	
<u>Transactions with subsidiaries</u>			
(eliminated from the consolidated financial statements)			
Service income	26	125	(2)/(4)/(5)
Revenues from copyrights	170	170	(3)
Other income	4	5	(5)
Service expenses	30	123	(5)
Interest expenses	13	43	(7)
<u>Transactions with joint ventures</u>			
Service income	216	94	(2)/(5)/(6)
Revenues from copyrights	20	-	(3)
Service expenses	268	103	(5)/(6)



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	(Unit: Million Baht)		
	Separate financial statements		Pricing policy*
	2018	2017	
<u>Transactions with associated companies</u>			
Service income	-	10	(2)
Rental and service expenses	2	6	(2)
<u>Transactions with related companies</u>			
Rental and service expenses	152	136	(1)/(5)/(6)
<u>Transactions with management and directors</u>			
Service expenses	1	1	(3)/(5)

### \*Pricing policy explanation

- (1) Contract price with the rental rate as appraised by independent valuer
- (2) With reference to prices charged to third parties depending on when the sales were made and the agreement
- (3) Charge per unit purchased/sold with reference to market price
- (4) Cost plus margin
- (5) Mutually agreed price
- (6) Contract price
- (7) At the rate not lower than the rate of fixed deposit or the rate of minimum loan rate (MLR) minus 1 percent per annum based on case by case

## Notes to consolidated financial statements

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As at 31 December 2018 and 2017, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Trade and other receivables - related parties (Note 9)</b>				
Subsidiaries	-	-	53,028	46,649
Joint ventures	118,773	121,399	104,471	81,681
Associated companies	208	47,803	43	1,378
Related companies (related by common shareholder)	382	3,699	382	3,689
Total trade and other receivables - related parties	119,363	172,901	157,924	133,397

### **Trade and other payables - related parties (Note 19)**

Subsidiaries	-	-	23,404	20,301
Joint ventures	159,078	130,304	137,167	85,695
Associated companies	7,216	2,019	58	16
Related companies (related by common shareholder)	4,858	3,334	4,431	3,024
Management and directors	486	3,320	486	645
Total trade and other payables - related parties	171,638	138,977	165,546	109,681

### **Loans to/loans from related parties**

As at 31 December 2018 and 2017, the balances of loans between the Company and those related companies and the movement of loans are as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at	During the year		Balance as at
	31 December 2017	Increase	Decrease	31 December 2018
<b><u>Loans to related parties</u></b>				
<b>Subsidiaries</b>				
Digistream Company Limited	12,000	-	-	12,000
GR Vocal Studio Company Limited	2,000	-	(2,000)	-
Fan TV Company Limited	25,245	-	-	25,245
Deetalk Company Limited	-	7,200	(7,200)	-
Total	39,245	7,200	(9,200)	37,245
<b><u>Less</u> Allowance for doubtful accounts</b>				(37,245)
Total loans to related parties - net				-

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Minimum interest rate charged on loans to subsidiaries is charged at the rate not lower than the rate of fixed deposit or the rate of minimum loan rate (MLR) minus 1 percent per annum based on case by case.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	31 December 2017	Increase	Decrease	31 December 2018
<b><u>Short-term loans from related parties</u></b>				
<b>Subsidiaries</b>				
MGA Company Limited	22,500	-	-	22,500
GMM Music Publishing International				
Company Limited	75,000	39,000	(32,000)	82,000
GMM Holding Company Limited	121,500	10,000	(3,500)	128,000
Digital Gen Company Limited	5,500	-	-	5,500
More Music Company Limited	7,000	-	-	7,000
Z Trading Company Limited	82,000	100,000	(50,000)	132,000
GDH 559 Company Limited	60,000	130,000	(60,000)	130,000
GMM CJ O Shopping Company Limited	50,000	50,000	(30,000)	70,000
Exact Company Limited	-	150,000	(40,000)	110,000
Teen Talk Company Limited	-	27,000	-	27,000
GR Vocal Studio Company Limited	-	2,000	(2,000)	-
Tifa Studios Company Limited	-	45,000	-	45,000
Gung Ho Studios Company Limited	-	45,000	-	45,000
Bravo Studios Company Limited	-	45,000	-	45,000
Total short-term loans from related parties	423,500	643,000	(217,500)	849,000

Minimum interest rate charged on loans from subsidiaries are charged at the rate not lower than the rate of fixed deposit or the rate of minimum loan rate (MLR) minus 1 percent per annum based on case by case.

## Notes to consolidated financial statements

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### Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Group had employee benefit expenses payable of their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	66,198	65,338	65,048	48,538
Post-employment benefits	1,919	461	1,914	461
Total directors and management's benefits	68,117	65,799	66,962	48,999

### Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 29.4 to the financial statements.

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash on hand and at banks	368,357	644,048	132,079	213,461
Short-term investments	170,002	100,002	170,002	100,002
Total cash and cash equivalents	538,359	744,050	302,081	313,463

As at 31 December 2018, bank deposits in saving accounts, fixed deposits and highly liquid investments carried interests between 0.10 and 1.30 percent per annum (2017: between 0.10 and 1.35 percent per annum) (the Company only: between 0.10 and 1.30 percent per annum, 2017: between 0.10 and 1.35 percent per annum).

## 8. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Fixed deposit	-	150,000	-	150,000
Short-term investments	1,451	11,394	-	-
Total current investments	1,451	161,394	-	150,000

As at 31 December 2018, current investments carried return on investment between 0.46 to 2.38 percent per annum (2017: between 0.57 to 1.79 percent per annum) (the Company only: None, 2017: between 1.30 to 1.40 percent per annum).





## Notes to consolidated financial statements

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### 9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b><u>Trade receivables - related parties</u></b>				
Aged on the basis of due dates				
Not yet due	59,453	106,971	77,837	59,696
Past due				
Up to 3 months	2,966	29,083	4,235	12,562
3 - 6 months	-	-	428	1,720
6 - 12 months	-	1,316	-	4,432
Over 12 months	562	536	14,509	14,509
Total	62,981	137,906	97,009	92,919
<u>Less</u> Allowance for doubtful accounts	-	-	(13,867)	(13,867)
Total trade receivables - related parties, net	62,981	137,906	83,142	79,052
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	379,311	289,251	281,439	231,324
Past due				
Up to 3 months	234,469	160,476	171,434	67,685
3 - 6 months	32,923	43,100	6,440	37,667
6 - 12 months	47,060	7,181	33,535	6,019
Over 12 months	164,192	126,388	51,205	8,757
Total	857,955	626,396	544,053	351,452
<u>Less</u> Allowance for doubtful accounts	(193,271)	(187,211)	(77,352)	(79,091)
Total trade receivables - unrelated parties, net	664,684	439,185	466,701	272,361
Total trade receivables - net	727,665	577,091	549,843	351,413
<b><u>Other receivables</u></b>				
Other receivables - related parties	31,909	31,296	33,982	37,647
Other receivables - unrelated parties	76,167	93,807	37,376	39,205
Dividends receivable from subsidiaries and associates	-	-	21,299	12,999
Accrued income - related parties	24,473	3,699	19,501	3,699
Accrued income - unrelated parties	301,586	101,685	265,607	96,604
Total other receivables	434,135	230,487	377,765	190,154
<u>Less</u> Allowance for doubtful accounts	(36,425)	(44,363)	(36,163)	(36,163)
Total other receivables - net	397,710	186,124	341,602	153,991
Total trade and other receivables - net	1,125,375	763,215	891,445	505,404

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2018	2017	2018	2017	2018	2017
Tape reels, cassette tapes, CDs, VCDs and DVDs	170,013	185,788	(143,990)	(162,109)	26,023	23,679
Motion picture and cartoon production	24,257	13,285	-	-	24,257	13,285
Television programmes	-	2,248	-	-	-	2,248
Work in process	101,307	78,492	(17,522)	(17,522)	83,785	60,970
Books, teaching aids and magazines	1,057	1,057	(1,057)	(1,057)	-	-
Satellite television receivers	25,358	33,140	(3,470)	(14,049)	21,888	19,091
Others	49,734	37,445	(10,493)	(10,350)	39,241	27,095
<b>Total inventories</b>	<b>371,726</b>	<b>351,455</b>	<b>(176,532)</b>	<b>(205,087)</b>	<b>195,194</b>	<b>146,368</b>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2018	2017	2018	2017	2018	2017
Tape reels, cassette tapes, CDs, VCDs and DVDs	170,039	188,705	(143,990)	(162,109)	26,049	26,596
Work in process	97,577	59,848	(17,522)	(17,522)	80,055	42,326
Others	10,191	10,191	(10,191)	(10,191)	-	-
<b>Total inventories</b>	<b>277,807</b>	<b>258,744</b>	<b>(171,703)</b>	<b>(189,822)</b>	<b>106,104</b>	<b>68,922</b>

In 2017, the Group reduced cost of inventories by Baht 60 million (the Company only: Baht 60 million), to reflect the net realisable value. This was included in cost of sales.

During the current year, the Group reversed the write-down of cost of inventories by Baht 29 million (2017: Baht 11 million) (the Company only: Baht 18 million, 2017: none) and reduced the amount of inventories recognised as expenses during the year.

# Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries  
For the year ended 31 December 2018

## 11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Input tax refundable	49,766	56,275	1,977	1,126
Withholding tax deducted at source	19,868	10,085	11,641	-
Others	4,860	7,934	4,521	5,224
Total other current assets	74,494	74,294	18,139	6,350

## 12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)								
Company	Separate financial statements						Dividend received	
	Paid-up capital		Shareholding		Cost			
			percentage				during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
	(Million Baht)	(Million Baht)	(%)	(%)				
MGA Company Limited	10.5	10.5	100	100	10,500	10,500	-	-
Digital Gen Company Limited	5	5	100	100	5,000	5,000	-	-
GMM Media Public Company Limited	-	-	-	-	-	-	-	233,876
Extraorganizer Company Limited	1	1	100	100	999	999	-	-
More Music Company Limited	1	1	100	100	1,000	1,000	-	-
GMM Holding Company Limited	100	100	100	100	100,000	100,000	-	-
GMM Music Publishing International Company Limited	5	5	100	100	4,999	4,999	27,998	22,998
GMM Tai Hub Company Limited	3	3	51	51	67,907	67,907	17,350	23,348
Fan TV Company Limited	200	200	51	51	83,777	83,777	-	-
GR Vocal Studio Company Limited	5	5	100	100	2,525	2,525	-	-
GMM C J O Shopping Company Limited	356	356	51	51	181,764	181,764	-	-
GDC Company Limited	47	47	100	100	46,814	46,814	-	-
Z Trading Company Limited	5,935	5,935	100	100	5,935,000	5,935,000	-	-
Digistream Company Limited	1	1	100	100	1,000	1,000	-	-
GDH 559 Company Limited	150	150	51	51	76,500	76,500	15,300	7,650
GMM TV Company Limited	-	-	-	-	-	-	-	12,000
Deetalk Company Limited	1	1	100	100	19,392	19,392	-	-
Exact Company Limited	60	60	100	100	81,979	81,979	12,300	-
Teen Talk Company Limited	40	40	100	100	44,260	44,260	-	-
OSP TV Company Limited	0.25	-	51	-	127	-	-	-
Tifa Studios Company Limited	50	-	100	-	50,000	-	-	-
Gung Ho Studios Company Limited	50	-	100	-	50,000	-	-	-
Bravo Studios Company Limited	50	-	100	-	50,000	-	-	-
Total					6,813,543	6,663,416	72,948	299,872
Less: Allowance for impairment of investments					(5,911,289)	(5,727,012)		
Investments in subsidiaries - net					902,254	936,404		

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

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

### Newly established subsidiaries

Investor	Subsidiaries	Nature of business	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
GMM Grammy Public Company Limited	Tifa Studios Company Limited	Production of TV programs for broadcasting on Digital TV and online platforms	100	Invested in 99,997 ordinary shares of the subsidiary, which registered its incorporation with the Ministry of Commerce on 28 March 2018, at a price of Baht 100 per share, for a total of Baht 10 million. Then, additionally invested in 400,000 ordinary shares, at a price of Baht 100 per share, for a total of Baht 40 million. The capital increase has no effect to the Company's shareholding in that company.	50,000
GMM Grammy Public Company Limited	Gung Ho Studios Company Limited	Production of TV programs for broadcasting on Digital TV and online platforms	100	Invested in 499,997 ordinary shares of the subsidiary, which registered its incorporation with the Ministry of Commerce on 21 May 2018, at a price of Baht 100 per share, for a total of Baht 50 million.	50,000



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

Investor	Subsidiaries	Nature of business	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
GMM Grammy Public Company Limited	Bravo Studios Company Limited	Production of TV programs for broadcasting on Digital TV and online platforms	100	Invested in 499,997 ordinary shares of the subsidiary, which registered its incorporation with the Ministry of Commerce on 21 May 2018, at a price of Baht 100 per share, for a total of Baht 50 million.	50,000
GMM Grammy Public Company Limited (Held 49 percent by GMM CJ O Shopping Company Limited, a subsidiary)	OSP TV Company Limited	Satellite television platform provider	51	Invested in 5,098 ordinary shares of the subsidiary, which registered its incorporation with the Ministry of Commerce on 17 August 2018, at a price of Baht 100 per share, (25 percent paid up)	127

During the current year, the Company recorded additionally the allowance for impairment loss of investments in subsidiaries approximately of Baht 184 million (2017: Baht 16 million).

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 13. Investments in joint ventures

#### 13.1 Details of investments in joint ventures:

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

Company	Nature of business	Consolidated financial statements				(Unit: Thousand Baht)	
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2018 (%)	2017 (%)	2018	2017	2018	2017
The ONE Enterprise Company Limited	Production of television programmes and digital on-air	31.27	25.50	1,191,549	971,550	288,966	138,404
GMM Channel Holding Company Limited (formerly known as "GMM Channel Trading Company Limited")	Production of television programmes and digital on-air	50.00	50.00	361,700	361,700	202,599	370,031
Total				1,533,249	1,333,250	491,565	508,435

Company	Nature of business	Separate financial statements				(Unit: Thousand Baht)	
		Shareholding percentage		Carrying amounts based on cost method			
		2018 (%)	2017 (%)	2018	2017	2018	2017
The ONE Enterprise Company Limited	Production of television programmes and digital on-air	31.27	25.50	1,191,549	971,550		
GMM Channel Holding Company Limited (formerly known as "GMM Channel Trading Company Limited")	Production of television programmes and digital on-air	50.00	50.00	1,000,000	1,000,000		
Total				2,191,549	1,971,550		



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

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

### Additional investment in joint venture

Investor	Joint venture	Percentage of shareholding (%)	Description	Amount
GMM Grammy Public Company Limited	The ONE Enterprise Company Limited	31.27	Additionally invested in 2,200,000 ordinary shares, at a price of Baht 100 per share, from Scenario Company Limited, an associate. Thus, the shareholding of the Company in that joint venture increased from 25.50 percent to 31.27 percent.	(Thousand Baht) 220,000

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 13.2 Share of comprehensive income and dividend received

During the years, the Group recognised its share of comprehensive income from investments in the joint ventures in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)						
Joint ventures	Consolidated financial statements				Separate financial statements	
	Share of profit (loss) from investments in joint ventures during the year		Share of other comprehensive income (loss) from investments in joint ventures during the year		Dividend received during the year	
	2018	2017	2018	2017	2018	2017
The ONE Enterprise Company Limited	13,388	(319,524)	(228)	3,999	-	-
GMM Channel Holding Company Limited (formerly known as “GMM Channel Trading Company Limited”)	(163,689)	(3,926)	(3,743)	12,258	-	-
Total	(150,301)	(323,450)	(3,971)	16,257	-	-





## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 13.3 Summarised financial information about material joint ventures

#### Summarised financial information about financial position

(Unit: Million Baht)

	As at 31 December			
	The ONE Enterprise Company Limited		GMM Channel Holding Company Limited	
	As at 31 December		As at 31 December	
	2018	2017	2018	2017
Cash and cash equivalents	482	644	209	1,289
Current assets	1,156	1,183	969	776
Non-current assets	3,654	3,734	1,989	2,043
Total assets	5,292	5,561	3,167	4,108
Short-term loans	-	-	(430)	(565)
Current liabilities	(702)	(793)	(765)	(891)
Long-term loans	(2,297)	(2,296)	(898)	(1,498)
Long-term debentures	-	(478)	-	-
Non-current liabilities	(991)	(720)	(997)	(775)
Total liabilities	(3,990)	(4,287)	(3,090)	(3,729)
<b>Net assets</b>	<b>1,302</b>	<b>1,274</b>	<b>77</b>	<b>379</b>
Shareholding percentage (%)	31.27	25.50	50.00	50.00
<b>Share of net assets</b>	<b>407</b>	<b>325</b>	<b>39</b>	<b>190</b>
Elimination and entries and others	(118)	(187)	-	-
Intangible assets	-	-	164	180
<b>Carrying amounts of joint ventures based on equity method</b>	<b>289</b>	<b>138</b>	<b>203</b>	<b>370</b>

#### Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December			
	The ONE Enterprise Company Limited		GMM Channel Holding Company Limited	
	2018	2017	2018	2017
Revenues	2,773	2,179	2,189	291
Cost of sales and services	(1,705)	(1,515)	(1,455)	(211)
Selling and servicing expenses	(260)	(185)	(220)	(19)
Administrative expenses	(624)	(605)	(646)	(55)
Finance cost	(145)	(241)	(92)	(12)
Profit (loss) before income tax expenses	39	(367)	(224)	(6)
Income tax benefits (expenses)	(10)	(154)	(71)	1
Profit (loss) for the year	29	(521)	(295)	(5)
Other comprehensive income	(1)	16	(8)	24
<b>Total comprehensive income</b>	<b>28</b>	<b>(505)</b>	<b>(303)</b>	<b>19</b>

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

One 31 Company Limited (formerly known as “GMM One TV Company Limited”) (“One 31”), a subsidiary of The ONE Enterprise Company Limited, won digital TV spectrum license auction for Variety-HD, held by the National Broadcasting and Telecommunications Commission (“NBTC”). One 31 was required to make payments for the bid prices of Baht 3,320 million (exclusive of VAT) for the licenses under the following conditions:

- 1) Payment for the minimum bid price of the license fees amounting to Baht 1,510 million is to be made in 4 installments within 3 years from the date of obtaining the licenses as specified by the NBTC.
- 2) For the exceeding amount of the minimum bid price of the license fees, the payments are to be made in 6 installments within 5 years from the date of obtaining the licenses as specified by the NBTC.

In 2017, One 31 paid Baht 257 million for the license fee to the NBTC.

GMM Channel Company Limited (“GMM Channel”), a subsidiary of GMM Channel Holding Company Limited, won digital TV spectrum license auction for Variety-SD, held by the National Broadcasting and Telecommunications Commission (“NBTC”). GMM Channel was required to make payments for the bid prices of Baht 2,290 million (exclusive of VAT) for the licenses under the following conditions:

- 1) Payment for the minimum bid price of the license fees amounting to Baht 380 million is to be made in 4 installments within 3 years from the date of obtaining the licenses as specified by the NBTC.
- 2) For the exceeding amount of the minimum bid price of the license fees, the payments are to be made in 6 installments within 5 years from the date of obtaining the licenses as specified by the NBTC.

In 2017, GMM Channel paid Baht 210 million for the license fee to the NBTC.

Furthermore, according to the notification of the NBTC and related laws, One 31 and GMM Channel have a duty to pay license and other fees, and annual fee to the Broadcasting and Telecommunications Research and Development Fund for Public Interest.



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018



On 20 December 2016, there was an announcement from Government Gazette to inform the licensee who has intention to extend the period of payment for the rest amount of the license to inform to NBTC. One 31 and GMM Channel informed NBTC and received a letter approving an extension dated 10 April 2018.

Subsequently, on 23 May 2018, there was an announcement from Government Gazette to inform the licensee who has intention to receive the three-year debt moratorium since the payment that is due in 2018 to inform to NBTC. One 31 and GMM Channel informed NBTC and received a letter approving an extension dated 5 June 2018. As a result of the extension, the joint ventures are required to make payment of the balance of the license fee as follow:

	(Unit: Million Baht)	
	One 31	GMM Channel
1) Payment for the minimum bid price has to be made within 2021.	76	19
2) For the exceeding amount of the minimum bid price, divided into 5 installments and has to be made within 2025.	905	955

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 14. Investments in associates

#### 14.1 Details of associates

Company	Nature of business	Country of incorporation	Consolidated financial statements							(Unit: Thousand Baht)	
			Paid up capital		Percentage of shareholding		Cost				
			2018	2017	2018	2017	2018	2017	2018		2017
			(Million Baht)	(Million Baht)	(%)	(%)			based on equity method		
<b><u>Associates held by the subsidiaries</u></b>											
Nadao Bangkok Company Limited	Films production and talent agency services	Thailand	2	2	30	30	600	600	13,178	8,395	
Sawasdeethaweek Company Limited	Design and post production of advertising media and films and public relations for films	Thailand	5	5	25	25	937	937	3,051	2,622	
Siengdeethaweek Company Limited	Provide recording movie sound and movie advertisement, produce sound and music for movie	Thailand	5	5	45	45	2,250	2,250	2,479	3,019	
Ngandeethaweek Company Limited	Public relation and organizer	Thailand	1	1	40	40	400	400	2,546	3,013	
Goodthing Happen Company Limited	Provide advertising media, public relation consulting, and organizer	Thailand	5	5	25	25	1,092	1,092	2,760	2,606	



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

Company	Nature of business	Country of incorporation	Consolidated financial statements						(Unit: Thousand Baht)	
			Paid up capital		Percentage of shareholding		Cost			Carrying amounts based on equity method
			2018	2017	2018	2017	2018	2017		
			(Million Baht)	(Million Baht)	(%)	(%)				
<b><u>Associates held by the Company</u></b>										
Family Know How Company Limited	Dissolution and in a process of liquidation	Thailand	50	50	50	50	25,000	25,000	7,905	59,936
Lucks (666) Satellite Company Limited	Currently non-active	Thailand	20	20	25	25	5,000	5,000	-	-
Scenario Company Limited	Production of television programmes and plays	Thailand	70	70	25	25	17,500	17,500	184,871	192,793
Total							52,779	52,779	216,790	272,384

Company	Nature of business	Country of incorporation	Separate financial statements						(Unit: Thousand Baht)	
			Percentage of shareholding		Cost		Allowance for Impairment of investments			Carrying amounts based on cost method - net
			2018 (%)	2017 (%)	2018	2017	2018	2017		
Family Know How Company Limited	Dissolution and in a process of liquidation	Thailand	50	50	25,000	25,000	(17,100)	-	7,900	25,000
Lucks (666) Satellite Company Limited	Currently non-active	Thailand	25	25	5,000	5,000	(5,000)	(5,000)	-	-
Scenario Company Limited	Production of television programmes and plays	Thailand	25	25	188,641	188,641	-	-	188,641	188,641
Total					218,641	218,641	(22,100)	(5,000)	196,541	213,641

During the current year, the Company recorded additionally the allowance for impairment loss of investments in associates approximately of Baht 17 million (2017: Nil).

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 14.2 Share of profit/loss and dividend received

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

Company	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates during the year		Dividend received during the year	
	2018	2017	2018	2017
Scenario Company Limited	(6,172)	(4,638)	1,750	-
Nadao Bangkok Company Limited	7,183	5,449	-	-
Family Know How Company Limited	(49,984)	3,157	2,047	4,555
Other associates	753	4,052	-	-
<b>Total</b>	<b>(48,220)</b>	<b>8,020</b>	<b>3,797</b>	<b>4,555</b>

### 14.3 Summarised financial information about material associates

Summarised information about financial position

	(Unit: Million Baht)			
	Scenario Company Limited		Family Know How Company Limited	
	2018	2017	2018	2017
Current assets	256	261	38	103
Non-current assets	707	938	3	76
Current liabilities	(71)	(50)	(25)	(45)
Non-current liabilities	(150)	(369)	-	(16)
<b>Net assets</b>	<b>742</b>	<b>780</b>	<b>16</b>	<b>118</b>
Shareholding percentage (%)	25	25	50	50
<b>Share of net assets</b>	<b>186</b>	<b>195</b>	<b>8</b>	<b>59</b>
Elimination entries and others	(1)	(2)	-	1
<b>Carrying amounts of associates based on equity method</b>	<b>185</b>	<b>193</b>	<b>8</b>	<b>60</b>

Summarised information about comprehensive income

	(Unit: Million Baht)			
	For the year ended 31 December			
	Scenario Company Limited		Family Know How Company Limited	
	2018	2017	2018	2017
Revenue	288	276	182	222
Profit (loss)	(55)	(19)	(62)	6





## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 15. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2018		2017	
	Cost	Fair Value	Cost	Fair Value
<b><u>Securities available-for-sale</u></b>				
Unit Trusts in Tisco Fixed - Income Fund	3,197	484	3,197	486
BEC World Public Company Limited	236	48	236	131
Total	3,433	532	3,433	617
<u>Add</u> Unrealised loss on changes in value of investments	(2,901)		(2,816)	
Securities available-for-sale - net	532		617	
<b><u>Other investments</u></b>				
Siam Telemarketing Company Limited	3,000		3,000	
Pracharath Rak Samakkee Social Enterprise Company Limited	1,000		-	
CTH Public Company Limited	1,030,340		1,030,340	
Total	1,034,340		1,033,340	
<u>Less</u> Allowance for impairment of investments	(1,033,340)		(1,033,340)	
Other investments - net	1,000		-	
<b><u>Other</u></b>				
Government Savings Bank Bond	1,014		1,014	
Total other	1,014		1,014	
Total other long-term investments - net	2,546		1,631	

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Thousand Baht)

	Separate financial statements			
	2018		2017	
	Cost	Fair Value	Cost	Fair Value
<b><u>Securities available-for-sale</u></b>				
Unit Trusts in Tisco Fixed - Income fund	3,197	484	3,197	486
BEC World Public Company Limited	236	48	236	131
Total	3,433	532	3,433	617
<u>Add</u> Unrealised loss on changes in value of investments	(2,901)		(2,816)	
Securities available-for-sale - net	532		617	
<b><u>Other investments</u></b>				
Siam Telemarketing Company Limited	3,000		3,000	
Pracharath Rak Samakkee Social Enterprise Company Limited	1,000		-	
<u>Less</u> Allowance for impairment of investment	(3,000)		(3,000)	
Other investments - net	1,000		-	
<b><u>Other</u></b>				
Government Savings Bank Bond	1,014		1,014	
Total other	1,014		1,014	
Total other long-term investments - net	2,546		1,631	

The Group has pledged all stock certificates of CTH Public Company Limited as a collateral for long-term loans from a bank. The Group is required to comply with conditions and restrictions stipulated in the agreement.



## Notes to consolidated financial statements

GMIM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 16. Leasehold improvement and equipment

	Consolidated financial statements					(Unit: Thousand Baht)	
	Leasehold improvement	Operating equipment	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Construction in progress and equipment under installation	Total
<b>Cost:</b>							
31 December 2017	478,626	508,628	184,905	316,912	132,185	2,644	1,623,900
Additions	7,061	4,559	11,983	18,333	1,791	44,926	88,653
Disposals	(2,998)	(15,771)	(6,305)	(4,399)	(24,487)	-	(53,960)
Transfer in (out)	11,613	16,592	-	11,950	-	(40,155)	-
31 December 2018	494,302	514,008	190,583	342,796	109,489	7,415	1,658,593
<b>Accumulated depreciation:</b>							
31 December 2017	312,352	386,540	156,300	291,425	88,204	-	1,234,821
Depreciation for the year	32,997	17,971	11,722	16,187	13,358	-	92,235
Accumulated depreciation on disposals	(1,516)	(14,299)	(6,164)	(3,940)	(20,284)	-	(46,203)
31 December 2018	343,833	390,212	161,858	303,672	81,278	-	1,280,853
<b>Allowance for impairment loss:</b>							
31 December 2017	21,218	73,660	1,139	5,911	1	-	101,929
Decrease during year	-	(2,899)	-	-	-	-	(2,899)
31 December 2018	21,218	70,761	1,139	5,911	1	-	99,030
<b>Net book value:</b>							
31 December 2017	145,056	48,428	27,466	19,576	43,980	2,644	287,150
31 December 2018	129,251	53,035	27,586	33,213	28,210	7,415	278,710
<b>Depreciation for the year</b>							
2017 (Baht 0.4 million included in cost of sales and services, and the balance in selling and administrative expenses)							124,407
2018 (Baht 9 million included in cost of sales and services, and the balance in selling and administrative expenses)							92,235

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Leasehold improvement	Operating equipment	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Construction in progress and equipment under installation
<b>Cost:</b>						
31 December 2016	572,257	710,132	240,770	427,227	145,623	534
Additions	12,298	7,892	7,584	17,909	24,739	7,797
Disposals	(3,783)	(13,324)	(5,576)	(12,713)	(28,738)	(92)
Decrease due to loss of control in subsidiary	(103,441)	(200,027)	(19,775)	(84,860)	(6,721)	-
Decrease due to sale of subsidiaries	-	-	(38,443)	(30,651)	(2,718)	-
Transfer in / (out)	1,295	3,955	345	-	-	(5,595)
31 December 2017	478,626	508,628	184,905	316,912	132,185	2,644
<b>Accumulated depreciation:</b>						
31 December 2016	361,553	518,004	188,165	384,370	111,628	-
Depreciation for the year	37,921	36,567	15,062	22,713	12,144	-
Accumulated depreciation on disposals	(2,224)	(11,142)	(4,020)	(13,601)	(28,622)	-
Decrease due to loss of control in subsidiary	(84,898)	(156,889)	(17,684)	(77,801)	(6,710)	-
Decrease due to sale of subsidiaries	-	-	(25,223)	(24,256)	(236)	-
31 December 2017	312,352	386,540	156,300	291,425	88,204	-
<b>Allowance for impairment loss:</b>						
31 December 2016	21,218	74,675	1,139	5,911	1	-
Decrease during year	-	(1,015)	-	-	-	-
31 December 2017	21,218	73,660	1,139	5,911	1	-
<b>Net book value:</b>						
31 December 2016	189,486	117,453	51,466	36,946	33,994	534
31 December 2017	145,056	48,428	27,466	19,576	43,980	2,644
<b>Depreciation for the year</b>						
2016 (Baht 5 million included in cost of sales and services, and the balance in selling and administrative expenses)						166,441
2017 (Baht 0.4 million included in cost of sales and services, and the balance in selling and administrative expenses)						124,407



# Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Thousand Baht)

## Separate financial statements

	Leasehold improvement	Operating equipment	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Construction in progress and equipment Under installation	Total
<b>Cost:</b>							
31 December 2017	334,386	99,476	125,895	241,914	108,961	2,520	913,152
Additions	4,500	2,097	5,598	12,340	1,789	4,134	30,458
Disposals	-	(525)	(1,129)	(4,001)	(18,562)	-	(24,217)
Transfer in / (out)	6,300	-	-	-	-	(6,300)	-
31 December 2018	345,186	101,048	130,364	250,253	92,188	354	919,393
<b>Accumulated depreciation:</b>							
31 December 2017	233,407	85,830	114,824	227,918	66,903	-	728,882
Depreciation for the year	19,882	6,632	5,206	9,461	12,052	-	53,233
Accumulated depreciation on disposals	-	(399)	(1,117)	(3,713)	(14,531)	-	(19,760)
31 December 2018	253,289	92,063	118,913	233,666	64,424	-	762,355
<b>Net book value:</b>							
31 December 2017	100,979	13,646	11,071	13,996	42,058	2,520	184,270
31 December 2018	91,897	8,985	11,451	16,587	27,764	354	157,038
<b>Depreciation for the year</b>							
2017 (all included in selling and administrative expenses)							50,568
2018 (all included in selling and administrative expenses)							53,233

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Thousand Baht)

	Separate financial statements						
	Leasehold improvement	Operating equipment	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Construction in progress and equipment Under installation	Total
<b>Cost:</b>							
31 December 2016	326,957	99,178	124,366	238,836	96,946	-	886,283
Additions	9,496	1,129	2,339	7,908	24,726	3,348	48,946
Disposals	(2,895)	(831)	(810)	(4,830)	(12,711)	-	(22,077)
Transfer in / (out)	828	-	-	-	-	(828)	-
31 December 2017	334,386	99,476	125,895	241,914	108,961	2,520	913,152
<b>Accumulated depreciation:</b>							
31 December 2016	217,290	79,424	109,621	223,726	68,270	-	698,331
Depreciation for the year	17,858	7,230	5,921	8,998	10,561	-	50,568
Accumulated depreciation on disposals	(1,741)	(824)	(718)	(4,806)	(11,928)	-	(20,017)
31 December 2017	233,407	85,830	114,824	227,918	66,903	-	728,882
<b>Net book value:</b>							
31 December 2016	109,667	19,754	14,745	15,110	28,676	-	187,952
31 December 2017	100,979	13,646	11,071	13,996	42,058	2,520	184,270
<b>Depreciation for the year</b>							
2016 (all included in selling and administrative expenses)							56,997
2017 (all included in selling and administrative expenses)							50,568

As at 31 December 2018, the Group had motor vehicles with net book values amounting to Baht 28 million (2017: Baht 44 million) (the Company only: Baht 27 million, 2017: Baht 41 million) which were acquired under finance lease agreements.

As at 31 December 2018, the Group had certain building and equipment items which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 790 million (2017: Baht 753 million) (the Company only: Baht 627 million, 2017: Baht 589 million).





## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 17. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Copyrights to musical compositions	Computer software	Program rights	Motion picture and cartoon copyrights, games licenses and other rights	Total
<b>Cost:</b>					
31 December 2017	343,505	223,472	417,494	1,926,659	2,911,130
Additions	309	2,889	-	14,815	18,013
Transferred from inventories - internal creation	5,319	-	53,378	64,585	123,282
Written off	-	(55,564)	-	(1,535)	(57,099)
31 December 2018	349,133	170,797	470,872	2,004,524	2,995,326
<b>Accumulated amortisation:</b>					
31 December 2017	123,206	188,544	198,471	1,850,863	2,361,084
Amortisation for the year	1,458	8,935	37,410	71,015	118,818
Accumulated amortisation on written off	-	(55,368)	-	(724)	(56,092)
31 December 2018	124,664	142,111	235,881	1,921,154	2,423,810
<b>Allowance for impairment loss:</b>					
31 December 2017	-	-	201,023	52,065	253,088
Increase during year	-	-	-	2,880	2,880
31 December 2018	-	-	201,023	54,945	255,968
<b>Net book value:</b>					
31 December 2017	220,299	34,928	18,000	23,731	296,958
31 December 2018	224,469	28,686	33,968	28,425	315,548
<b>Amortisation for the year</b>					
2017 (Baht 623 million included in cost of sales and services, and the balance in selling and administrative expenses)					637,043
2018 (Baht 106 million included in cost of sales and services, and the balance in selling and administrative expenses)					118,818

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Thousand Baht)

Consolidated financial statements					
	Copyrights to musical compositions	Computer software	Program rights	Motion picture and cartoon copyrights, games licenses and other rights	Total
<b>Cost:</b>					
31 December 2016	337,795	258,019	1,080,070	1,804,541	3,480,425
Additions	-	14,162	-	6,994	21,156
Transferred from inventories - internal creation	5,710	-	342,155	115,124	462,989
Written off	-	(1,656)	(408,296)	-	(409,952)
Decrease due to loss of control in subsidiary	-	(31,080)	(596,435)	-	(627,515)
Decrease due to sale of subsidiaries	-	(15,973)	-	-	(15,973)
31 December 2017	343,505	223,472	417,494	1,926,659	2,911,130
<b>Accumulated amortisation:</b>					
31 December 2016	120,364	211,322	524,975	1,730,764	2,587,425
Amortisation for the year	2,842	12,650	501,452	120,099	637,043
Accumulated amortisation on written off	-	(1,246)	(408,296)	-	(409,542)
Decrease due to loss of control in subsidiary	-	(30,043)	(419,660)	-	(449,703)
Decrease due to sale of subsidiaries	-	(4,139)	-	-	(4,139)
31 December 2017	123,206	188,544	198,471	1,850,863	2,361,084
<b>Allowance for impairment loss:</b>					
31 December 2016	-	54	156,568	52,065	208,687
Increase (decrease )during year	-	(54)	44,455	-	44,401
31 December 2017	-	-	201,023	52,065	253,088
<b>Net book value:</b>					
31 December 2016	217,431	46,643	398,527	21,712	684,313
31 December 2017	220,299	34,928	18,000	23,731	296,958
<b>Amortisation for the year</b>					
2016 (Baht 452 million included in cost of sales and services, and the balance in selling and administrative expenses)					469,742
2017 (Baht 623 million included in cost of sales and services, and the balance in selling and administrative expenses)					637,043



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Thousand Baht)

	Separate financial statements				
	Copyrights to musical compositions	Computer software	Program rights	Motion picture and cartoon copyrights, games licenses and other rights	Total
<b>Cost:</b>					
31 December 2017	391,301	164,833	426,614	345,016	1,327,764
Additions	309	1,281	-	3,090	4,680
Transferred from inventories - internal creation	5,318	-	52,424	-	57,742
Written off	-	(55,302)	-	-	(55,302)
31 December 2018	396,928	110,812	479,038	348,106	1,334,884
<b>Accumulated amortisation:</b>					
31 December 2017	138,356	140,645	205,743	308,572	793,316
Amortisation for the year	1,813	6,152	36,456	667	45,088
Accumulated amortisation on written off	-	(55,278)	-	-	(55,278)
31 December 2018	140,169	91,519	242,199	309,239	783,126
<b>Allowance for impairment loss:</b>					
31 December 2017	-	-	202,870	36,196	239,066
31 December 2018	-	-	202,870	36,196	239,066
<b>Net book value:</b>					
31 December 2017	252,945	24,188	18,001	248	295,382
31 December 2018	256,759	19,293	33,969	2,671	312,692
<b>Amortisation for the year</b>					
2017 (Baht 321 million included in cost of sales and services, and the balance in selling and administrative expenses)					328,540
2018 (Baht 38 million included in cost of sales and services, and the balance in selling and administrative expenses)					45,088

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Thousand Baht)

	Separate financial statements				
	Copyrights to musical compositions	Computer software	Program rights	Motion picture and cartoon copyrights, games licenses and other rights	Total
<b>Cost:</b>					
31 December 2016	385,591	163,657	740,418	345,016	1,634,682
Additions	-	1,280	-	-	1,280
Transferred from inventories - internal creation	5,710	-	94,492	-	100,202
Written off	-	(104)	(408,296)	-	(408,400)
31 December 2017	391,301	164,833	426,614	345,016	1,327,764
<b>Accumulated amortisation:</b>					
31 December 2016	135,130	133,583	295,845	308,572	873,130
Amortisation for the year	3,226	7,120	318,194	-	328,540
Accumulated amortisation on written off	-	(58)	(408,296)	-	(408,354)
31 December 2017	138,356	140,645	205,743	308,572	793,316
<b>Allowance for impairment loss:</b>					
31 December 2016	-	-	158,415	36,196	194,611
Additions	-	-	44,455	-	44,455
31 December 2017	-	-	202,870	36,196	239,066
<b>Net book value:</b>					
31 December 2016	250,461	30,074	286,158	248	566,941
31 December 2017	252,945	24,188	18,001	248	295,382
<b>Amortisation for the year</b>					
2016 (Baht 220 million included in cost of sales and services, and the balance in selling and administrative expenses)					230,686
2017 (Baht 321 million included in cost of sales and services, and the balance in selling and administrative expenses)					328,540

As at 31 December 2018, the Group had certain computer software items which were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 83 million (2017: Baht 134 million) (the Company only: Baht 49 million, 2017: Baht 103 million).

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

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





## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 18. Other non-current assets

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deposit	59,116	60,198	40,112	39,890
Prepaid expenses	16,923	22,309	-	-
Rights of claim arising from the repayment return of capital as a result of a subsidiary's liquidation	43,551	43,551	43,551	43,551
Withholding tax deducted at source	68,825	110,921	-	39,000
Others	4,481	4,519	3,268	3,273
Total other non-current assets	192,896	241,498	86,931	125,714

### 19. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade payables - related parties	143,607	135,657	140,303	109,036
Trade payables - unrelated parties	569,363	521,967	207,041	163,240
Accrued cost - related parties	24,958	3,320	19,739	645
Accrued cost - unrelated parties	275,763	280,686	233,191	243,367
Other payables for purchase of assets - unrelated parties	1,447	406	1,447	406
Accrued expense - unrelated parties	3,073	-	5,504	-
Accrued expenses - related parties	186,241	209,950	85,902	124,987
Accrued commission	40,713	42,424	-	-
Total trade and other payables	1,245,165	1,194,410	693,127	641,681

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 20. Long-term loan

The outstanding balance as of 31 December 2018 and 2017 consisted of:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2018	2017
A Baht loan of the Company, credit facility Baht 1,500 million. Interest is to be paid in monthly installment commencing the month of the first drawdown. Principle is to be paid in quarterly installment commencing June 2018, within 9 years from the date of the first drawdown. The loan carries an interest rate at the Minimum Loan Rate (MLR) minus fixed rate per annum as stated in the agreement.	552,000	600,000
Total	552,000	600,000
<u>Less</u> Deferred loan advisory fee	(1,934)	(2,364)
	550,066	597,636
<u>Less</u> Current portion	(84,000)	(48,000)
Long-term loan - net of current portion	466,066	549,636

The loan agreement contains certain covenants and restrictions. These relate to, among other things, the maintenance of their financial ratios at the rate prescribed in the agreements.

As at 31 December 2018, Baht 900 million of this long-term credit facility has not yet been drawn, and must be drawn within June 2020.

### 21. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Undue output tax	68,060	61,414	53,564	41,464
Provision for sales returns	228,869	84,671	225,783	81,609
Provision for diminution of investment due to change in proportion of investment in joint venture	-	51,973	-	-
Others	15,729	43,632	2,763	27,003
Total other current liabilities	312,658	241,690	282,110	150,076



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 22. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the company, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Provision for long-term employee benefits at beginning of year</b>	220,718	297,086	186,538	161,452
Included in the income statement:				
Current service cost	8,521	41,384	6,765	33,846
Interest cost	787	8,507	1,676	7,258
Included in other comprehensive income:				
Actuarial gain arising from				
Demographic assumptions changes	-	(5,402)	-	(3,037)
Financial assumptions changes	1,339	(17,328)	(1,055)	(12,743)
Experience adjustments	(12,137)	4,661	(6,806)	2,319
Less: Decrease due to loss of control in subsidiary	-	(94,176)	-	-
Less: Decrease due to sale of subsidiary	-	(11,457)	-	-
Benefits paid during the year	(53,044)	(2,557)	(49,021)	(2,557)
<b>Provisions for long-term employee benefits at end of year</b>	166,184	220,718	138,097	186,538

Long-term employee benefit expenses included in the income statement consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current service cost	8,521	41,384	6,765	33,846
Interest cost	787	8,507	1,676	7,258
Loss on curtailments	30,104	-	20,388	-
<b>Total expense recognised in the income statement</b>	<b>39,412</b>	<b>49,891</b>	<b>28,829</b>	<b>41,104</b>

The Group expects to pay long-term employee benefit within one year for approximately Baht 49 million (2017: Baht 66 million) (the Company only: Baht 45 million, 2017: Baht 57 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 10 years (2017: 10 years) (the Company only: 10 years, 2017: 10 years).

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.66	2.58	2.66	2.58
Salary increase rate (depending on age and job position of employee)	2.50 - 7.00	2.50 - 7.00	2.50 - 7.00	2.50 - 7.00
Turnover rate	0.00 - 28.00	0.00 - 28.00	0.00 - 28.00	0.00 - 28.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(4,732)	4,999	(3,635)	3,830
Salary increase rate	4,929	(4,714)	3,777	(3,622)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(6,571)	7,824	(4,710)	5,506

	(Unit: Thousand Baht)			
	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(5,259)	5,554	(4,027)	4,241
Salary increase rate	5,471	(5,234)	4,177	(4,007)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(7,017)	8,339	(5,049)	5,922

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Group have additional liabilities for long-term employee benefits of Baht 32 million (The Company only: Baht 29 million). The Group will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries  
For the year ended 31 December 2018

### 23. Statutory reserve

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

### 24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Salary and wages and other employee benefits	1,145,958	1,552,142	741,441	766,721
Depreciation	92,235	124,407	53,233	50,568
Amortisation expenses	118,818	756,589	45,088	328,540
Rental expenses from operating lease agreements	194,276	422,774	154,090	155,400
Changes in inventories of finished goods and work in progress	(20,272)	(175,929)	(18,019)	(13,879)

### 25. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Current income tax charge	(84,558)	(344,187)	(53,833)	(254,655)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(25,693)	(12,500)	9,558	36,051
<b>Income tax expense reported in the income statement</b>	<b>(110,251)</b>	<b>(356,687)</b>	<b>(44,275)</b>	<b>(218,604)</b>

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax relating on actuarial gain	(2,167)	(3,572)	(1,572)	(2,692)
Deferred tax relating to loss on change in value of available-for-sale investments	17	5	17	5

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Accounting profit before tax	173,243	6,946	59,385	734,385
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	34,649	1,389	11,877	146,877
Effects about temporary differences and tax losses	24,135	135,711	3,505	-
Effects of preparing the consolidated financial statements	6,113	31,323	-	-
Share of loss from investments in joint ventures	30,060	64,690	-	-
Share of loss (profit) from investments in associates	9,644	(1,604)	-	-
Difference in tax rate in the Group	(49)	2	-	-
Effects of:				
Dividends received are excluded from taxable Profit	-	(400)	(15,349)	(22,114)
Non-deductible expenses	10,609	126,916	7,972	92,069
Additional expense deductions allowed	(4,910)	(1,340)	(4,005)	(1,528)
Loss from impairment of investment in subsidiaries	-	-	36,855	3,300
Loss from impairment of investment in associate	-	-	3,420	-
Total	5,699	125,176	28,893	71,727
Income tax expenses reported in the income statement	110,251	356,687	44,275	218,604

The tax rates enacted at the end of the reporting period of the Group is 15% to 20% (2017: 15% to 20%).



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	23,592	23,564	23,007	23,355
Allowance for diminution in value of inventories	30,897	37,996	30,836	37,964
Allowance for asset impairment	2,898	3,478	1,440	1,440
Accumulated depreciation - leasehold improvement and equipment	2,531	1,898	2,531	1,898
Accumulated amortisation - intangible assets	29,937	34,761	28,404	32,779
Securities available-for-sale	581	564	581	564
Provision for long-term employee benefits	32,353	43,059	27,619	37,308
Provision for sales returns	45,157	16,322	45,157	16,322
Unused tax loss	12,167	49,871	-	-
Others	7,270	3,727	5,057	4,999
<b>Total</b>	<b>187,383</b>	<b>215,240</b>	<b>164,632</b>	<b>156,629</b>
<b>Deferred by liability</b>				
Unrealised gain from changes in value of current investments	10	24	-	-
<b>Total</b>	<b>10</b>	<b>24</b>	<b>-</b>	<b>-</b>

As at 31 December 2018, the Group has deductible temporary differences and unused tax losses totaling Baht 2,869 million (2017: Baht 3,185 million), on which deferred tax assets have been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 1,707 million will gradually expire by the year 2023.

## 26. Earnings per share

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

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit (loss) attributable to equity holders of the parent (Thousand Baht)	15,435	(384,262)	15,110	515,781
Weighted average number of ordinary shares (Thousand shares)	819,950	819,950	819,950	819,950
Basic earnings (loss) per share (Baht/share)	0.02	(0.47)	0.02	0.63

### 27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Board of Directors and Executive Committee of the Group.

For management purposes, the Group structured business units in accordance with the governance of the chief operating decision maker. The Group has two principal reportable segments i.e. Music segment comprising music business, showbiz and satellite television and Others segment comprising merchandise and other services business (home shopping, satellite box and satellite television platform provider), and others (films, marketing events and others) (2017: three principal reportable segments i.e. Music segment comprising music business, showbiz and satellite television, Media segment comprising digital TV GMM 25 Channel, radio and television in analog and Others segment comprising merchandise and other services business (home shopping, satellite box and satellite television platform provider), and others (films, marketing events and others)). These operations are mainly carried on in the geographic area of Thailand.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Inter-segment revenues are eliminated on consolidation.



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018



The following table present revenue and profit (loss) information regarding the Group's operating segments for the year ended 31 December 2018 and 2017, respectively.

	For the year ended 31 December								(Unit: Million Baht)	
	Music		Media		Others			Elimination of Inter-segment revenues		Total
					Merchandise and other services		Others			
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from external customers	3,738	2,963	-	1,551	2,546	2,179	587	902	-	6,871
Inter-segment revenues	207	241	-	314	141	114	51	176	(399)	-
Total revenues	3,945	3,204	-	1,865	2,687	2,293	638	1,078	(399)	7,595
Segment operating profit	1,252	1,244	-	484	975	782	418	406	(140)	2,678
Interest income									7	13
Dividend income									-	4
Gain on sale of investments in subsidiaries									-	5
Gain associated with the loss of control in subsidiaries									-	1,004
Gain on deemed disposal of investment in joint ventures									-	139
Other income									-	107
Selling and servicing expenses									107	101
Administrative expenses									(590)	(533)
Expense for legal dispute settlement									(1,624)	(2,504)
Share of loss from investments in joint ventures									-	(418)
Share of profit (loss) from investments in associates									(150)	(323)
Finance cost									(48)	8
Income tax expenses									(34)	(167)
Profit (loss) for the year									(110)	(357)
									63	(350)

### Major customers

For the years 2018 and 2017, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 28. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and employees contribute to the fund monthly at the rate of 3 and 5 percent of basic salary. The fund, which is managed by SCB Asset Management Company Limited and Finansia Asset Management Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 27 million (2017: Baht 35 million) (the Company only: Baht 19 million, 2017: Baht 18 million) were recognised as expenses.

### 29. Commitments and contingent liabilities

#### 29.1 Investing commitments

As at 31 December 2018, the Group has uncalled portions of investments in two associates registered in Thailand, totaling Baht 18 million (2017: in two associates registered in Thailand, totaling Baht 18 million) and of which Baht 265 million are from investments of the Company only in five subsidiaries and an associate registered in Thailand (2017: in four subsidiaries and an associate registered in Thailand, totaling Baht 265 million).

#### 29.2 Operating lease commitments

The Group has entered into several lease agreements with third parties and a related party in respect of the lease of office building, warehouse, exhibition hall and equipment and other services.

Under certain agreements, payments are to be made based on a percentage of sales, before deducting expenses, as stipulated in the individual agreement, and the Group has to comply with various conditions laid out in the agreements.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Payable:				
In up to 1 year	115	209	73	151
In over 1 and up to 5 years	208	235	127	162
In over 5 years	118	189	99	132



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018



### 29.3 Long-term service commitments

- a) The Group have entered into agreements with producers and singers to provide certain services to the Group under which the Group are to pay compensation at fixed rates based on the volume of sales generated as a result of the provision of these services, once sales exceed minimum quantity guarantees set out in the agreements.
- b) The Group has entered into agreements with seven companies, who are to provide satellite transmission services for periods of 1 to 3 years, ending in 2019 to 2020. The Group is obliged to pay transmission service fees and other expenses incurred in relation to such services, as stipulated in the agreements, totaling Baht 31 million and US dollars 0.9 million (2017: Baht 2 million and US dollars 1 million) and are thereby required to comply with conditions stipulated in the agreements.

### 29.4 Guarantees

- a) As at 31 December 2018, the Company has provided guarantees to bank for credit facilities granted to two joint ventures amounting to Baht 1,600 million (2017: two joint ventures amounting to Baht 1,900 million). Generally, the Company's guarantee is binding for as long as the underlying obligations have not yet been discharged by such joint venture.
- b) During the year, the Company's obligations under its guarantee of payment for another joint venture's long-term debenture has been released in full (as at 31 December 2017, obligation to guarantee payment of a joint venture's long-term debenture amounting to Baht 122 million).
- c) As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 6 million issued by banks on behalf of the Group (2017: Baht 5 million) and Baht 6 million of the company only (2017: Baht 3 million) in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 5 million (2017: Baht 4 million) to guarantee contractual performance, Baht 1 million (2017: Baht 1 million) to guarantee electricity use guarantee other.
- d) As at 31 December 2018, the Company has provided guarantees for loans from bank granted related to guarantee the payments for the license fees and the lease agreements for digital terrestrial television service, granted to two joint ventures amounting to Baht 1,065 million (2017: two joint ventures amounting to Baht 1,065 million). Generally, the Company's guarantee is binding for as long as the underlying obligations have not yet been discharged by such joint ventures.

## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### 30. Fair value hierarchy

As at 31 December 2018, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)				
Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Held for trade investment				
Equity instruments	1,451	-	-	1,451
Available-for-sale investments				
Equity instrument	48	-	-	48
Debt instrument	-	484	-	484

(Unit: Thousand Baht)				
Separate financial statements				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Equity instrument	48	-	-	48
Debt instrument	-	484	-	484

### 31. Financial instruments

#### 31.1 Financial risk management

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

#### **Credit risk**

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



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

### Interest rate risk

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

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

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2018							
Fixed interest rates							Effective interest rate (% p.a.)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial assets</u>							
Cash and cash equivalents	538	-	-	-	-	538	Note 7
Current investments	-	-	-	1	-	1	Note 8
Trade and other receivables	-	-	-	-	1,125	1,125	-
	<u>538</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1,125</u>	<u>1,664</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,245	1,245	-
Long-term loan	-	-	-	550	-	550	Note 20
Liabilities under finance lease agreements	<u>11</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31</u>	5.03 - 6.50
	11	20	-	550	1,245	1,826	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2017							
Fixed interest rates							Effective interest rate (% p.a.)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial assets</u>							
Cash and cash equivalents	744	-	-	-	-	744	Note 7
Current investments	150	-	-	11	-	161	Note 8
Trade and other receivables	-	-	-	-	763	763	-
	<u>894</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>763</u>	<u>1,668</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	1,194	1,194	-
Long-term loan	-	-	-	598	-	598	Note 20
Liabilities under finance lease agreements	12	30	-	-	-	42	5.03-7.69
	12	30	-	598	1,194	1,834	



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2018							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		Effective interest rate (% p.a.)
<u>Financial assets</u>							
Cash and cash equivalents	302	-	-	-	302		Note 7
Current investments	-	-	-	891	891		-
	<u>302</u>	<u>-</u>	<u>-</u>	<u>891</u>	<u>1,193</u>		
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	693	693		-
Short-term loans from related parties	-	-	849	-	849		Note 6
Long-term loan	-	-	550	-	550		Note 20
Liabilities under finance lease agreements	<u>9</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>29</u>		5.03 - 6.50
	9	20	-	1,399	693	2,121	

(Unit: Million Baht)

(With which Bank)

Separate financial statements							
As at 31 December 2017							
	Fixed interest rates					Effective interest rate (% p.a.)	
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing		Total
<u>Financial assets</u>							
Cash and cash equivalents	313	-	-	-	-	313	Note 7
Current investments	150	-	-	-	-	150	Note 8
Trade and other receivables	-	-	-	-	505	505	-
Loans to related parties	-	-	-	39	-	39	Note 6
	<u>463</u>	<u>-</u>	<u>-</u>	<u>39</u>	<u>505</u>	<u>1,007</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	642	642	-
Short-term loans from related parties	-	-	-	424	-	424	Note 6
Long-term loan	-	-	-	598	-	598	Note 20
Liabilities under finance lease agreements	10	29	-	-	-	39	5.03-7.69
	<u>10</u>	<u>29</u>	<u>-</u>	<u>1,022</u>	<u>642</u>	<u>1,703</u>	

### Foreign currency risk

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



## Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2018



### 31.2 Fair values of financial instruments

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

### 32. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 2.21:1 (2017: 2.40:1) and the Company's was 0.97:1 (2017: 0.85:1).

### 33. Subsequent event

On 28 February 2019, the Board of Directors' meeting passed a resolution to transfer legal reserve of Baht 82 million and share premium of Baht 2,951 million to offset against the Company's deficit. This had no effect on total shareholders' equity.

### 34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2019.

คลื่นลมแห่งโชคชะตา ทำให้เขาพบกัน  
และพรากจากกัน



เธอคือ  
**พรหมลิขิต**

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**ทุกวันจันทร์-อังคาร เวลา 20:15 น.**

ดัดแปลงบทโทรทัศน์โดย : ศกุนตนาต์ เวชชาชีวะ กำกับการแสดงโดย : วรวิทย์ ชิตติโยธิน ควบคุมการผลิต : กนกเกียรติ วีรวรรณ, นิพนธ์ พิทยานร  
นำเสนอโดย : สุกฤษฎี วิเศษแก้ว, เอสเธอร์ สุปรีย์ลีลา, ลัลณ์ลลิน เตจะสา เวศซ์ ขอนแก่นำ กรภัทร ศรีทอง ร่วมด้วย ดวงตา ตุงคะมณี, รัตเกล้า อามระดิษ  
บรรณาธิการ : กัมกรทิพย์, มยุรีณ พงษ์พัฒน์, วราวุธ โพธิ์ยิ้ม, ณัฐกฤต เกษตรภิบาล, กนกณณนา เจริญยศ, ธีร์ ดอกสะเดา, สีตพงศ์ ปุณณภพ, พัสกร พลบูรณ์





## Audit Committee Report

GMM Grammy Public Company Limited and its Subsidiaries

The Audit Committee (“the Committee”) comprises independent directors whom are well-educated and competent in various aspects, such as finance, accounting and law. Dr. Naris Chaiyasoot was appointed as a Chairman of the Audit Committee and the other members are Mr. Suvit Mapaisansin, Mrs. Veeranuch Thammavaranucupt and Mr. Chanitr Charnchainarong with the Senior Director of the Internal Audit Department serves as the secretary to the Committee. In 2018, the Committee had performed their duties according to the Audit Committee Charter which complies with the relevant rules and regulations set forth by the Stock Exchange of Thailand and the Good Corporate Governance policy. The Committee conducted 4 meetings, The summary of attendance of Audit Committee members is as follows :

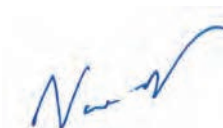
Name	Position	Meeting
1. Dr. Naris Chaiyasoot	Chairman	4/4
2. Mr. Suvit Mapaisansin	Member	4/4
3. Mrs. Veeranuch Thammavaranucupt	Member	1/4
4. Mr. Chanitr Charnchainarong	Member	4/4

The Committee activities could be summarized as follows:

1. Reviewed the quarterly and the annual financial statements for the fiscal year 2018 regarding the disclosure of significant information rendered by the Internal Audit Department, the External Auditors and the Management, to ensure the accuracy, reliability and adequacy and submit to the Board of Directors for Approval.
2. Reviewed the efficiency and the adequacy of the GMM Grammy Group's internal control system, risk management system and internal audit system in cooperation with the Internal Audit Department, the External Auditors and the Management.
3. Reviewed that the Company abided by the SEC and SET rules and regulations, other related laws, the Company's good corporate governance policy and Code of Ethics, through coordination with Management and Internal Audit Department
4. Proposed and recommended the appointment of external auditors and their audit fee. For the year 2019 The Committee, in coordination with the Internal Audit Department and the Management, Considered the independence and the qualities of the audit task and recommended the reappointment of Mr. Termphong Opanaphan or Mr. Khitsada Lerdwana or Mrs. Poonnard Paocharoen, Certified Public Accountant (Thailand) No. 4501 4958 and 5238 respectively, of EY Office Limited (Formerly known as “Ernst & Young Office Limited”) as the Company's and its' subsidiaries' External Auditors and the audit fee for the fiscal year 2019. The appointment of the External Auditor for the year 2019 was approved by the Board of Directors and will be proposed to the Shareholders for their further approval. For the year 2018, the Committee conducted 1 meeting with External Auditor.
5. Reviewed related transactions or conflict of interest issues to ensure that the transactions were reasonable and fair in accordance with the rules or announcements of the SET and the disclosures were correct and complete.

6. Reviewed and acknowledged internal audit results quarterly. Followed up management operations and progresses on the internal and external audit findings and recommendations. Approved the internal audit plan for the year 2019. In addition, the Committee reviewed the Independence of the Internal Audit Department and considered the appointment, the migration, the transfer, lay off, evaluation and remunerations of The Head of Internal Audit as well as the evaluation of the performance and the remunerations of the Internal Audit staffs which were assessed and proposed by Group Chief Executive Officer and Head of Internal Audit.
7. Annually reviewed and updated the Charter of Audit Committee and Internal Audit, to ensure that the Charters are still suitable for the Company's business environment.
8. Conducted the Audit Committee self assessment on its composition, qualification, activities in compliance to the audit Committee Charter, training, authority and the independence. For the year 2018, the Committee concluded that the Committee has adequately completed their duty as assigned by the Board of Directors and reported the assessment results along with the Committee's activities to the Board of Directors Meetings on February 28, 2019.
9. Reviewed that the Company abided by the Good Corporate Governance and Code of Ethics Policies. Cooperated with the Management and the Internal Auditor to reviewed the policy to ensure the appropriateness before rendering them to the Board of Directors for approval.

As a result of the above obligations, the Committee agreed that in general, the internal control system of the company and its subsidiaries was adequate and appropriate for the business operations of the Company. In addition, the Company has provided adequate personnel to follow the system effectively as well as sufficient internal control system for monitoring the operations of the subsidiaries in order to protect the assets of the Company and the subsidiaries from improper conduct of the directors and executives including transactions with persons who may have a conflict of interest and related persons. As for the other relevant internal control issues, the Committee agreed that the Company has adequate internal control system. The Committee and the management recognized the importance of good corporate governance, internal control, and continuous risk management in order to ensure good corporate governance principles of company, acceptable level of internal control and risk management, accuracy and reliability of accounting and financial reporting practices including the compliance with the laws, the rules or announcements of the SET and other related regulations concerning the Company's businesses.



(Dr. Naris Chaiyasoot)

Chairman of the Audit Committee

February 28, 2019





## Risk Management Committee Report

GMM Grammy Public Company Limited and its Subsidiaries



The Risk Management Committee was comprised of 7 members who are the Board of Directors and top executives with relevant knowledge, competence and experience that is beneficial to the group risk management. The Risk Management Committee was established by the Board of Directors resolution with duties to promote the set-up of an enterprise-wide risk management system for the Company and to embed an organizational culture. This is to provide reasonable assurance among all stakeholders that the Group's strategic operations are geared towards effective and efficient achievement of corporate goals and objectives. The Senior Director of the Internal Audit Department serves as the secretary to the Committee.

The Committee performs their duties as designated by the Board of Directors and within the purview of power and responsibility defined in the Risk Management Committee Charter. In 2018, the Committee held 1 meeting with the following results:

1. Acknowledged the significant corporate risks and approved the related risk responses for the year 2018.
2. Continuously supervised and monitored the implementation of the enterprise-wide risk management systems.
3. Reviewed the guidelines regarding the prevention of corruption involvement and Risk Management Committee Charter to ensure that they are sufficient and appropriate for the nature of the Company's businesses as well as related regulations.
4. Reported regularly to the Board of Directors on the significant risks and their responses.
5. Performed self-assessment for the year 2018 and reported to the Board of Directors on February 28, 2019.

As mentioned previously, the Risk Management Committee has considered that the corporate risk factors have been set-up to cover the core businesses and the risk management process which identified adequately, appropriately and efficiently. In addition, these Risk Management process also complied with the Group's good corporate governance policy, the internal control as well as related laws, rules and regulations.

(Miss Boosaba Daorueng)  
Chairman of Risk Management Committee  
28 February 2019

## Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee, GMM Grammy Public Company Limited (“the Committee”), as of December 31, 2018, comprised three directors, two being independent directors and one being an executive director. Dr. Naris Chaiyasoot, Independent Directors, being Chairman of the Nomination and Remuneration Committee, Mr. Suvit Mapaisansin, Independent Directors, and Miss Suwimon Jhungjotikapisit, Directors, members of the Nomination and Remuneration Committee.

During the year 2018, the Committee, in performing roles in accordance with its charter and the scope of authority, held 1 meeting (The first meeting No.1/2018 was attended by three directors) to consider important matters under its duties and responsibilities as assigned by the Board of Directors, which can be summarized as follows:

- (1) Nomination of persons with qualifications for the Company’s directorship to replace 4 directors who would retire by rotation, namely, 1) Miss Boosaba Daorueng 2) Mrs. Veeranuch Thammavaranucupt 3) Mr. Suvit Mapaisansin and 4) Miss Suwimon Jhungjotikapisit. To enhance and support the Company’s good corporate governance policy, the Company welcomed shareholders’ proposal for qualified candidates to be appointed as the Company’s directors with full qualifications as stipulated by the company since 10 October 2017 to 12 January 2018. During the period, no shareholder nominated any candidate for consideration. Therefore, the Committee Has considered the criteria of the company by using the Board Skill Matrix to consider the appropriateness and maximum benefits to the Company, the Committee was of the opinion that the 4 retiring directors, as mentioned, had full qualifications as stipulated by the Public Limited Companies Act and were well equipped with knowledge, capabilities and experiences useful for the Company’s business operations; they also had broad visions, satisfactory performance as directors, good records of meeting attendance and useful opinions proposed at the Board’s meetings. The Committee therefore resolved to propose to the Board of Directors’ Meeting No. 2/2018 on 27 February 2018 the nomination of the 4 retiring directors for appointment as the Company’s directors for another term before submitting to the 2018 Annual General Meeting of Shareholders held on April 27, 2018 for approval.
- (2) Determination of directors’ remuneration and the Audit Committee’s remuneration as annual compensation for the year 2018 by the remuneration criteria comprising of the monthly remuneration, the meeting allowance and annual bonus, for the Chairman of the Company, Independent Directors and Non-Executive Directors except the Executive Directors that will not receive monthly remuneration and meeting allowance because they already receive salary from being an employee of the Company for submission to the Board of Directors for approval at the 2018 Annual General Meeting of Shareholders held on April 27, 2018.

The remuneration of directors and Audit Committee members was determined, with their respective duties and responsibilities for the Company’s performances being considered and the remuneration of directors of companies in the same industry being compared, based on the Stock Exchange of Thailand’s Report of the Survey on Remuneration of Directors of Listed Companies, for suitability and transparency.



- (3) Evaluation of the performances of the Group Chief Executive Officer (Group CEO), Ms. Boosaba Daorueng, for the year 2018. The Committee deemed it appropriate to rate the Group CEO's performances in 2018 as "Very Good" or 92.25% (within the range of 90-95) and reported the evaluation result to the Board of Directors' Meeting No. 1/2019 for approval.
- (4) The Committee has conducted self-performance assessment for the year 2018 which comprises of 5 categories: Structure and Composition of the Committee, Roles and Responsibilities, Meeting, Duties Performance of the Committee's Members, and Self Development of the Committee's Members. The assessment criteria divided into 5 levels; 4 = excellent, 3 = good, 2 = fair, 1 = unsatisfactory, 0 = need improvement. The overall average result of the self-assessment of the Committee was equal to 3.54 points (Full score is 4 points).

The Committee reported its performance to the Board of Directors for acknowledgement on a regular basis. Throughout the year 2018, the Committee performed its duties with utmost ability, caution, prudence, transparency and independence, for the best benefit of the Company, shareholders and other stakeholders.

(Dr. Naris Chaiyasoot)

Chairman of the Nomination and Remuneration Committee

February 28, 2019

## Report of the Corporate Governance and Ethics Committee

The Board of Directors strongly believes in conducting business according to business ethics and good corporate governance principles and alongside with corporate social responsibility (CSR) to be embedded as part of the organization culture. This is carried by integrating with the Company's vision, mission, strategy, and goal to support efficient and transparent management in order to gain confidence from shareholders, investors and all stakeholders resulting in value-added and sustainable growth of the Company.

In 2018, the Corporate Governance and Ethics Committee ("the Committee") still adhered to and seriously developed its policy on corporate governance on a continuing basis; thus several awards received from various organizations could be summarized as follows:

1. For evaluation of corporate governance reports of Thai listed companies by the Thai Institute of Directors (IOD), the Company was rated "Very Good" in 2006, 2008, 2009, and 2010, (in 2007, there was no survey on corporate governance of listed companies) and "Excellent (5 Stars)" for eight consecutive years, since 2011 to 2018.
2. For the evaluation of AGM checklist quality by the Thai Investors Association, the Company was rated "Very Good" in 2008, 2010, 2011, 2013, 2015 and 2017 and "Very Good: Should be a Role Model," in 2009, 2012, 2014, 2016 and 2018 (scoring 100 points).
3. The Committee has conducted the self-performance assessment for the year 2017 which comprises of 5 categories: Structure and Composition of the Committee, Roles and Responsibilities, Meeting, Duties Performance of the Committee's Members, and Self Development of the Committee's Members. The assessment criteria divided into 5 levels; 4 = excellent, 3 = good, 2 = fair, 1 = unsatisfactory, 0 = need improvement. The overall average result of the self-assessment of the Committee was equal to 3.33 points (Full score is 4 points).
4. The Committee's meeting No. 1/2019 which held on 28 February 2019 have discussed and reviewed the Company's Corporate Governance Policy (the "CG Policy") according to the guidelines for Corporate Governance Code (the "CG Code") by The Securities and Exchange Commission (the "SEC"). The Committee agreed that the current CG policy complies with these guidelines. However, some principals are not practicable due to the inconsistency with the Company's context and ongoing operations. The Company shall review and revise the CG Policy to ensure consistency with CG Code, which expected to complete in 2019. The issues were discussed during the Board of Director's meeting no. 1/2019 on 28 February 2019 and The Board has agreed that the Company should follow the existing CG Policy (sixth edition: revised in 2015) until the revision of CG Policy is completed, which seem most appropriate and consistent with the Company's operations. Nevertheless, The Committee will discuss and review the CG Policy based on the CG Code annually to keep pace with the development and the future of corporate governance.

The Company will still adhere to the policies on good corporate governance and ethics that the Company has formulated and support its improvement and development as well as continued and suitable disclosure of the results of corporate governance performance, reflecting the efficient, transparent, and ethical management and also promote the Company's corporate governance principles to be up-to-date and consistent with the changes that will raise the standards and practices of corporate governance of the Company.



(Miss Boosaba Daorueng)

Chairman of the Corporate Governance and Ethics Committee

February 28, 2019





## Corporate Governance

The Board of Directors intends to operate business under good corporate governance principles promoted by the Stock Exchange of Thailand for all public listed company to enhance efficiency in organization administrative system and lay solid foundation for sustainable growth. The Company sets forth corporate governance policy as follows.

### Corporate Governance Policy

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

The Board of Directors initiated the compilation of the first Handbook on corporate governance policy, business ethics and code of conduct (portable version) issued in 2005. It has been set to be revised, added or amended every 2 years or as deemed appropriate to ensure updatedness and alignment with the changing environment, as well as relevance to any additional guidelines issued by the SET or related regulatory bodies, which will enhance the Company's corporate governance up to international standards.

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

1. The Board of Directors, executives and employees adhere to performing in compliance with the laws and applying corporate governance principles to business operations by integrating with the vision, mission, strategy and Long term goal of the organization, as well as enhancing the organization to have an efficient administration system, which will help boost confidence of shareholders, investors and all stakeholders.
2. The Board of Directors respects the rights of shareholders, treats all shareholders equally and provides convenience to shareholders in the exercise of rights in various matters.
3. The Board of Directors promotes the process of enhancing good relationship and cooperation between the Company and all stakeholders and sets an appropriate communication channel for the purpose.
4. The Board of Directors sets policy and code of ethics of the Company to be guidelines for all stakeholders such as shareholders, customers and consumers, competitors, trade partners, creditors, employees, the community, the environment and the society.
5. The Board of Directors takes the role of determining vision and mission and approving guidelines for setting of business strategies, policies, plans and budgets, as well as monitoring and supervising the management to take actions according to the policies established in an efficient and effective way, in order to maximize business value and shareholder wealth.
6. The Board of Directors institutes the organization structure with clear delegation of duties and responsibilities of the Board of Directors, Sub-Committees, Group Chief Executive Officer and Chief Executive Officers in each business lines and puts in place appropriate and sufficient internal control and audit system, risk management system, prevention of conflicts of interest and use of insider information.
7. The Board of Directors monitors and ensures that the preparation of financial statements and information of the Company is in accordance with the generally accepted accounting standards, disclosure of information is sufficient and reliable and the Company has capable and independent auditor.



8. The Board of Directors ensures that the Company communicates and discloses important financial or non-financial information relating to the Company sufficiently, accurately, completely, reliably, transparently, thoroughly and in a timely manner, through various channels and the Investor Relations Department, which can be accessed conveniently and equitably.
9. The Board of Directors may appoint Board committees as deemed appropriate to help screen important matters and report operating results to the Board of Directors' meeting regularly, as well as report operating results to the shareholders in the annual report of the Company.
10. The Board of Directors arranges to have annual self-assessment of the Board of Directors and Sub-committees such as the Audit Committee, the Corporate Governance and Ethics Committee, the Risk Management Committee for use as a framework in evaluation of their performance in the previous year, so that rectification and improvement can be made to increase efficiency and the self-assessment results will be reported to the Board meeting for acknowledgement
11. The Board of Directors puts in place an appropriate, transparent and fair recruitment system for all crucial management positions.
12. The Board of Directors has an important role of arranging for the written Corporate Governance and Business Ethics Manual so that all directors, executives and employees acknowledge, understand and abide by the practice of corporate governance and business ethics in a strict manner and establishing a compliance monitoring measure thereon.

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

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

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

- **Corporate Governance Report of Listed Companies 2018**

Thai Institute of Directors (IOD) disclosed the result of the Corporate Governance Report Evaluation of Thai Listed Companies, it was revealed that GMM Grammy Public Company Limited was announced to be 1 of 142 listed companies that was rated in the top level of "Excellence : 5 Stars" (Score range 90-100 points) while the average score of all 657 listed companies was 81 points. The Company has been rated as "Excellent" for eighth consecutive years since 2011 and also recognized as one of the Top Quartile Companies in market-capitalization between 3,000 — 9,999 Million Baht.

- **Quality of Annual General Meeting of Shareholders 2018**

According to the evaluation of the quality of annual general meetings of shareholders (AGM checklist) of listed companies carried out by the Thai Investors Association, the Company was rated in "Very Good: Should be a Role Model," with 100 points, while the average score of all listed companies under the survey was 92.42 points.

## • The Assessment of Anti-corruption Process Indicator 2018

According to the assessment of Anti-corruption Process Indicator for Thai listed companies conducted by SEC and Thai Pat Institute, in 2015 the Company was rated at level 3 (Established), indicating the policy to oppose government officials bribery and those related to corruption as well as the policy to communicate and educate employees regarding anti-corruption policy and practices.

In 2018, SEC and Thai Pat Institute announced only the companies that joined Thailand's Collective Action Coalition Against Corruption (Thai CAC) held by IOD. There are 2 groups of companies comprising the signed a declaration on CAC and the verified by CAC.

The Company has followed good corporate governance principles to ensure that the Company have policies to stipulate responsibility, regulations and provision for appropriate action. The Company has intention and commitment to oppose and prevent corruption while running normal business. Although, the company has not signed a declaration on CAC yet, but the Company practices anti-corruption for explicitly guideline to run businesses and sustainably develop to good corporate governance.

## Corporate Governance

Corporate Governance of company is divided into 5 categories:

- Rights of Shareholders
- Equitable Treatment of Shareholders
- Roles of Stakeholders
- Disclosure and Transparency
- Responsibilities of the Board of Directors

### Chapter 1 Rights of Shareholders

The Board of Directors gives high importance to and respects the rights of all shareholders equally and provides convenience to them in exercising their rights in various matters, whether they be their basic rights or the rights they deserve such as the right to sell or transfer stocks, the company profit sharing, the shareholders' right to obtain the adequate information on the Company and in a timely manner, the voting right in the shareholders' meeting to appoint or to demote the directors, the remuneration of the Board of Directors, the appointment of a certified auditor, the approval of the audit fee and other issues which may significance effect the company, etc. and will not act in a way that will violate the shareholders' right.

#### **The Annual General Meeting**

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

#### **1. Before the date of the shareholders' meeting**

- Proposing agenda items, nominations of directors and advanced queries, the Company provided an opportunity for shareholders to propose agenda items and qualified persons to assume the post of director before the Annual General Meeting of Shareholders. In the 2018 Annual General Meeting of Shareholders, shareholders can make proposal from October 10, 2017 until January 12, 2018 on the Company's website on the menu "Corporate Governance", item "Shareholders Information. It has come out that, during the designated period, no shareholder proposed any agenda item or nominated any qualified person to assume the post of director to the Company.

- Presentation and information delivery to shareholders, the Company has appointed Thailand Securities Depository Co., Ltd. (TSD) as its securities registrar to send the meeting invitation notice, documents and other information which is important and necessary for decision-making to shareholders (in English in case of foreign shareholders) in advance before the meeting date and in accordance with laws or/and regulatorys concerned. In the Annual General Meeting of Shareholders, the Company has disseminated the invitation notice and all relevant information (excluding annual report) on its website in Thai and English more than 30 days prior to the meeting so that shareholders will have sufficient time to study the information in advance for decision-making. In addition, the Company advertised meeting notices in newspapers to inform shareholders of the date, time, venue and agenda items in both Thai and English for 3 consecutive days in advance of the meeting.
- Facilitation and encouragement for shareholders to attend the meeting, including institutional investors, with the following policies:

Meeting venue at a suitable location, with enough parking spaces and convenience transportation, with the venue's map being enclosed with the meeting notice.

Meeting schedule not on a public holiday or during long holidays of at least 3 consecutive days, not too early in the morning or late in the evening.

Proxy: There were 3 types of proxy forms attached with instructions and convenience in sending the valid proxy form together with supporting documents in advance to the Company Secretary prior to the meeting day for the Company's staffs to examine the documents before the proxy's arrival. The Company allowed the Board of Directors to nominate 4 independent directors as proxy holders to attend the meeting and vote on shareholder's behalf.

Staffs and technology are in place to provide services and examine documents for the meeting's participants, for the sake of convenience, speed, accuracy and verifiability.

- Information disclosure of each agenda in the Invitation Notice, opinions of the Board of Directors of each Agenda as well as purposes and reason. Both positive and negative (if any) are clearly indicated. For the shareholders' meeting will have the following agenda items:

Disclosure of Financial Performance to clarify the financial performance in the previous year including assets, revenue, expenses and profit/loss.

Remuneration of directors to clarify the guideline of Remuneration of Director in both monetary (e.g. meeting allowance, annual bonus) and other benefits agreed by the nomination and remuneration committee.

Nomination of directors, the Company indicates the directors' names and summarizes profile of each director to be nominated, such as name and surname, age, education background, work profile, number of companies in which such person is a director by divided into listed companies and other companies, positions in other competitor / related companies which may cause any conflict of interests, nomination criteria and procedure, type of director to be proposed such as Director or Independent Director. In case of nomination of the existing director to reassume the position, details of his/her meeting attendance in the previous year and his/her term/years in office shall also be provided. In case of the appointment of independent directors, the Company shall disclose its definition of "independent director" as defined and determined that the Company's definition is equal to or more concentrate than the minimum requirements of the SEC and the SET, including any information of any conflict of interests of such independent director on the Company, its subsidiaries, affiliates or entities may have a conflict at that time or during the last 2 years.

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

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



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

For the 2018 Annual General Meeting of Shareholders, the Company sent a meeting notice of at least 1 month in advance to shareholders through various channels, namely, the Company's website, SET portal and notices of shareholders' meeting. The meeting notice contained agenda items, the Board's opinions with other supporting documents such as facts, objectives, reasons of the Board's opinions, the Company's Articles of Association relevant to the meeting for the shareholders to consider in each agenda item, together with the minutes of the previous shareholders' meeting, containing the voting method, vote counts, list of all the directors attending the meeting (including the absent directors), list of executives attending the meeting, the voting inspector who was an outsider witnessing the vote count and the conduct of the meeting, questions from the shareholders and answers in the meeting, meeting's resolutions with the numbers of votes Agree, Disagree and Abstention for each agenda item where voting was required.

## 2. On the date of the shareholders' meeting

- The Company requires the meeting to be held according to the laws and taking into account convenience as well as rights and equitable treatment of the shareholders. Company staff are to provide convenience by checking documents of the meeting attendees 1 hour and a half before the meeting commencement and barcodes are used to facilitate and expedite registration.

At each shareholders' meeting, the Chairman, the directors, the Group Chief Executive Officer, Chairmen of all sub-committees and the management attend the meeting to allow shareholders to ask questions relating to the Company. The auditor of the Company will perform as the inspector to ensure that the meeting is conducted with transparency, compliance to applicable laws, rules of related regulators and the Company's Articles of Association.

- Before the meeting commences, the Group Chief Executive Officer who chairs the meeting will introduce the attending Board members, Chairmen of sub-committees, the management and the auditor of the Company, to the meeting and assign the Company Secretary to proceed with the meeting.
- The Company Secretary will notify the meeting of the quorum consisting of number of shareholders attending the meeting in person, number of shareholders attending by proxies and number of shareholders authorizing independent directors as their proxies, with clarification of voting and vote counting methods to the shareholders before the meeting commences. According to the Company's Articles of Association and the Public Limited Companies Act, Section 107 (1), 1 share is equivalent to 1 vote. In the event of a tie of votes, the Chairman will have the casting vote. Voting condition for shareholders or proxies is also be explained.
- The Company Secretary would conduct the meeting in accordance with the sequence of agenda items given in the notice of shareholders' meeting (except that the meeting resolves to change the sequence of agenda items in accordance with the provisions of the Public Limited Companies Act that requires the votes of at least 2/3 of the shareholders attending the meeting) and for fairness to shareholders who do not attend the meeting, no other agenda items not specified in the notice of shareholders' meeting shall be added in the agenda. However, to allow shareholders to exercise their rights under law, shareholders who hold a number of shares combined not less than 1/3 of the total number of shares sold may ask the meeting to consider matters other than those specified in the notice of shareholders' meeting.
- The Board of Directors has provided for the use of ballot tickets in every agenda item that requires voting. This is for the purpose of transparency and auditability in case of an objection occurring thereafter, while votes are to be counted and the results thereof are disclosed and the meeting's resolutions are clearly recorded in the meeting's minutes.
- The Chairman allocates sufficient time and opens the floor to the shareholders to voice their opinions, suggestions and questions on each agenda item and regarding the operations of the Company. Important queries, clarifications and opinions shall be noted in the meeting minutes for acknowledgement by the shareholders who cannot attend the meeting.

In 2018, the Company organized the Annual General Meeting of Shareholders on April 27, 2018 at 2.00 pm at the Auditorium Room, 50 GMM Grammy Place, Sukhumvit 21 Rd (Asoke), Khlongtoeinuea, Wattana, Bangkok . 11 directors attended the meeting (with

attendance rate of 100%), comprising Chairman of the Board, Vice Chairman of the Board and Chairmen of Sub-committees, together with top management, representative from Legal Department and auditors, The representative of external auditor would serve as the inspector to ensure the transparency, completely, laws and the Company's Article of Association compliance and in case of dispute arising in respect of examination and voting throughout the meeting. The Chairman of the meeting appointed the Company Secretary to conduct the meeting. The Annual General Meeting of Shareholders resolved to approve all the agenda items proposed.

In the 2018 Annual General Meeting of Shareholders, there were a total of 44 shareholders attending in person, representing 435,511,390 shares, and 85 shareholders by proxy, representing 53,489,699 shares. There were 59 shareholders attending the Meeting by proxy granted to the Company's Independent Director, representing 52,835,688 shares. The total number of attendants who were shareholders and proxy holders was equal to 129 persons, representing 489,001,089 shares or 59.64% of total 819,949,729 subscribed shares. The quorum was thereby constituted according to the Company's Articles of Association. The Board of Directors promoted 4 Independent Directors, whom represent shareholders, attending and voting throughout the meeting. The Company has opened registration for 2 hours before the Meeting.

At the Annual General Meeting of Shareholders, there were no agenda items of other businesses that had not been specified in the meeting notice.

### 3. After the shareholders' meeting

- The Board of Directors assigns the Company Secretary to prepare minutes of the shareholders' meeting to be complete and accurate with the following details:

Names and positions of directors, members of Sub-committees, top management and auditor who attend or absent at the meeting (If any).

The meeting quorum consisting of number of shareholders who attend the meeting in person, number of shareholders by proxies and number of shareholders authorizing independent directors as their proxies.

Methods of voting on each agenda item and vote counting before the meeting commences and the way the ballot cards are used to count votes.

Votes which approve, disapprove and abstain on agenda items which requires voting and identifying names and number of shares of persons who are not entitled to vote on each agenda item (If any)

Key questions, clarification and opinions.

- The Company will announce resolutions of the meeting via the news system of the SET by the next business day by identifying approval, disapproval and abstention votes on each agenda item and prepare meeting minutes in both Thai and English and submit them to the SET and relevant agencies within 14 days from the date of the meeting, as well as disseminate the meeting minutes on the Company's website so that shareholders can inspect without waiting until the next meeting. There is also a sound database where meeting minutes are available for inspection and reference. In addition, video recording of Annual General Meeting of Shareholders was prepared to be provided to interested shareholders in form of VCD which was notified to the shareholders via the news system of the SET.

## Chapter 2 Equitable Treatment of Shareholders

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

1. The Board of Directors gives the rights to shareholders to cast 1 vote per 1 share. For the same type of shares, they have the right to cast 1 vote per 1 share.
2. The Company allow a shareholder and/or a group of shareholders holding the Company's shares collectively at least 5 percent of voting rights to propose agendas and prospective directors before the Annual General Meetings. This description will be provided through SEC and the Company's website at least 3 months prior to the end of each fiscal year.



3. For the Annual General Meetings, the Company will send the meeting invitation notice and documents to shareholders at least 14 days prior to the meeting date and post the invitation notice and all information on the Company's website (<http://www.gmmgrammy.com>) in Thai and English more than 21 days prior to the meeting so that shareholders will have sufficient time to thoroughly study the meeting information for decision-making before receiving documents from the Company. The Company also advertised meeting notices in newspapers to inform shareholders of the date, time, venue and agenda items in both Thai and English for 3 consecutive days in advance of the meeting.
4. The Board of Directors provides convenience to shareholders who cannot attend the meeting in person by sending them Proxy Form Type A, B and C and attach documents and simple proxy-giving instruction so that proper documents will be prepared and none of difficulties expected. In addition, shareholders also have option to download the proxy form from the company's website.
5. The Board of Directors will nominate at least 1 independent director of the Company as an option of proxy for shareholders. The Company will attach the name and profile of the independent director with the meeting invitation notice.
6. The Board of Directors will conduct the meeting according to the agenda order outlined in the meeting invitation notice and will not add any other meeting agenda without notifying shareholders in advance apart from those specified in the invitation letter except extraordinary cases in order to protect the Company's interest under the governed laws.
7. The Board of Directors will arrange for use of ballots and qualified vote processing program on every agenda item which requires vote casting for transparency and inspection can be made in case debates occur later on. Also, an inspector is prepared for counting of votes and the vote results and resolutions of the meeting shall be disclosed clearly in the meeting minutes.
8. The Board of Directors sets a policy and guidelines of prevention of conflicts of interest and insider trading to seek interest for oneself or others in undue manner in the Corporate Governance and Business Ethics Manual of the Company and disseminates the policy to all directors, executives and employees of the Company for acknowledgement and strict compliance to prevent directors and executives of the Company from trading the Company's shares by using internal information or undertaking related party transactions and selling or buying assets in a manner which may breach or not comply with guidelines of the SET and the SEC.
9. In case of undertaking related party transactions which are required to be disclosed or to seek approval from shareholders according to requirements of the SET, prior to undertaking of the transaction, the Company has disclosed details such as name and relation of related parties, policy of determination of value of the transaction, rationale, as well as opinions on the transaction of the Audit Committee and the Board of Directors to shareholders clearly.
10. The Board of Directors requires directors and executives (according to definitions of the SEC) to comply with Section 89 of the Securities and Exchange Act by reporting their interest and their related persons' (including whenever there is change to information) by assigning the Company Secretary to report interest information (including changes) to the meeting of the Board of Directors for acknowledgement every 6 months to consider transactions of the Company which may have conflicts of interest with the Company. Directors and executives who have any related interest shall not attend the meeting to express opinions and have no rights to make a resolution of such matter.

### Connected Transactions

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

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

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

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

In 2018, the Company did nothing in violation of or against the requirements of the SEC and the SET, whether insider trading, connected transactions or asset trading.

### **Chapter 3 Roles of Stakeholders**

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

#### **Ethics on Treatment of Shareholders**

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

1. Performing duties and conducting business with integrity, transparency and accountability to shareholders on a regular basis and disclose accurate, complete and standard information to shareholders within the legal framework, business ethics and good corporate governance principles.
2. Managing business of the Company for stable progress by using knowledge, competence and experience to the full extent and make any decisions with integrity, honesty, care and justice for the highest benefits of the shareholders.
3. Supervising operations to ensure that the Company has appropriate financial status and management to protect and increase interests of shareholders.
4. Managing assets of the Company not to deteriorate, lose, or waste.
5. Not seeking benefits for oneself and related persons by disclosing internal information of the Company which is confidential and/or not yet disclosed to the public or outsiders which may cause damage to the Company.
6. Respecting the rights of shareholders by reporting status and operating results of the Company as well as information to all shareholders equally, regularly, timely, accurately, completely and factually by having sufficient supporting documents and in accordance with the requirements of the SET and the SEC.
7. Not performing any acts in a manner which may cause conflicts of interest to the Company without notifying the Company.



## Ethics on Treatment of Customers and Consumers

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

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

## Ethics on Treatment of Competitors

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

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

## Ethics on Treatment of Trade Partners

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

1. Treating trade partners equally, fairly and based on fair returns acceptable to both parties.
2. Complying with agreements or conditions mutually agreed upon strictly and in case of non-compliance with any conditions, notify customers immediately to jointly seek solutions on a rationality basis.
3. Not asking for or accepting assets or other benefits which are dishonest to trading with trade partners.
4. In case there are grounds to believe that there is request or acceptance of assets or other benefits which are undue, information shall be disclosed to trade partners to jointly seek solutions in no time.
5. Having a policy or measures of checking and screening trade partners of the Company such as producers and contractors and support undertaking of businesses with trade partners who conduct business fairly without violating human rights and

realizing the importance of social responsibility. The company executes a purchasing policy and appoint a purchasing committee in order to select trade partners under transparency and accountability.

6. Not giving cooperation to or supporting any persons or organizations which conduct illegal business or are a threat to the society and national security.
7. Being committed to maintaining sustainable relationship with trade partners and contract counterparts on the basis of mutual trust.

#### **Ethics on Treatment of Creditors**

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

1. Strictly complying with agreements, obligations, covenants and responsibility in the collaterals. In case of non-compliance or default, notifying creditors immediately to jointly explore proper solutions on a rationality basis.
2. Maintaining an appropriate capital structure in order to support the business operation and creditor confidence.
3. Providing creditors transparent information, and allowing them chances for company visits and having meetings with the Company's management.
4. Not giving cooperation to or supporting any persons or organizations which conduct illegal business or are a threat to the society and national security.
5. Being committed to maintaining sustainable relationship with creditors on the basis of mutual Trust.

#### **Ethics on Treatment of Employees**

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

1. Treating employees with respect for their honour, dignity and human rights.
2. Appointing, transferring and giving prizes as well as punish employees with sincerity and according to their knowledge, competence, appropriateness and fairness without any discrimination.
3. Assessing staff performance and progress regularly.
4. Giving remuneration of various types to employees fairly, appropriately and according to their knowledge, competence, experience, positions, responsibilities and individual performance which are taken into consideration in line with the operating results of the Company, economic conditions and social environment.
5. Providing appropriate welfare and other benefits for employees that are comparable to those of other companies in the same or similar business and as prescribed by law, such as provident fund, etc.
6. Giving continuous and regular support and giving importance to knowledge and potential development which is beneficial to employees at all levels for their good career path.
7. Maintaining a good working environment for sanitation and safety to life and properties of employees regularly.
8. Providing appropriate facilities and welfare for disabled employees.
9. Supporting employees to have better quality of life and support development of life of employees' families so that they live a happy life and are able to rely on themselves sustainably according to the philosophy of sufficiency economy.
10. Promoting participation of employees and respecting the rights of gathering of employees to gather to propose or set working guidelines and/or agreements to create benefits for all parties and good working relations, including channel to complaint of any wrongdoings, approach to fact finding and protection of the whistle blower.

11. Supporting employees to work together under mutual culture and value and with high unity spirits.
12. Managing works with prudence and avoiding any unfair actions which may have impact on the job security of employees.
13. Complying with rules and regulations in relation to labour law (such as employment, termination of employment, etc) and welfare of employees.

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

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

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

#### **Ethics on Respecting Human Right Law and Practice**

The Board of Directors gives importance to respecting international human rights, to conducting business in compliance with laws, while embracing human rights which are the basic rights ensuring that all human beings are born free and equal in dignity and rights without discrimination against birth, race, nationality, color, gender, religion,



age, language, physical and health condition, personal status, economic and social status, social value, education or political opinion. The Board also promotes employees' awareness of their rights, duties and responsibilities to society and other fellows. Policy and Guidelines are as follows:

1. Performing business in strict compliance with human right law and practice and provide employees with knowledge about human right law and practice for their further adoption in their work.
2. Ensuring that all employees familiarize themselves with laws related to their duties and responsibilities and strictly observe such laws.
3. Promoting the respect of and adherence to human right practice on the basis of human dignity.
4. Treating all employees on the basis of human dignity and respect their personal rights and duties.
5. Offering a non-discriminative and equal career opportunity for women, the disabled, incapacitated persons and all other under privileged groups.
6. Neither give a special favor to nor discriminate against any individuals due to race, nationality, color, gender, religion, age, language, physical and health condition, personal status, economic and social status, social value, education and political opinion.
7. Ensuring the incapacitated employees are provided with appropriate facilitating equipment and welfare.
8. Putting in place a policy or measure for screening key trade partners such as suppliers and contractors and ensure that these key trade partners undertake their businesses with fair practices and non-violation of human rights.
9. Encouraging employees' participation and respect their right to unify and come forward with their suggestions or ideas on operational directions and corrective measures that will be beneficial to all parties and strengthen a good working relation and cooperation.
10. Establishing a follow-up and monitoring process to prevent the Company and employees from conducting business, acting or participating in an act or failing to act in such a way that violates human rights.

#### **Ethics on Intellectual Property and Copyright**

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

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

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

In 2018, the Company cooperated with state agencies and related private sector parties in a campaign against piracy titled 'Took, Took Jai, Took Gohd Mai' ('Cheap, Pleasing, Legal) to raise awareness of copyright protection among the public through various activities. The 'Not Buy, Not Sell, Not Use Pirate Goods' slogan aims to encourage the public to be more aware of the intellectual property to help reduce the piracy problem in the long run. The Company joined hands with state agencies and the private sector to prevent piracy and prosecute violators. By the year 2018 the Company and its affiliates have taken legal action against 40 piracy cases composing of 112 lawsuits settlement, 225 prosecution pending cases and no judged cases.

#### **Ethics on Vested Interest and Conflict of Interest**

The Board of Directors is aware of the importance of conflict of interest prevention and has thus adopted the following policy and guidelines:

1. To safeguard against a conflict of interest, the Board of Directors exercises due care when there occurs any transaction involving a potential conflict of interest by observing a policy and procedure for approval of connected transactions, established in writing in the Authorization and Procedure Manual, and/or seeking approval from shareholders in line with the SET's regulations, as well as complying with the SET's regulations, with transaction price and conditions executed on an arm's length basis.
2. If the connected transaction is subject to approval from the Board of Directors, there must be independent directors or Audit Committee members participating in the relevant Board meeting.
3. The Audit Committee is to regularly propose any conflicted transactions and connected transactions to the Board of Directors and the person with a potential conflict of interest is not entitled to cast vote on or approve any such transactions.
4. Before entering into a connected transaction which is required to be disclosed publicly or be approved by the shareholders in accordance with the SET's regulations, the Company shall clearly disclose to the shareholders details such as names and nature of relationship of the connected persons, policy on determination of transaction price, rationale for entering into the transaction and opinion of the Board of Directors on the transaction.
5. For transactions that involve financial assistance, the Board of Directors has established a guideline on this type of connected transactions in the Corporate Authorization Index which was duly approved by the Board of Directors.
6. The Board of Directors has a guideline to maintain and prevent of use internal information in written. According to the guideline, directors, management and employees, who could access to insider information, are prohibited from trading the Company's securities during a one-month period before a release of the Company's financial statements to the public.
7. The Board of Directors has set a policy requiring that the directors, Executive Committee members and management (according to definitions of the SEC), including their respective related persons according to Section 59 of the Securities and Exchange Act, report their holding of the Company's securities and that the Company Secretary on quarterly basis is required to submit a summary report on the said securities holding and changes in securities holding in the Company to the Board of Directors' meeting quarterly for acknowledgement.
8. The Board of Directors has stipulated that the directors, management and their related persons (according to definitions of the SEC) must prepare and submit a report on interests to the Company and the Company Secretary has the duty to submit a summary report on the interests of the directors, management and their related persons and any subsequent changes thereof to the Board of Directors' meeting for acknowledgement on a semi-annual basis.
9. The Board of Directors has stipulated that all material connected transactions, with details regarding the conflicted persons, nature of relationship, type of the transactions, conditions for the transactions, pricing policy, transaction value, rationale and necessity of the transactions and opinion rendered by the Audit Committee and/or the Board of Directors, must be revealed in an information memorandum and/or the Company's annual registration statement (Form 56-1) and annual report.

## Whistle Blower

The Company has set up a unit to review complains informed by whistleblower in regard to violation of the rights of the stakeholders, corruption, illegal actions, Coporate Governance and Business Ethic Policy, doubtful financial report or even internal control of the group to the Audit Committee. The notice can be issued through the following processes:

- Via normal post to the Audit Committee, 50 GMM Grammy Place, Sukhumvit 21 Rd (Asoke), Khlongtoeinuea, Wattana, Bangkok 10110
- Via E-mail: [auditcommittee@gmmgrammy.com](mailto:auditcommittee@gmmgrammy.com)
- Via Hotline: 026699728

The Secretary of the Audit Committee summarizes and submits the matters to the Audit Committee for further investigation. Then the Audit Committee will report the issue directly to the Board of Directors under the “Confidential Information” and “Protection of the Whistleblower” policies.

In 2018, there was neither complaint nor action in a manner that violated or failed to comply with applicable laws, rules and regulations of the SET and the SEC.

## Protection of Whistleblowers

The Board of Directors stipulates Policy and Guidances of Whistle Blower Protection in order to keep whistleblower’s information as well as an evidence confidential. Such information will not be disclosed to any irrevelant parties except in the case of disclosure under the duties as required by law.

## Chapter 4 Information Disclosure and Transparency

The Board of Directors supervises the Company to communicate and disclose important information relating to the Company, either financial or non-financial information. The Company’s key guidelines are as follows:

### 1. Provision of communication and data distribution channels

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

#### 1) The Company’s website

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

#### 2) The SET Community Portal or SCP and SET’s website

The Board of Directors assign the Corporate Secretary and related department to disclosure of news and information to shareholders, investors and related persons through the SET Community Portal or SCP and SET’s website (<http://www.set.or.th>) such as financial statements, press release, etc.

#### 3) Investor relations

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

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

#### **Investor Relations Department**

GMM Grammy Plc., 50 GMM Grammy Place, 40th Floor, Sukhumvit 21 Rd. (Asoke),  
Khlongtoeinuea, Wattana, Bangkok 10110



Tel. (662) 669 9952

Fax. (662) 669 9737

E-mail Address: ir@gmmgrammy.com

#### 4) Office of Corporate Secretary

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

##### **Office of Corporate Secretary**

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

Khlongtoeinuea, Wattana, Bangkok 10110

Tel. (662) 669 9291 / (662) 669 9712

Fax. (662) 669 8137

E-mail Address: cs@gmmgrammy.com

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

The Board of Directors arranges for disclosure of information such as business description, the major shareholders, the committee and executives, corporate governance policy, updated information, acquisition and disposal of assets, connected transactions, issuance of securities, shareholders meeting, and committee resignation. These also includes quarterly and annual report in annual information disclosure (Form 56-1), Annual report, Financial statements, and quarterly analysis in order to provide all stakeholders precise, transparent, reliable information complying laws and corporate governance regulations.

In 2018, the Company submitted quarterly and yearly financial statements and reports by the timeline and pursuant to the criteria of the SET and no instruction has been made by Office of the SEC for the Company to rectify the financial statements.

### **Chapter 5 Responsibilities of the Board of Directors**

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

#### **Board Composition**

- 1) The Board of Directors determines the board composition that fits with the Company's business size, whereby it is set to be composed of at least 5 members, not less than 1/2 of the directors must reside in Thailand and at least one of whom must be experienced in accounting and finance field.
- 2) Of the total number of board members, at least 1/3 and no fewer than 3 persons must be independent directors.
- 3) The Board of Directors must be partially composed of non-executive directors so as to ensure checks and balances against the executive directors and a minimum of 1/3 of the total board members must be independent directors.

#### **Qualifications of Directors**

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

- 1) Meeting the qualifications and not possessing the prohibited characteristics prescribed in the Public Limited Companies Act B.E. 2535 or other related laws, as well as the regulations of the SET and the SEC and the Company's Articles of Association.
- 2) Being an expert with knowledge, capability and experience that are beneficial to the Company's operation.

- 3) Having a leadership skill, vision and independent decision-making ability to ensure the maximum benefit to the Company and the shareholders.
- 4) Being responsible to serve as the director and able to spare full time to perform the duty, assuming accountability to shareholders and duty of care and protecting the Company's interests.
- 5) Performing duties with integrity, honesty, ethics and adherence to laws, good corporate governance principles and code of business conduct.

#### **Qualifications of Independent Directors**

According to the Board of Directors Meeting No.7/2011, the Meeting had a resolution to acknowledge the qualification of Independent Directors comply with requirements stipulated by the SEC and the SET. Therefore, the qualification of Company's Independent Directors shall be as in the followings:

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



9. Have no any other characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business.
10. After being appointed, Independent Director may be authorized by the Board of Directors to make a collective decision to execute business of the Company, its parent company, its subsidiaries, its associated companies, its same-level subsidiaries, its major shareholders, or its controlling persons

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

#### **Terms of service of Director**

Directors shall hold the terms as stipulated in the Public Limited Companies Act B.E. 2535 and the Company's Articles of Association, which reads "At each annual general meeting of shareholders, 1/3 of the directors, or if the number is not a multiple of 3, then the number nearest to 1/3, must retire from office. The directors who have been the longest in office shall retire first. The retiring directors may be re-elected." The Nomination and Remuneration Committee will select and nominate qualified persons to be directors to the Board of Directors before seeking approval from the shareholders' meeting.

The Board of Directors has stipulated that members of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance and Ethics Committee shall each have a term of 3 years and may be re-appointed as deemed fit by the Board of Directors.

#### **New Director Orientation**

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

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

#### **Director Development**

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

As of December 31, 2018, the Board of Directors and sub- committees attending courses organized by IOD and by other institutions, as tabulated below:

Name of Director	Title	Courses organized by IOD						Courses organized by other institutes
		CDC	DAP	DCP	ACP	AACP	FND	
Dr.Naris Chaiyasoot	Chairman of the Audit Committee Member of the NRC Independent Director	3/2008	32/2005	82/2006	-	29/2018	19/2005	
Mr. Suvit Mapaisansin	Independent Director Member of the Audit Committee Member of the NRC Member of the CG			12/2544	37/2554			
Mr. Chanitr Charnchainarong	Independent Director Member of the Audit Committee	-		52/2547	-		-	1. Capital Market Academy Leader Program, Class 2/2006, Capital Market Academy 2. Public Economics Management for Executives, Class 9/2011, King Prajadhipok's Institute 3. Advanced Management Program (AMP) 185/2556 Harvard Business School Harvard University, USA 4. Senior Executives of Justice Administration, Class 19/2014, Office of the Judicial Training Institute
Dr. Lackana Leelayouthayotin				225/2559				1. Global Brand Forum 2. Unleashed the Power Within by Anthony Robbins, Singapore 3. Asia Pacific Chief Executive Grid Seminar, Grid Organization Development and Change Management 4. Advance Executive Program (AEP), Kellogg School of Management, North Western University, USA 5. Data-Based Competitive Benchmark in Marketing, Asia Pacific Marketing Federation, Philippines 6. Update in Strategic Management by University of California Berkley, Singapore 7. Developing the First-Class Manager, Hawksmere, Hong Kong 8. Marketing Manager, Queen's University, Canada
Miss Suwimon Chungjotikapisit	Director Member of the NRC	-	-	12/2001	-		-	

CDC = Chartered Director Class

DCP = Director Certification Program

FND = Finance of Non-Finance Director

DAP = Director Accreditation Program

ACP = Audit Committee Program

AACP = Advanced Audit Committee Program

### Board of Directors' Meetings

The Board of Directors announced the Board meeting's schedule in advance for 1 entire year, to the directors and the relevant parties, requiring that a regular meeting be arranged at least once every quarter (4 times a year), with a special session meeting allowed to be convened as deemed necessary. Agenda items are also pre-determined and are clearly divided into categories such as issues for information, issues for approval and issues for consideration.

The Company screens the proposed items to make certain that all crucial issues are included in the agenda, whereas all board members are entitled to propose agenda items independently. The Company Secretary submits an invitation letter complete with the meeting agenda and accompanied by related documents to all board members at least 7 days ahead of the meeting date to allow the board members sufficient time to consider the issues. Where it is deemed essential or urgent, the meeting request can be notified by other method or the meeting can be arranged sooner. A meeting usually takes 1-2 hours. The Company Secretary takes the minutes of the meeting.

To promote the Board of Directors' performance, the Office of Corporate Secretary determined criteria and forms for the completeness, adequacy and suitability of information submitted to the Board of Directors, aiming to enable the Board of Directors' meetings to proceed smoothly, quickly and efficiently, in accordance with relevant laws and regulations, for all units concerned to use as reference and standards in preparing information before submitting to the Office of Corporate Secretary for compiling as a proposal to each Board of Directors' meeting.

In each meeting, the Chairman allows each director to express his/her opinions freely and allocates time appropriately and efficiently. In case of a director having a stake in a matter being considered, the director shall inform the meeting of such stake



and shall not participate in discussing the matter and not exercise the voting right on the matter. At least 2/3 of the total number of directors shall be presented to form a quorum at the time of the Board passing a resolution.

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

Besides, the Board of Directors has a policy to encourage non-executive directors, independent directors and members of the Audit Committee to hold meetings among themselves as deemed fit in order to discuss about any crucial management issues without the presence of the management. In 2018, the Audit Committee members, held 1 meeting with the external auditor without the presence of the management on February 27th, 2018.

### **Merger and Segregation of Duties**

The Board of Directors requires that duties be clearly segregated for the purpose of power distribution in decision making and directing, with balance and review in management. This has been continuously improved for suitability and coverage of the Company's activities, in line with changes in the notification or requirements of regulatory agencies, with management power being put under the Corporate Authorization Index for information and action by parties concerned.

### **Independence of Board of Directors and Management**

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

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

#### **2. Balance of power**

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

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

### **Directorship in Other Listed Companies**

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

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

- 1) Each director is allowed to hold directorship in other listed companies not more than 5 listed companies, inclusive of the Company, to ensure the directors' efficiency and sufficient allocation of time to serve on the Company's Board of Directors.
- 2) Directors should avoid holding directorship in any other listed company that could create a conflict of interest with the Company and in performing their duty as the Company's director.

#### **2. Directorship in other listed company held by Group Chief Executive Officer and Top Management**

The Board of Directors allows the Group Chief Executive Officer and top executives to take directorship in other companies and most of them are appointed as directors of companies in the Group; in all it is of benefit to the Company, not affecting the performance of their respective duties and responsibilities.

## Annual Self-Assessment

### 1. The Board of Directors' Self-assessment

The Board of Directors regularly conducts a yearly Board and Director self-assessment to be a framework to monitor the performance of the duties of the Board, including reconsider processing commentaries on various issues related to the operations of the Company, and duties of the Board during the past year, a summary of the Company Secretary, and present the findings to the Board of Directors to be used to edit and enhance performance.

The Board self-assessment is divided into 5 rankings: 4 = Excellent, 3 = Very Good, 2 = Good, 1 = Unfavourable, 0 = Need Improvement.

The ranking results of Board self-assessment, broken down into 6 categories, for 2018 were as shown below:

	Board of Directors Assessment	Director Assessment
Assessment Category3	1. Structure and qualifications of the Board of Directors	1. Qualifications, knowledge, ability
	2. Roles and responsibilities of the Board of Directors	2. Independence
	3. Board of Directors' meetings	3. Performance as a director
	4. Performance as a director	4. Attention to duty and responsibility
	5. Relationship with the management team	5. Director's personal development
	6. Director's personal development and development of the management	
Average Score	3.72	3.75

### 2. The Sub-committees' Self-assessment

In 2018, the Board of Directors required that self-assessment apply to all Sub-committees, namely, the Audit Committee, Risk Management Committee, Corporate Governance and Ethics Committee and Nomination and Remuneration Committee; formerly this applied to only the Audit Committee. The self assessment results were reported to the Board of Directors on a yearly basis for review of the committees' performance, including opinions on issues related to their performance of duties during the past year, with an aim to make improvements and enhance work efficiencies. The performance assessment forms were determined according to each committee's scope of duties and responsibilities. For the Audit Committee, the performance assessment was also based on the Best Practice Guidelines for Audit Committee, developed by the SET, the Thai Institute of Directors (IOD) and companies with good ratings on good corporate governance, where applicable to the Company.

In 2018, all the Sub-committees performed their duties well with knowledge and abilities in accordance with the scopes of duties and responsibilities given in their respective charters and align with the regulator's best practice guidelines. The Company Secretary summarized the results of each Sub-committee's performance assessment for submission to the Board of Directors at the Board's Meeting No.1/2019 on February 28th, 2019. The Sub-Committees assessment is divided into 5 rankings: 4 = Excellent, 3 = Very Good, 2 = Good, 1 = Unfavourable, 0 = Need Improvement

Results of the self-assessment

Sub Committee	Average Score in 2018
1. Audit Committee	3.95
2. Nomination and Remuneration Committee	3.54
3. Risk Management Committee	3.17
4. Corporate Governance and Ethics Committee	3.33

### 3. Group Chief Executive Officer's Evaluation

The Board of Directors has assigned the Nomination and Remuneration Committee to evaluate the performance of the top executive in the organization's structure (Group CEO) on a yearly basis, for use as a guide in determining the top executive's remuneration and submit the result of the evaluation to a meeting of the Board of Directors for acknowledgement and approval.

In 2012, the Nomination and Remuneration Committee agreed to improve the evaluation form of the performance of Group CEO to suit the current situation, based on the evaluation form of the performance of the top executive of the Corporate Governance Center, The Stock Exchange of Thailand.

The Group Chief Executive Officer evaluation is divided into 5 rankings: 4 = Performed excellently, 3 = Performed very well, 2 = Performed reasonably, 1 = Performed partially, 0 = Not yet performed.

The overall evaluation, with total scores of 100%, can be classified into 5 levels:

More than 95%	=	Excellent
90% - 95%	=	Very Good
80% - 89%	=	Good
70% - 79%	=	Fair
Below 70%	=	Need Improvement

In 2018, the Nomination and Remuneration Committee evaluated the performance of Miss Boosaba Daorueng, the Group Chief Executive Officer for 2018 and reported to the Board of Directors' meeting No.1/2019 held on February 28th, 2019, that the overall evaluation of the Group Chief Executive Officer was rated "Very Good", or equivalent to the average score of 92.25%."

#### **Succession Plans**

The Board of Directors sees the importance and need to support the development of a succession plan for the top executive, Chief Executive Officer and/or other key management positions, which is part of the Company's human resources management strategy. The Development planning of talented personnel is aimed to cope with any unexpected incapability or vacancy of those key positions to ensure uninterrupted operation.

## **Sub-Committees**

The Board of Directors has appointed various sub-committees to help screen crucial issues with due care and efficiency. These committees hold meetings and report their findings to the Board of Directors for acknowledgement, approval or consideration, as the case may be, on a regular basis and report their performance for the shareholders' information in the annual report. This helps to support and enables the Company's overall operation to attain the established goals and comply with good corporate governance principles. The Board of Directors has approved the charter of each committee, clearly stipulating therein the committee objectives, qualifications, composition, terms of service, scope of power, duty and responsibility, reporting and meetings. The charter of each committee will be reviewed from time to time to ensure its appropriateness and is posted on the Company's Website (the details of the Board of Directors and Management Team are presented in the title "Management Structure"). There are 4 sub-committees as follows:

### 1. Audit Committee

The Audit Committee's composition and qualifications fully conform to the SET and the SEC's guidelines. It is composed of no fewer than 3 independent directors, at least one of whom has knowledge and understanding or experience in accounting or finance field sufficient for reviewing a financial statement. The committee members have terms of 3 years and may be re-appointed as deemed fit by the Board of Directors.

The Audit Committee holds or calls a meeting as deemed appropriate at least once every quarter (4 times a year). The meeting agenda is clearly pre-determined. Relevant documents are delivered in advance to the committee members and other attendees to allow them sufficient time to consider the issues or request additional information. The agenda covers all matters as assigned by the Board of Directors and as required by laws and/or regulations of the regulator bodies.



The Audit Committee performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the Audit Committee Charter, which is in conformity with the scope of main activities prescribed by the regulator bodies. The Company has a policy to disseminate the Company's Audit Committee Charter through the GRAMMY Group's Intranet to ensure it is communicated to all people across the organization.

As of December 31, 2018, the Audit Committee comprised 4 independent directors who possessed qualifications as required by the SET and the SEC. In 2018, the Audit Committee held a total of 4 meetings. Members of the committee, appointment term and their attendance at the meeting are as follows:

	Name	Surname	Title	Meeting Attendance (Times)
1.	Dr. Naris	Chaiyasoot <sup>11</sup>	Chairman	4/4
2.	Mr. Suvit	Mapaisansin <sup>11</sup>	Member	4/4
3.	Mrs. Veeranuch	Thammavaranucupt	Member	1/4
4.	Mr. Chanitr	Charnchainarong	Member	4/4

<sup>11</sup> Dr. Naris Chaiyasoot and Mr. Suvit Mapaisansin are the members of the Audit Committee who are knowledgeable and experienced in financial statement review.

The Audit Committee had performed its duty knowledgeably and to the best of its ability, within its scope of authority in accordance with the Audit Committee Charter and good corporate governance for Audit Committees. The meeting minutes have been duly recorded and endorsed by the members of the Committee, in readiness for inspection by any member of the Committee and related personnel.

#### Duties and Responsibilities of the Audit Committee

1. Ensuring the accuracy, completeness and reliability of the financial statements and that sufficient information is disclosed.
2. Ensuring that the Company has sufficient, appropriate and effective internal controls, risk management and internal audit systems.
3. Ensuring that the Company appropriately and effectively abides by the Good Corporate Governance Policy and Code of Ethics.
4. Ensuring that the Company abides by all relevant the SEC and the SET rules and regulations and other regulations and laws related to the Company's businesses.
5. Proposing and terminating the Company's auditors and determine their compensation.
6. Evaluating connected transactions so they comply with the law and regulations stipulated by the SET and that the transactions are reasonable and benefit the Company.
7. Supervising the Internal Audit Unit policies and operations so that they are aligned with the Internal Audit Charter, by evaluating the independence of its audits, the scope of work and audit schedules.
8. Evaluating and appoint, transfer and terminate the head of Internal Audit Department, as well as assess the performance of the head of Internal Audit Department and approve compensation for the Internal Audit Department, as initially appraised by the top Management.
9. Reviewing both the external and internal audit and recommendations conducted by the external Auditor and the Internal Audit Department, as well as monitor the management team to ensure that recommendations have been sufficiently followed and effective action has been taken within an appropriate timeframe.
10. The Audit Committee can request that any member of the management or any employee to report or present information, attend meetings or deliver documents as deemed relevant and necessary.
11. The Audit Committee can request assistance from external advisors or experts related to the Audit, at the Company's expense, in accordance with the Company's Articles of Association, as necessary.

12. Considering and amending the Audit Committee Charter at least once a year or as necessary, so it is up-to-date and appropriate to the Company's environment and to present the results to the Board of Directors for approval.
13. Preparing an Audit Committee's Report, attached in the Company's annual report, signed by the Chairman of the Audit Committee.
14. Executing other tasks as assigned by the Board of Directors, as agreed to by the Audit Committee.

## 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of at least 3 members, a majority of whom (more than half of the total members) must be independent directors with one of them serving as the committee chairman. The committee composition is regularly reviewed to fit with the Company's organization structure and nature of business.

The Nomination and Remuneration Committee holds or calls a meeting as deemed appropriate at least once a year and has the power to additionally call a meeting as deemed fit.

The Nomination and Remuneration Committee performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the Nomination and Remuneration Committee Charter. The Company has a policy to disseminate the Company's Nomination and Remuneration Committee Charter through the GRAMMY Group's Intranet to ensure it is communicated to all people across the organization.

As of December 31, 2018, the Nomination and Remuneration Committee's 3 reputable members comprised 1 Director and 2 Independent Directors. In 2018, the Nomination and Remuneration Committee held a total of 1 meetings. Members of the committee and their attendance at the meeting in 2018 are as follows:

	Name		Title	Meeting Attendance (times)
1.	Dr. Naris	Chaiyasoot	Chairman	1/1
2.	Miss Suwimon	Chungjotikapisit	Member	1/1
3.	Mr. Suvit	Mapaisansin <sup>11</sup>	Member	1/1

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

### **Duties and Responsibilities of the Nomination and Remuneration Committee**

#### Nomination

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

#### Remuneration

1. Preparing guidelines and policies in determining the Board of Directors and other committees' remuneration and proposing it to the Board of Directors and/or Shareholders Meeting for approval as appropriate.
2. Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors and the top management each year, for the director's remuneration by taking into consideration each director's duties and responsibilities, performance and comparisons against similar businesses and the benefits expected in return

from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.

3. Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders Meeting.
4. Reporting policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (Form 56-1) and annual report.
5. Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors.

### 3. Risk Management Committee

The Risk Management Committee is composed of at least 3 members appointed from the Company's directors and top executives with relevant knowledge, competence and experience that enable achievement of objectives. The committee composition is regularly reviewed to fit with the Company's organization structure and nature of business.

The Risk Management Committee holds or calls a meeting as deemed appropriate at least twice a year and has the power to additionally call a meeting as deemed fit.

The Risk Management Committee performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the Risk Management Committee Charter.

Moreover, the Board of Directors on February 28, 2008 approved GRAMMY Group's Risk Management Policy and Framework to serve as a guideline on group-wide risk management system development. The said policy and framework will be regularly reviewed to fit with the Company's organization structure and nature of business.

As of December 31, 2018, the Risk Management Committee comprised 7 members whose terms last 3 years according to the Corporate Governance and Business Ethics Manual of the Company. In 2018, the Risk Management Committee held 1 meeting. Members of the committee and their attendance at the meeting in 2018 are as follows:

	Name	Title	Meeting Attendance (Times)	Note
1.	Miss Boosaba Daorueng	Chairman	1/1	
2.	Mrs. Saithip Montrikul Na Ayudhaya	Member	1/1	
3.	Mr. Phawit Chitrakorn	Member	1/1	
4.	Mr. Sompohb Budspawanich *	Member	-	
5.	Mr. Fahmai Damrongchaitam *	Member	-	
6.	Miss Chitralada Hengyotmark **	Member	-/1	
7.	Mrs. Karnsuda Sansuthi	Member	1/1	
	Miss Wannaporn Srivatthanangkoon ***	Member	1/1	
	Mr. Takonkiet Viravan*	Member	1/1	

\* Board of Directors meeting No.2/2018 resolved to appointed Mr. Sompohb Budspawanich and Mr. Fahmai Damrongchaitam as the new members of Risk Management Committee, and the service term of Mr. Takonkiet Viravan has expired. The appointment of this new Risk Management Committee Member will be effective from 27 February 2018 — 12 May 2020

\*\* Miss Chitralada Hengyotmark retired effective 31 December 2018

\*\*\* Miss Wannaporn Srivatthanangkoon resigned effective 1 August 2018

### Duties and Responsibilities of the Risk Management Committee

1. Assessing and presenting policies, set risk management policy and framework and propose to the Board of Directors for approval.
2. Examining and agreeing on acceptable risk levels, approve risk management plans and present to the Board of Directors.



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

#### 4. Corporate Governance and Ethics Committee

The Corporate Governance and Ethics Committee composes 4 Company's directors with relevant knowledge, competence and experience in various business lines which is reviewed to fit with the Company's organization structure and nature of business.

The Corporate Governance and Ethics Committee holds or calls a meeting as deemed appropriate at least 2 times a year and has the power to additionally call a meeting as deemed fit and performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the Corporate Governance and Ethics Committee Charter

As of December 31, 2018, the Corporate Governance and Ethics Committee had 4 qualified members, comprising 2 independent directors and 2 directors from management team with a 3 year term according to the Company's Corporate Governance and Business Ethics Manual. There was a total of one meeting in 2018. Members of the committee and their attendance in 2018 are as follows.

	Name	Title	Meeting Attendance (Times)
1. Miss Boosaba	Daorueng	Chairman	1/1
2. Mr. Phawit	Chitrakorn	Member	-/1
3. Mr. Suvit	Mapaisansin	Member	1/1
4. Mrs. Veeranuch	Thammavaranucupt	Member	-/1

#### **Duties and Responsibilities of the Corporate Governance and Ethics Committee**

1. Proposing Corporate Governance Policies and a Code of Ethics of the Group to the Board of Directors for approval.
2. Monitoring and supervising the Group to ensure that corporate governance policies and business ethics specified by the Company are complied with.
3. Continuously assessing the Group's corporate governance policies and code of ethics to ensure that they comply with international standards and/or recommendations from related government organizations and propose these findings for approval from the Board of Directors.
4. Evaluating and proposing a Code of Best Practices to the Board of Directors and/or smaller committees in the Group.

5. Encouraging the dissemination of the good corporate governance culture across the organization and ensure that it is actually practiced.
6. Evaluating appointing and outlining the working team's roles in supporting the monitoring and supervision of business operations and ethics, as appropriate.
7. Performing other duties as assigned by the Board of Directors.

## Nomination and Appointment of Directors and Executives

### (1) Nomination and Appointment of Directors

1. Policy and Criteria for Nomination and Appointment of New Directors
  - a. A composition, structure, qualifications and board diversity of the directors to fill any vacancies and/or to fill additional board seats which takes into account the lack of necessary skills on the Board in order to lead the Company to achieve business objectives under management with good corporate governance of international standards.
  - b. A qualified person as per the laws and regulating agencies, and the Company's announcement.
  - c. A qualified person with knowledge, leadership, courage to express opinions, decision making with information and reasons, morality and ethics, unblemished records.
2. Policy and Criteria for Nomination and Appointment of Current Directors who shall retired by rotation in each year
  - a. Understanding of the Company's business, meeting agendas, and ability to provide useful information.
  - b. His/Her dedication to the Company, such as, meeting attended, and activities participation.

### Director nomination and appointment procedures

In nominating or selecting directors, the Nomination and Remuneration Committee follows the procedures as follows:

1. Preparing the Board Skill Matrix for determining the qualifications of a director according to the Company's policies and criterias of the selection process.
2. Selecting qualified directors who are suitable with the Company's business from the following sources:
  - 2.1) The proposing of nominations of directors by the shareholders in the Annual General Meeting of Shareholders which the Company inform shareholders through the SET and company's website.
  - 2.2) The list in the IOD Chartered Director database.
  - 2.3) Internal executives, outsiders who have the required qualifications.
3. The Nomination and Remuneration Committee approaches, interviews and discusses with the persons possessing the required qualifications to ensure that the persons will be willing to take directorship with the Company if appointed by the Board of Directors or a shareholders' meeting, as the case may be.
4. The Nomination and Remuneration Committee proposes the person who meets the nomination criteria to the Board of Directors for appointment or endorsement before submission to a shareholders' meeting for appointment individually, on the basis of
  - 4.1 share held is equivalent to 1 vote.
  - 4.2 Each shareholder may use all votes in clause 1 to elect 1 person or several persons as directors but cannot divide the votes for any persons.
    - a. Persons who receive the highest number of votes respectively shall be appointed as directors in the number of directors that have to be elected.

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



5. Appointing directors in accordance with the Company's Articles of Association.

In the event that the positions on the Board become vacant for some other reason than the normal expiration of a director's term of service such as resignation, the Nomination and Remuneration Committee may then propose an appropriate person to the Board of Directors to elect as a replacement in the meeting of the Board of Directors within the time stipulated by law or regulators, to fill that position only for the remaining term, unless the remaining period is less than two months. However, the resolution of the designation shall receive votes of not less than 3/4 of the remaining directors.

## (2) Nomination and Appointment of Executives

Human Resource Unit will recruit and select qualified individuals with knowledge, experience, skill and understanding of business and propose to authorized persons for consideration.

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

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

## Supervision of Subsidiaries and Associated Companies' Operations

The Board of Directors has mechanisms to supervise and control the operations of subsidiaries and associated companies as follows:

1. Sending the Company's high-level executives with knowledge, abilities and experiences related to the business and management to be directors or executives of those companies at least in proportion to the number of shares held, with consent of the Board of Directors, Group Chief Executive Officer or Chief Executive Officer of each business line in accordance with the Corporate Authorization Index as specified in the scopes of duties and responsibilities of directors or executives representing the Company.
2. Requiring that a meeting of high-level executives be held once a month to jointly determine policies, strategies, operating guidelines, follow up on operations in accordance with the set strategies and report the operating results, problems and obstacles to the management to participate in determining policies on business operations. The meeting is divided into groups, such as Group Executive Committee Meeting, where high-level executives from each business attend and the Executive Committee of each business, etc.
3. The Board of Directors has determined the Group's Authorization Index, specifying approval power in supervising subsidiaries and associated companies, such as management power, investment, financial management, approval of connected transactions, etc.
4. Determining regulations for important functions such as Human Resources Management Regulation, Purchasing Regulation, Asset Management Regulation, Advance Payment Regulation, etc., so as to provide the Group with definitive operating guidelines as standards for supervision and control.
5. Sending teams to randomly inspect operations of subsidiaries on a regular basis.
6. Operation and expense control by centralizing, finance, accounting and operations departments of subsidiaries and determining payment ceilings and authorized persons for payment with co-signers for review purpose and supporting documents in place.
7. Requiring that subsidiaries and associated companies prepare annual budgets, with budget review and adjustment for operating controls on a regular basis
8. Disclosure of financial information, the Company's overall operating results, consolidated financial statement and financial information, prepared in accordance with generally-accepted accounting standards and audited by reliable auditors and disclosure of other important information, such as investment structures, risk factors and connected transactions.

## Confidentiality and Treatment of Insider Information

The Board of Directors is committed to conducting business with integrity, transparency, fairness and equal treatment of all stakeholders and adopts a policy on confidentiality and treatment of insider information by instituting a code of ethics on confidentiality, protection of information and treatment of insider information in the Company's Corporate Governance and Business Ethics Manual, which could be summarized as follows:

1. The Company shall provide the directors and management with knowledge and understanding about reporting of their securities holding and changes in securities holding in the Company to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535, whereby they must also provide such report to the Company Secretary for further notification to concerned parties. They must also be informed of punishment clauses for any violation or non-compliance with the said regulation.
2. The directors, members of Group Executive Committee and management (according to definitions of the SEC), including their respective related persons according to Section 59 of the Securities and Exchange Act, have the duty to report their holding of the Company's securities at the first chance of their being appointed to assume such position and upon any later change in their said securities holding. The Company Secretary is to submit a summary report on the said securities holding and changes in securities holding in the Company to the Board of Directors' meeting quarterly for acknowledgement.
3. It is stated in the employment contract, working principles and employee best practices towards the Company and also is deemed to be employees' business ethics, that employees shall strictly protect confidential information and shall not, due to their position in the Company, seek to benefit themselves or their related parties by unethically using or publicly disclosing the Company's information or news which is confidential and has not yet been released to the public, or to cause a decrease in the Company's benefits, or take any actions that create conflicts of interest.
4. Importance is attached to the strict and consistent protection of customers' confidential information and prevention of the use of such information for personal benefits or related parties' benefits, except for the information that must be disclosed publicly according to relevant laws.
5. In cases where external parties are involved in special projects dealing with information undisclosed to the public and is in the negotiation stage, such projects fall into the scope of insider information as it may affect the price of the Company's securities. These external parties must sign a confidentiality agreement with the Company until the information is disclosed to the SET and the SEC.
6. The Company has established a code of ethics on the use of computers, information and communication technology so as to control and protect data security in information systems and/or prevent outsiders from gaining access to such information. The Company also sets the levels of employees' data accessibility according to their authority and responsibility.
7. The Company will levy, according to its regulations, the maximum penalty on any member of the Management, employees or related parties found to have unethically used insider information or behaved in such a way that could cause damage to the Company.
8. The Management will report any unethical use of insider information or behavior that could cause damage to the Company to the Board of Directors for information on a yearly basis.

In 2018, the Company's approach to prevention of unethical use of insider information was still effective.

## Compensation of External Auditor

Compensation paid by the Company and its subsidiaries to external auditors

### 1. Auditing fees

In 2018, the Group appointed EY Office Limited and Pro Trinity Ltd. as the Group's external auditors with auditing fees, amounting to 5,912,100 baht with a breakdown as follows:

- Auditing fees for EY Office Limited, in parts of the Company amounting to 3,053,600 baht and in parts of subsidiaries amounting to 2,663,500 baht , Total amount 5,717,100 baht
- Auditing fees for Pro Trinity Ltd., in parts of small subsidiaries amounting to 195,000 baht





## 2. Compensation for other services

There was no compensation for other services, whether in the past accounting period or in the future for unfinished services agreed in the past year accounting period.

### Other Operations Under the Principles of Good Corporate Governance

In 2018, several matters that have not been disclosed or complied with the principles of good corporate governance 2012 as stipulated by the SET and guidelines for Corporate Governance Code 2017 (the “CG Code”) by The Securities and Exchange Commission (the “SEC”) as follows:

- The principles of good corporate governance 2012 as stipulated by the SET

#### Responsibilities of the Board of Directors

1. The Board of Directors should have independent directors who comment on the performance of the management independently. The number of independent directors should meet or exceed the SEC requirements. The remaining directors should be representatives of each group of shareholders. In case of the chairman is not an independent director, the number of directors should be proportionate to the ownership of each group. The independent directors should make up more than 50% of the Board.
  - The Independent Directors consist of 4 persons or one-third of total directors which is in compliance with the composition of the number of directors as defined by the Company.
2. Terms of service of directors should be clearly stated in the Company's CG policies.
  - The Board of Directors does not stipulate the working terms of directors due to the fact that a person qualified for the director position is difficult to find, especially a person with experience in entertainment industry. Term limits may cause the loss of experience and expertise important to the optimal operation of the Board.
3. The chairman of the Board of Directors should be an independent director.
  - The Board of Directors does not elect an independent director as a committee chairman due to the fact that there is no qualified person with appropriate experience, knowledge and business skills which is consistent to the Company's strategy.
4. The Board of Directors should clearly state the policies and procedures regarding board positions in other firms held by the Company's managing director and/or top executives, both in terms of director type (i.e., executive, outside, or independent) and the number of board positions that can be held. For example, the board of Directors may state that any board position held in other firms by the Company's managing director must be approved by the board of Directors.
  - The Board of Directors stipulates the policy regarding holding director position in other companies by the Group Chief Executive Officer and top executives in general without prior approval from the Board of Directors. As most of the cases, the Board of Directors designates each director to the company group which generates benefit to the Company and such designation does not impact their current duties and responsibilities. Such directorship must not breach the laws or prohibition of regulators.
5. The majority of remuneration committee members should be independent directors, including its chairman. This committee is responsible for setting the criteria and the form of payment to directors and top executives and presenting the results to the Board of Directors While the Board of Directors approves executives' remuneration, the shareholders must approve those of directors
  - The Nomination and Remuneration Committee is responsible for setting the criteria and the form of payment to directors and Group Chief Executive Officer. While the criteria and form of payment to other top executives; Chief Executive Officer of Business Group; Chief Financial Officer; Chief Legal Officer, are based on the evaluation of their work performance which is connected to the operating result of the Company. The Human Resource Department will process and submit the result of the evaluation to the Group Chief Executive Officer for acknowledgement and approval.

6. The Nomination and Remuneration Committee should be comprised entirely of independent directors. It is responsible for setting the criteria and process of nominating directors and top executives, selecting qualified candidates according to the predetermined criteria and process and presenting the results to the Board of Directors. Then, the Board of Directors will present the results to the shareholders' meeting for election. Therefore, the criteria used in selecting and the process followed in appointing new directors and senior management should be disclosed.
  - The Nomination and Remuneration Committee is composed of 2 independent directors and 1 executive director with one of the independent committee serving as the committee chairman. The duties of Nomination and Remuneration Committee are seeking and selecting appropriate persons to assume the position of the Company's directors as stipulated in the criteria and procedures disclosed. In regard to the nomination of top executives, the Human Resource Department will seek, select and propose to the Group Executive Committee or the Board of Directors for approval.
7. The Board of Directors should appoint an external consultant to facilitate a board assessment at least once every three years and assessment results should be disclosed in the annual report.
  - The Company has no policy because the expense is high.
8. Remuneration of the managing director and top executives should be in accordance with the board policy and within the limit approved by shareholders. For the best interests of the Company, executives' salaries, bonuses and other long-term compensation should correspond to the performance of each given executive. Type and level of compensation should be related to shareholders' benefit and the sustainability of the Company.
  - Remuneration of the managing director (Group Chief Executive Officer) and top executives is in accordance with the principles and policy stipulated by the Board of Directors based on the evaluation form of the operation result of the Company and performance of each executive, thus, the matter is not proposed to the meeting of shareholder for approval.
  - The guidelines for Corporate Governance Code (the "CG Code") by The Securities and Exchange Commission (the "SEC")

The Committee's meeting No. 1/2018 which held on 27 February 2018 have considered and reviewed the principles of Corporate Governance Code for listed companies in 2018 ("CG Code") according to the Securities and Exchange Commission (SEC) has set up eight core principles as guidelines for the Board of Directors to apply. The Committee agrees to submit to the The Board of Directors's meeting no. 2/2018 on 27 February 2018 for adoption of the Code of Conduct to ensure proper implementation of the Code of Conduct.

The Committee's meeting No. 1/2019 which held on 28 February 2019 have discussed and reviewed the Company's Corporate Governance Policy (the "CG Policy") according to the guidelines for Corporate Governance Code (the "CG Code") by The Securities and Exchange Commission (the "SEC"). The Committee agreed that the current CG policy complies with these guidelines. However, some principals are not practicable due to the inconsistency with the Company's context and ongoing operations. The Company shall review and revise the CG Policy to ensure consistency with CG Code, which expected to complete in 2019. The issues were discussed during the Board of Director's meeting no. 1/2019 on 28 February 2019 and The Board has agreed that the Company should follow the existing CG Policy (sixth edition: revised in 2015) until the revision of CG Policy is completed, which seem most appropriate and consistent with the Company's operations. Nevertheless, The Committee will discuss and review the CG Policy based on the CG Code annually to keep pace with the development and the future of corporate governance.



## Internal Control and Risk Management

Recognizing the importance of an internal control system, the Board of Directors has put in place an internal control system that governs the financial, management and operational aspects for greater effectiveness and efficiency in accordance with related laws and regulations. Meanwhile, an emphasis is placed on continuous improvement according to COSO (The Committee of Sponsoring Organizations of Treadway Commission) with respect to organizational and control environment, risk assessment, control activities, information and communication and monitoring activities.

The Board of Directors has clearly defined in writing the duties and approval authority for the Management, and has controlled and ensured an efficient utilization of the Company's assets. To maintain proper checks and balances, the roles and duties of front-line operators, supervisors and evaluators are clearly delineated. In addition, the Company ensures that there is a financial reporting to those in the direct line of responsibility.

There is also the Audit Committee, which was appointed by the Board of Directors, by the Stock Exchange of Thailand's guidelines which currently consists of 4 independent directors and the Senior Director of Internal Audit Department acts as Secretary of the Audit Committee. The Audit Committee has the duties and responsibilities of auditing financial statements, disclosure of the financial reports and related transactions or any matters with conflicts of interest to be accurate, complete, reliable, and coordinate with the Internal Audit Department, auditors and management of the Company to review the internal control system and ensuring compliance with the relevant laws and regulations, as well as, to consider and approve an audit plan, performance evaluation and compensation of the Internal Audit Department, including selection and appointment of the auditor and audit fee. The Audit Committee shall also perform other duties as assigned by the Board of Directors, and conduct self-assessment to evaluate their performance to ensure that the Audit Committee has performed their duties effectively and completely.

The Board of Directors has implemented the Assessment Form of the Securities Commission as a guideline to assess the adequacy of the internal control systems of the Company and subsidiaries and a reporting of the assessment results to the Board of Directors' meeting on a yearly basis. The assessment results are also to be disclosed in the Company's annual registration statement (Form 56-1) and annual report.

All Board of Directors members and the Management, had collaboratively evaluated the sufficiency of internal control during 2018. The Board of Directors' Meeting on February 28, 2019 comprising of the Board of Directors, the Audit Committee, and the Management convened a meeting for the adequacy of the internal control systems of the Company and its subsidiaries as set up by the Management in five areas, namely, internal control, risk assessment, operation control, information and communication system and monitoring system. The Board of Directors and the Audit Committee shared the same opinion that:

"In general, the internal control system of the company and its subsidiaries was adequate and appropriate to the business operations of the Company. In addition, the Company has provided adequate personnel to follow the system effectively, as well as the internal control system for monitoring the operations of the subsidiaries in order to protect the assets of the Company and the subsidiaries from wrongful action of the directors and executives including transactions with persons who may have a conflict of interest and related persons. The Committee and the Management recognized the importance of good corporate governance, internal control, and continuous risk management, which would ensure good corporate governance principles of company, acceptable level of internal control and risk management, accurate and reliable accounting and financial reporting practices, together with compliance with the laws, the rules or announcements of the SET and regulations related to the Company's businesses."

### Head of Internal Audit Department

The Board of Directors' Meeting No.3/2006 held on May 15, 2006 appointed Mr. Wichai Santadanuwat as a Secretary to the Audit Committee and Head of Internal Audit Department. The Audit Committee has considered and agreed that Mr. Wichai Santadanuwat has experience in performing the audit of the Company's including an understanding of the activities and operations of the Company as well, so that it is appropriate for him to perform such functions.

The appointment, termination and transfer, as well as performance evaluation and compensation for the Head of Internal Audit Department must be approved by the Audit committee. The qualifications of Head of Internal Audit Department appear in the attachment.

NOTE: Details of the Head of Internal Audit Chief Accountant and Head of Compliance appear in "Details about the Head of Internal Audit, Company Secretary and Head of Compliance".



## Connected Transactions

**Parties which may have conflicts of interest that have entered into connected transactions with the Company and its subsidiaries**

In 2018, The Company and its subsidiaries entered into connected transactions with the Company and connected persons where conflicts of interest may have occurred. These included both transactions which were the normal course of business by the Company and subsidiaries, and transactions which were not. Business that conducted connected transactions is divided into 3 categories as follows:

### A) The Group

The Group composes of the Company and subsidiaries of the Company.

**Details of the Group are as follows:**

Company	Business Type	% Holding by the Company (As at 31 December 2018)
GMM Grammy Public Company Limited	Fully-integrate entertainment businesses, including music business, satellite television business, digital TV business, home shopping business, movies business and co-investment in other businesses	
<b>Subsidiaries directly held by the Company</b>		
GMM Holdings Company Limited	Holding company	100 %
GMM Music Publishing International Company Limited	Management of music copyrights	100 %
GMM Thai Hub Company Limited	Production of films and television programs	51 %
Fan TV Company Limited (Another 49% is held by GMM Holdings, a subsidiary)	Production of satellite television programs	51 %
GR Vocal Studio Company Limited	Vocal and music schools	100 %
GMM CJ O Shopping Company Limited	Wholesale and retail by using advertising media and phone orders service and E-commerce orders	51 %
Z Trading Company Limited	Production and distribution of satellite television and digital TV receivers	100 %
Digistream Company Limited	Currently inactive	100 %
GDC Company Limited	Currently inactive	100 %
MGA Company Limited	Currently inactive	100 %
Digital Gen Company Limited	Currently inactive	100 %

Company	Business Type	% Holding by the Company (As at 31 December 2018)
<b>Subsidiaries directly held by the Company (Continued)</b>		
Extraorganizer Company Limited	Currently inactive	100 %
More Music Company Limited	Currently inactive	100 %
Teen Talk Company Limited	Currently inactive	100 %
Deetalk Company Limited	Production of television programs	100%
GDH559 Company Limited	Production of film and television programs	51%
Exact Company Limited	Production of television programs	100 %
Tifa Studios Company Limited	Production of television programmes broadcast on digital TV and online media	100 %
Gung Ho Studios Company Limited	Production of television programmes broadcast on digital TV and online media	100 %
Bravo Studios Company Limited	Production of television programmes broadcast on digital TV and online media	100 %
OSP TV Company Limited (Another 49% is held by GMM CJ O Shopping Company Limited, a subsidiary)	Satellite television platform provider	51%
<b>Subsidiaries held by GMM Holding Company Limited</b>		
GMM Studio Company Limited	Currently inactive	100 %
Grammy Publishing House Company Limited	Currently inactive	100 %
GMM Goods Company Limited (Formerly known "GMM Fitness Club Company Limited")	Distributor of consumer products	100 %
G Broadcast Company Limited (Formerly known "Mifa Company Limited")	Satellite television platform provider	100 %
GMM Digital Domain Company Limited	Currently inactive	100 %
Magic Film Company Limited	Currently inactive	90.91 %
Global Music and Media (China) Limited	Currently inactive	100 %
<b>Subsidiary held by GMM Digital Domain Company Limited</b>		
Digital Arms Company Limited	Currently inactive	100 %
<b>Subsidiaries held by Z Trading Company Limited</b>		
G S-one Company Limited	Currently inactive	100 %
GMM Z Company Limited	Providing of satellite television network	100 %

## B) Associated Companies

Company	Business Type	% Holding by the Company (As at 31 December 2018)
<b>Associated companies held by the Company</b>		
Family Know-how Company Limited	Dissolution, liquidation is being in process	50 %
Lucks (666) Satellite Co., Ltd.	Currently inactive	25%
Scenario Company Limited	Production of television programs and plays	25 %
<b>Associated companies held by GDH559 Company Limited</b>		
Siengdee Thaweesuk Company Limited	Provider of recording movie sound and movie advertisement, produce sound and music for movie	45 %
Ngandee Thaweesuk Company Limited	Provision of public relation and organizer	40 %
Good Thing Happen Company Limited (Another 0.6% held by associates - Na Dao Bangkok Company Limited)	Media advertising, public relations consultancy and marketing organizer	19 %
Na Dao Bangkok Company Limited	Films production and talent agency services	30 %
Sawasdee Thaweesuk Company Limited	Production post and design of advertising media and films and public relations for films	25 %
<b>Joint Venture held by the Company</b>		
The One Enterprise Company Limited (Another 11.64% held by Scenario Company Limited)	Production of television programs on digital TV	31.27%
GMM Channel Holding Company Limited (Formerly known "GMM Channel Trading Company Limited")	Production of television programs on digital TV	50 %

## C) Related Companies through Common Directors

Company	Business Type	Nature of Business
Geurt Fah Company Limited	Property rental and related services	<ul style="list-style-type: none"> <li>- Mr. Paiboon Damrongchaitham, a director of the Company, is also an authorized director with signing authority at Geurt Fah Company Limited</li> <li>- Miss Suwimon Chungjotikapisit, a director of the Company, is also an authorized director with signing authority at Geurt Fah Company Limited</li> <li>- Mr. Fahmai Damrongchaitham, a director of the Company, is also an authorized director with signing authority at Geurt Fah Company Limited</li> </ul>



Company	Business Type	Nature of Business
A - Time Traveler Company Limited	Creative Travel Agency provides domestic and international travel	<ul style="list-style-type: none"> <li>- Mrs. Saithip Montrikul na Audhaya, a director of the Company, is also an authorized director with signing authority at A-Time Traveler Company Limited</li> <li>- Miss Suwimol Chungjotikapisit, a director of the Company, is also an authorized director with signing authority at A-Time Traveler Company Limited</li> </ul>
Weerawong, Chinnavat & Partners Company Limited	Thailand's Leading Law Firm	<ul style="list-style-type: none"> <li>- Mrs. Veeranuch Thammavaranucupt a partnering lawyer, is also a director with signing authority at Weerawong, Chinnavat &amp; Partners Company Limited</li> </ul>
Thanaset Business and Development Company Limited	Hotel and Resort	<ul style="list-style-type: none"> <li>- Mrs. Veeranuch Thammavaranucupt, a director of the Company, is also an authorized director with signing authority at Thanaset Business and Development Company Limited</li> </ul>

#### Characteristics of Connected Transactions

The Company operates the fully-integrate entertainment businesses, such as music business and co-investment in other businesses, etc. Many of the Company's subsidiaries operate a variety of media businesses to support the core business. Therefore, there are many connected transactions between the Company and its subsidiaries, as well as with the Group, associated companies and related companies with common directors.

Connected transactions can be divided into 2 major categories, as follows:

- Transactions which are the normal course of business consists of revenue from the sale of music products and copyrights, production and distribution of motion pictures, advertising fees, public relations and sales promotions, profit sharing from CDs VCDs DVDs sales, studio rental fees, artist management fees, production fees, event organization fees, etc.
- Transactions which are not the normal course of business such as rental of office space, loans to subsidiaries, shared administrative management fees, professional fees and purchase of assets which are not related to the Company's normal course of business.

#### Measures or procedures on approval of connected transaction

By virtue of Section 89/12 of the Securities and Exchange Act B.E. 2551 (No.4) which states that a director, executive or related person can enter into the transaction with the Company or its subsidiary only under approval by the meeting except for commercial transaction with terms as those an ordinary person would agree with any unrelated counter party under similar circumstances and/or criteria which has already been approved by the Board of Directors. In the Board of Directors' Meeting No. 1/2011, held on February 25, 2011, assembly passed its resolution to approve agreement and conditions of commercial transaction with related person. In addition, the Company has determined the Corporate Authorization Index (CAI) No. 1/2555 regarding the execution of connected transaction to be in compliance with the notifications of the Stock Exchange of Thailand.

#### Policy or Trend of Future Connected Transactions

The Company, on regular basis, enters into transactions which is considered as normal course of business operation or business supporting such as advertisement, publicity, sales promotion, distribution of copyrights, recording commission, studio service, artist management, hire of work, concert hosting service, activity hosting, production of video clips, production of stage play, lights and sound equipment rental. It is Company's determination that the future connected transactions will be executed as a normal commercial business, by taking into account the highest benefit of the Company.

The connected transaction which is not considered as normal business course, which may occur in the future such as grant of

loan to the subsidiaries, central management expense and profession service fee, acquisition-disposal of assets irrelevant to normal business transaction or the price and commercial terms are not in compliance with general markets, must be reviewed and approved by the resolution of Board of Directors. In addition, the meeting requires Audit Committee's attendance to ensure the fair execution of connected transaction and appropriate pricing policy. The directors of interest will be waived the right to vote for such transaction. The Company at its best effort, will execute such connected transaction to be in compliance with notifications of the Stock Exchange Commission and the Stock Exchange of Thailand, regulations on disclosure of connected transactions and acquisition and disposal of assets of the Company and its subsidiaries, as well as the accounting standards stipulated by the Federation of Accounting Professions.

**Connected transactions between the Group and Related Companies with Common Directors, which are the normal course of business**

Parties that may have conflicts of interest	1) Geurt Fah Company Limited (Property rental and related services) 2) A - Time Traveler Company Limited (Creative Travel Agency) 3) Weerawong, Chinnavat & Partners Company Limited (Law Firm) 4) Thanaset Business and Development Company Limited (Hotel and Resort)	Relationship shown in C)  Relationship shown in C)  Relationship shown in C)  Relationship shown in C)
Types of Transaction	Revenue from management fees and other services	
Total Consideration	1.61 million Baht, with reference to price setting based on mutual agreement (comprising the Company's income of 1.61 million Baht)	
Outstanding Accounts Receivable	As at 31December 2018, the amount is 0.29 million Baht. (comprising the Company's accounts receivable of 0.29 million Baht).	
Opinion of the Audit Committee	Audit Committee has the opinion that the revenues derived as above is based on mutual agreement which refers to the market price and is according to the normal course of business. The Audit Committee agreed that such price setting is reasonable and fair.	
Types of Transaction	1) Utilities and parking fees 2) A domestic and international travel agent service fees 3) Legal and marketing consultancy fees 4) Accommodation expenses	
Total Consideration	28.22 million Baht, with reference to price setting based on market prices, and contractual prices according to market, as well as prices based on mutual agreement. (comprising the Company's service expenses of 24.57 million Baht and subsidiaries' service expenses of 3.65 million Baht).	
Outstanding Accounts Payable	As at 31December 2018, the amount is 5.05 million Baht. (comprising the Company's accounts payable of 4.62 million Baht and subsidiaries' accounts payable of 0.43 million Baht).	
Opinion of the Audit Committee	Referring to the executives and management of the Company consideration and review of the other expenses upon market price, including expenses related to creative, advertising and travel service both domestic and international travel under contractual prices aligned to the market together with prices based on mutual agreement, such price setting is in accordance with the normal course of business and deemed reasonable. The Audit Committee has the opinion that the price setting is likely to be appropriate and reasonable, as agreed by the management.	





**Connected transactions between the Group and Associated Companies, Joint venture Company which are the normal course of business**

Parties that may have conflicts of interest	<ol style="list-style-type: none"> <li>1) Scenario Company Limited (Production of television programs and plays)</li> <li>2) Good Thing Happen Company Limited (Media advertising, public relations consultancy, and marketing organizer)</li> <li>3) Na Dao Bangkok Company Limited (Films production and talent agency services)</li> <li>4) Family Knowhow Company Limited (Production of television programs and publishing media)</li> <li>5) Ngandee Thaweesuk Company Limited (Provision of public relation and organizer)</li> <li>6) Sawasdee Thaweesuk Company Limited (Production post and design of advertising media and films and public relations for films)</li> <li>7) Siengdee Thaweesuk Company Limited (Provider of recording movie sound and movie advertisement, produce sound and music for movie)</li> <li>8) The One Enterprise Company Limited (Production of television programs on digital TV)</li> <li>9) Gmm Channel Holding Company Limited (Production of television programs on digital TV)</li> </ol>	<p>Relationship shown in B)</p> <p>Relationship shown in B)</p> <p>Relationship shown in B)</p> <p>Relationship shown in B)</p> <p>Relationship shown in B)</p> <p>Relationship shown in B)</p> <p>Relationship shown in B)</p> <p>Relationship shown in B)</p> <p>Relationship shown in B)</p>
Types of Transaction	<ol style="list-style-type: none"> <li>1) Revenue from producing television programs that generate revenue from advertisement sales</li> <li>2) Revenue from producing digital TV programs</li> <li>3) Revenue from organizing concerts and staging theatrical performances</li> <li>4) Revenue from copyrights of songs, dramas and programs</li> <li>5) Revenue from artist management</li> <li>6) Revenue from studio rental, event organization</li> <li>7) Revenue from management and advisory fee</li> <li>8) Interest Income</li> <li>9) Other Income</li> </ol>	
Total Consideration	In the amount of 270.01 million baht, the price is based on mutual agreement with reference to a market price. (comprising the Company's revenue at 246.15 million baht, while 23.86 million baht goes to its subsidiaries)	
Outstanding Accounts Receivable	As of 31 December 2018 the amount is 94.51 million Baht (comprising the Company's receivables at 85.26 million Baht, and its subsidiaries' at 9.25 million Baht.)	
Opinion of the Audit Committee	Audit Committee has the opinion that the revenues derived as above is based price setting according to mutual agreement which refers to the market price and is in accordance with the normal course of business. The Audit Committee agreed that such price setting is reasonable and fair.	

**Connected transactions between the Group and Associated Companies, which are the normal course of business (Continued)**

Types of Transaction	<p>Service expenses, consisting of:</p> <ol style="list-style-type: none"> <li>1. Cost of advertisement spots on television and sponsorship fees.</li> <li>2. Share of copyrights from the sale of television programs such as dramas and drama soundtracks on CDs VCDs and DVDs.</li> <li>3. Media cost and time rental for program production.</li> <li>4. Soap opera production cost, event organization and property rental.</li> <li>5. Operating costs in sourcing artists.</li> <li>6. Fees for program hosts.</li> </ol>
Total Consideration	The amount is 396.14 million Baht. The price depends on negotiations between the service recipient and service provider which refers to market price. (The Company's cost of services is 270.22 million Baht and 125.92 million Baht to its subsidiaries).
Account payables and other payables	As of 31December 2018, 166.29 million Baht (comprising the Company's trade creditors at 137.22 million Baht and its subsidiaries' at 29.07 million Baht).
Opinion of the Audit Committee	The Audit Committee has the opinion that the service expenses as above are based on price setting according to mutual agreement which refers to market price. The Audit Committee agreed that such price setting is reasonable and fair.

**Connected transactions between the Company and its subsidiaries with directors**

Parties that may have conflicts of interest	Directors in the Company and its subsidiaries who are skilled in composing music, serving as program hosts, directing and writing scripts.
Types of Transaction	The Group paid copyright fees, program host fees, director's fees and screenwriter's fees to these Directors.
Total Consideration	Amount of 0.01 million Baht. Prices are determined by the unit cost of products/goods sold at market prices. Prices also depend on the quality and services received. The final service fee will depend on negotiations between the companies receiving the services and service providers (comprising subsidiaries' expenses at 0.01 million Baht)
Trade payables and other payables	As of 31December 2018, - million Baht
Opinion of the Audit Committee	The Audit Committee has the opinion that hosting service and other services provided by the directors who possess extensive expertise and experience in the business has benefited the Company. Audit Committee has the opinion that the fees charged to hosting or performing other services depends on many factors such as the scope and complexity of the work, creativity, reputation and experience of the service provider. Therefore, the Company has taken these factors into consideration in setting the preliminary price, but the final price depends on negotiations between the customer and service provider. The Audit Committee agreed that remuneration scheme by taking into consideration the scope, level of difficulty of the work, and the creativity to set the prices is reasonable and fair.



### Connected transactions that are not the normal course of business between the Group and Related Companies with Common Directors

Lessee:	The Group
Lessor (Company or Individual that may of Conflicts of Interest)	Geurt Fah Company Limited
Relationship	<ol style="list-style-type: none"> <li>1. Mr. Paiboon Damrongchaitham is a director of the Company, is also an authorized director with signing authority at Geurt Fah Company Limited.</li> <li>2. Miss Suwimon Chungjotikapisit, a Director of the Company, is also an authorized director with signing authority at Geurt Fah Company Limited.</li> </ol>
Characteristic of connected transaction	The Group rents a 43 storey office building, located at 50 Asoke Road (Sukhumvit Soi 21), Khlongtoe-inuea, Wattana, Bangkok from Geurt Fah Company Limited.
Size of rented space	Approximately 31,000 sq.m, accounting for 80% of total rental space.
Contract tenure	3 years (from 1 May 2016 to 30 April, 2019), where the lessee can renew the lease for a period of 3 years each time.
Rental and service rates	Increased by 5.41 % from original rental and service rate of 555 Baht per sq.m per month to 585 Baht per sq.m per month.
Price setting policy	In compliance with the original contract conditions of having renewal options every 3 years at market rates, except for the first rental renewal, where the rental and service rates increase cannot exceed 15%.
Total rent and service fees that the Group pays to Geurt Fah in 2018	125.43 million Baht (The rental and service fees from the Company in the amount of 112.77 million Baht and subsidiaries in the amount of 12.66 million Baht).
Total consideration	Approximately 654.92 million Baht throughout the 3 year period (excluding VAT and related taxes).
Opinion of the Audit Committee	The Audit Committee has the opinion that the rental rate which the Company and subsidiaries paid to Geurt Fah Company Limited in the amount ranging between 555 - 615 Baht per sq.m per month is reasonable and fair. This rate is in the range of market rental rates, which currently runs between 550 - 620 Baht per sq.m per month, according to an appraisal report by Jones Lang LaSalle (Thailand) Limited, an independent appraiser on the SEC's approved lists.





## Corporate Social Responsibilities (CSR)



### Policy

The Board of Directors defined in the Company's business ethics for being norm of the Company to all stakeholders as the Corporate Governance and Business Ethics Policy and Manual (<http://www.gmmgrammy.com/cg-e-book/CG%20Manual%205-2556.pdf>) which is distributed through the various channels such as E-mail, the Group's intranet and the Company's website. Board of Directors has the policies and regulations about Ethics on Roles and Responsibilities towards Community, the Environment and the Society as follows:



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

## Operations and Report

The Group discloses information on corporate social responsibility in accordance with the Integrated CSR Reporting Framework, Version 2, set by Thaipat Institute and the Corporate Social Responsibility Guidelines prepared by the Working Group for the Promotion of Corporate Social Responsibility and Environment in Listed Companies.

### Stakeholders

Stakeholders are the persons that involve with the Company in the value chain and should be treated with care following by their rights stated in relevant laws and regulations. The Company should not do any acts which can be regarded as violation of stakeholder rights and coordinate with them to create mutual prosperity, stability and sustainability. The Company separates stakeholders into 2 major groups as follows:

1. Primary Stakeholders such as shareholders, customers, suppliers, creditors, employees, etc.
2. Secondary Stakeholders such as regulatory agencies, government etc.





Stakeholders	Prospect	Activity/Channel of relationships in 2018
Shareholders Investors	<ul style="list-style-type: none"> <li>Return (dividends or stock dividends) and sustainable organizational growth</li> <li>The Board of Directors have normative ethics</li> </ul>	<ul style="list-style-type: none"> <li>Organized Annual shareholder's meeting</li> <li>Joined the activities of SET</li> <li>Made press Release on the Company's investment or every significant business activities</li> <li>Presented the Company's information and overall industrial condition to the domestic institutional investors</li> <li>Organized site visit</li> <li>Gave information and answered questions by E-mail, letter, phones</li> </ul>
Business Partner	<ul style="list-style-type: none"> <li>Financial strength</li> <li>Personnel's knowledge and expertise</li> <li>Fair and transparent business</li> </ul>	<ul style="list-style-type: none"> <li>Meeting</li> <li>Company's visit</li> <li>Complaints filing and channels for submitting complaints, suggestions and recommendations</li> </ul>
Analysts	<ul style="list-style-type: none"> <li>Complete, correct and updated information used to analyze and recommend for investors</li> </ul>	<ul style="list-style-type: none"> <li>Welcomed analysts who visit the Company to enquire about its operating results</li> <li>Organized site visit</li> <li>Made press release on the Company's investment or significant business activities</li> <li>Gave information and answered questions by E-mail, letter, phones</li> </ul>
Customers Consumer	<ul style="list-style-type: none"> <li>Good products and services delivered in time with fair price</li> <li>View TV programs and/ or radio programs with variety of news, information and entertainment</li> <li>Artists are role model for the society</li> </ul>	<ul style="list-style-type: none"> <li>Assigned sale representative to visit customers' shop</li> <li>Organized meet and greet events for artist fan clubs</li> <li>Gave information, answered questions and gathered the claims via call center and sales</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>Regulatory compliance among fair and moral competitions</li> <li>Non-infringement of intellectual property rights</li> </ul>	<ul style="list-style-type: none"> <li>Met at business meetings on various occasions</li> </ul>
Trade Partners	<ul style="list-style-type: none"> <li>Fulfil obligations under the business contracts</li> <li>Fair trading practice</li> </ul>	<ul style="list-style-type: none"> <li>Organized partner agreement discussion</li> <li>Organized business partner meetings with the executives</li> <li>Cooperated to organize social activities</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>Fulfil the obligations under the loan contracts</li> <li>Receive the loan payment in time</li> </ul>	<ul style="list-style-type: none"> <li>Organized meeting with banks and financial institution</li> <li>Welcomed bank to meet the executive</li> <li>Company's visit</li> <li>Invited creditors to join conference on business partnership</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Compensation and privileges</li> <li>Promotion</li> <li>Seminars and trainings to develop employee skill</li> <li>Adequate facility, healthy and safety workplace</li> </ul>	<ul style="list-style-type: none"> <li>Organized GMM Songkran festival with the executives</li> <li>Made merit in the Company anniversary</li> <li>Organized fire drill and first aid training</li> <li>Provided the channels and processes for any complaints</li> <li>Offered employees to attend seminars and trainings</li> <li>Monitored the operation of each business every month and learned from executive coaching</li> <li>Communication channels such as intranet, E-mail</li> </ul>

Stakeholders	Prospect	Activity/Channel of relationships in 2018
Community	<ul style="list-style-type: none"> <li>• Transparent disclosure</li> <li>• Safety and environmental preservation</li> <li>• Corporate responsibility to improve quality of life</li> </ul>	<ul style="list-style-type: none"> <li>• Provided the channels and processes for any complaints</li> <li>• Organized CSR activities such as “Music Therapy” to encourage prisoners to return to society with good deed every year</li> <li>• Company’s visit</li> </ul>
Auditors	<ul style="list-style-type: none"> <li>• Fair compensation</li> <li>• Complete and correct information</li> </ul>	<ul style="list-style-type: none"> <li>• Provided the meeting with the Audit Committee without the executives at least once a year</li> <li>• Cooperated to give the information</li> </ul>
Regulators Government	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Supporting the government projects</li> </ul>	<ul style="list-style-type: none"> <li>• Attended seminars and trainings</li> <li>• Joined the event named “Thank You Thailand” under the concept of appreciating our country, “Tub Fah Khu Thai Puar Chaipattana”, etc.</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Transparent disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Made press release on the Company’s investment or significant business activities</li> </ul>

### Strategy for Sustainable Development

The Board of Director strongly believes in conducting business according to business ethics and good corporate governance principles alongside corporate social responsibility. This is carried by integrating with prospects of all stakeholders to define strategy for sustainable development for creating shared values between corporate and social which will create sustainable business growth.

The Group reinforces its role as a “content provider” covering television, radio, music, movies and showbiz. It is now ready to develop an online platform as a part of its “Total Media Solutions” strategy. In 2018, the company revised the management structure within each business segment in order to enhance its strength. For sustainable development, operating strategies include 3 aspects.

#### Economic

1. Branding by creating the relationship between business and customers with the impression, making customers feel happy and bound to the company.
2. Collaboration with domestic and international partners in order to expand contents to international markets including China, Korea, ASEAN and other countries.
3. Being the content provider and trendsetter in media industry, the Group targets to create high quality in terms of both commercial, art and culture in order to build up mutual benefit for both the corporate and society.
4. Presenting contents covering online, on-air and on-ground, especially focused online content.
5. Seeking investment opportunities to grow strongly and steadily.
6. Good corporate governance abide by business ethics includes transparent, fair and traceable operations to laws and regulations.

#### Social

1. Improving the quality of life of the communities and societies with attention, care and share.
2. Having social responsibility in organizing campaigns against narcotics continuously, hence promotion and support of children and youths to stay away from narcotics, leading to a healthy community and narcotic-free society
3. Supporting and promoting activities which maintain good tradition and culture and behaving as a good religion follower by supporting religious activities consistently
4. Holding various projects to assist and relieve misery of people who are in trouble in many ways

#### Environment

1. Training, campaigning and instilling in employees conscience of preservation and smart and efficient use of resources and energy
2. Creating and supporting activities which are beneficial to maintenance, preservation and use of natural resources and energy on a consistent basis





The Group has conducted business according to business ethics and good corporate governance principles alongside with corporate social responsibility as follows:

## 1. Fair Business Operation

The Board of Directors has been adhering to the business operation under business ethics, related laws, standards and code of best practices as defined in the Corporate Governance and Business Ethics Manual and there are other actions as follows:

- 1.1 The Company has definite policies and practices on the treatments of all stakeholders as specified in the ethics of treatment of shareholders, ethics of treatment of customers and consumers, ethics of treatment of competitors, ethics of treatment of trading partners, ethics of treatment of creditors and ethics of treatment of employees, without a preference for any particular groups or persons.
- 1.2 The Company has definite operating procedures and practices for various matters such as purchasing and employment, with approval authorization powers clearly defined for respective matters so that operations can be carried out with transparency, justice and accountability.
- 1.3 Opening opportunity for all stakeholders to express their opinions for improvement of the Company's business operations at various occasions, such as annual general meetings of shareholders, business visits, press conferences, analyst meetings, etc.
- 1.4 The Board of Directors is committed to conduct business with integrity, transparency, fairness and equal treatment of all stakeholders and adopts a policy on confidentiality and treatment of insider information by instituting a code of ethics on confidentiality, protection of information and treatment of insider information.
- 1.5 The Board of Directors has a policy to respect intellectual property rights of other persons by not violating or supporting any acts which can be regarded as violation of intellectual property rights and copyrights of other persons, thus reflecting the Company's strong intention to conduct business with fairness and respect for and compliance with the laws relating to intellectual property rights, by instituting a code of Ethics on Intellectual Property and Copyright and the Company has a policy to promote the use of legal products by cooperating with state agencies and related private sector parties in a campaign against piracy titled 'Took, Took Jai, Took Gohd Mai' ('Cheap, Pleasing, Legal) to raise awareness of copyright protection among the public through various activities. The 'Not Buy, Not Sell, Not Use Pirate Goods' slogan aims to encourage the public to be more aware of the intellectual property to help reduce the piracy problem in the long run.  
  
The information technology was held to prevent software piracy, the rights to download software belongs to IT employees only.
- 1.6 The Group promotes free trade competition under fair play rules, not seeking confidential information of business competitors in a dishonest manner.
- 1.7 Treating trading partners equitably and fairly, not demanding or receiving any dishonest assets or benefits from trading partners, having definite operating procedures and purchasing committees responsible for the selection of trading partners and not cooperating with or supporting any persons or organizations engaged in illegal businesses or posing threats to society and national security.
- 1.8 Maintaining agreements and foster sustainable relationships with trading partners and contracting parties, adhering to trading conditions or agreements made with each other in a strict manner.

## 2. Anti-corruption

The Board of Directors adheres to transparent business operations under legal frameworks, principle of ethics and good corporate governance guidelines, supporting anti-corruption campaigns, with full awareness that corruption is detrimental to the development of the country's economic, social and national security systems as defined in the Corporate Governance and Business Ethics Manual.

The Company has supervisory measures in place to ensure that employees comply with anti-corruption policies and practices and provides channels where complaints and information on dishonest practices can be sent to the Audit Committee, which comprises independent directors, by posting and e-mail to [auditcommittee@gmmgrammy.com](mailto:auditcommittee@gmmgrammy.com), as given in the Company's website, Annual Information Report Form (Form 56-1), the Company's Annual Report and Good Corporate Governance and Business

Ethics Manual for processing and submission to the Board of Directors. The Company also has a policy to protect the provider of information or clues and treat the information with strict confidentiality, with measures on investigation and punishment under relevant regulations. In 2018, there were no reports or cases of fraudulent activities involving the Company and/or affiliated companies.

### 3. Respecting Human Right

The Board of Directors gives importance to respecting human right law and practice, as indicated in the Corporate Governance and Business Ethics Manual Re: Respect of Human Right Law and Practice. This could well signify the Board's commitment to conduct business in compliance with laws, while embracing human rights which are the basic rights ensuring that all human beings are born free and equal in dignity and rights without discrimination against birth, race, nationality, skin color, gender, religion, age, language, physical and health condition, personal status, economic and social status, social value, education or political opinion. The Board also promotes employees' awareness of their rights, duties and responsibilities to society and other fellows. In the past year, the Company treated all stakeholders equitably without discrimination as the policies and regulations about Ethics on Respecting Law and Human Right in the Corporate Governance and Business Ethics Manual, such as

- Among the Company's executives and employees are males and females, Buddhists, Christians and Muslims, who work together in a reconciliatory manner. Without discrimination, everyone has opportunity for promotion, based primarily on performance.
- As for receptions organized for employees and shareholders on various occasions, the Company places importance on the selection of foods for guests of all religions or vegetarians, at all times.
- The Company is not opposed to political expressions and exercises of rights under provisions of laws by employees at all levels.

### 4. Fair Treatment of Labor

The Board of Directors is conscious of the value of every employee as given in the policies and practices in the ethics on Treatment of Employees in the Corporate Governance and Business Ethics Manual.

In 2018, the Group organized welfare-related activities on personnel promotion and development in various areas, as follows:

- 4.1 Annual health check-up was arranged for employees with health examination choices suitable to the age of each employee and special health examination at discount prices at the Company's premises and provisions. The Company also encourage members of the employees' families to have special health examinations with discount prices.
- 4.2 Employee welfare in various forms, such as medical expenses (inpatient, outpatients, dental care, optical care), treatment room service, life insurance and group accident insurance, financial assistance and other welfare (financial assistance in case of the death of employees and the death of their parents, children or spouses under law; employee's marriage, employee's ordination, etc.)
- 4.3 Providing housing loan sources with special interest rates and benefits in other transactions with banks for employees.
- 4.4 Supporting and providing knowledge to employees on financial investment, tax management and savings for the future, by inviting experts from financial institutions to lecture on investment in interesting funds that have tax benefits such as Provident Funds.
- 4.5 Arranged and dispatched its employees to attend of 28 courses (437 hours) conducted by various institutions, focusing on managerial, professional and team-working skill development. The company's training course is divided into 2 parts;
  - The back office staffs were trained by several training courses. The training average hours are 18.76 hours/person/year.
  - The front office staffs, were trained in term of on the job training individually. The supervisor guide, teach and pass on knowledge and techniques to the staffs directly. This has more advantage than attending training course as they can practice, understand the process and solve the problems in real situation, but the training hours could not be recorded evidently.







#### 4.6 Encouraging employees to participate in an array of activities regularly arranged by the Group such as GMM Songkran Celebration, Corporate Anniversary Charity, Blood Donation Day



#### 4.7 Employees may lodge complaints or provide clues on suspicious cases of right infringement, fraudulent action breaches of laws and policies on good governance and business ethics, to the Audit Committee by e-mail at [auditcommittee@gmmgrammy.com](mailto:auditcommittee@gmmgrammy.com) for investigation and submission to the Board of Directors.

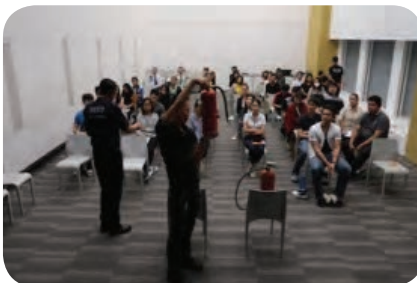
Besides, the Company has provided other assistance to the employees when needed, for instance, the Company decided to grant subsidy and accommodation at work during the previous heavy flood.

The Board of Directors has realized about safety and health at workplace as stated in Ethics on Workplace Safety and Health Policy to provide a safe and hygienic working atmosphere for management and employees.

In 2018, the Company took measures to ensure safety and health as follows:

- 1) Spraying insecticide at the office every month to prevent the build up of dirt, contagion insects.
- 2) Daily Fit Daily Firm activities to promote exercising for health
- 3) Vaccination against flu virus in 4 species.
- 4) Training on the use of air conditioning system of the building.
- 5) Training on the fire escape and evacuation drills to rescue those trapped in the building basics to employees annually at GMM Grammy Place and GMM Studio
- 6) Provide training staffs and occupational safety staffs

With commitment to the safety and health of employees, in 2018, the Company did not have any report on injury or illness as a result of work.



## 5. Responsibility to Customers and Consumers

The Board of Directors is committed to create and produce all media and entertainment forms to bring satisfaction for customers continuously, provide distribution channels for all groups of customers to access goods and services at sufficient quantities and fair prices, as given in the policies and practices on customers and consumers in the ethics on treatment of customers and consumers in the Corporate Governance and Business Ethics Manual.

The Company is committed to the distribution of quality goods and services to customers by:

5.1 Disclosing detailed information of goods and services. The goods are not hazardous to consumers and can be returned in case of defects or failed behind the information on the label and advertisement, or they can be returned under normal commercial conditions of certain types of business. There are multiple channels for the changes or the returns of goods, depending on the characteristics of the distribution. Following are examples of the changes or returns of goods in the past by the Company.

- Returns of concert tickets which was cancelled by the Company, the audiences were informed in advance through various channel and allowed to return the ticket at the 13 main counters of Thaiticketmajor, or Call Center (662) 262 3456 or GMM Live at GMM Grammy Place, Asoke, call (662) 669 8846.
- Set-top boxes of GMM Z Trading Co., Ltd. can be changed within 1-year warranty conditions, new set-top box would be delivered to the customers free of charge within 15 days of the date of change agreement. Customers may contact sale agent shops for change or directly return the boxes to GMM Z Trading Co., Ltd. Via Post Box 88, Phra Khanong, Bangkok, while wholesale customers have to contact sales representatives.
- Change of damaged CDs, VCDs or DVDs of Imagine shops, the Company's retail shops, can be made in seven days, with the shop's receipt being presented.
- Return of damaged or outdated CDs, VCDs, or DVDs, in case of wholesale, can be made through the Company's sales representatives under the agreement made between the customers and the Company.
- Change or return of goods of GMM CJ O Shopping Co., Ltd. can be made under the condition and time period for each product on a case by case basis such as errors in delivery, losses during delivery, change of color or size (for fashion goods). The Company is responsible for the delivery cost in case of change if the error is made by the Company. In case of the change of color or size is made by the request of the customer, the delivery cost shall be borne by the customer. The customer may call for information or request to return goods at (662) 817 9988 or e-mail care@gcj.co.th.

5.2 The Group is committed to develop goods and services of all categories, aiming to access every customer and bring about customer satisfaction by offering quality goods and service on a continued basis.

5.3 Considering the importance of the safety of employees, the Company takes measures to deal with violence activities. For example, for concert shows, the Company has plans in place and rehearses all staffs to brace for violence that may occur, such as deployment of staff to take care of the audience and escort them to safe places in case of a violent incident. Insurance is also bought to cover such activities.

5.4 The Group has a record of customers database and customer category in order to give discounts, privileges or offers sales promotion activities. The Company has a security system to protect the database. No information can be shared with others without consent of the customer.

5.5 With diverse businesses and customer databases, the Group has set up a call center to provide advices and information, answers, receiving complaints and solving problems for customers and interest parties. Customers can call the Group's call center at (662) 669 9000 and directly call each business's call center such as the call center for set-top boxes of GMM Z at 1629 and the call center of A-Time Media Co., Ltd. At (662) 669 9500. Besides, the Group has other communications channels such as e-mail and post, as may be deemed convenient to the customers.

5.6 With commitment to the development of goods and services, the Company does not only consider the profits but also responsibility to society and environment. Therefore, the Company introduce its professionalism to help solving social problems or social development to create economic and social values, such as:

- Well-known songs in honor of His Majesty the King such as "Ton Mai Khong Phor" (Tree of the Father), "Khong Khwan Jak Kon Din" (Gift from the Soil), "Roop Thi Mee Yoo Thuk Baan" (The Photo Belonging to Every House), "Phra Racha Phu Songtham" (The Virtuous King) special songs in order to express our loyalty for the royal institution.
- Songs to create willpower, give spirit and positive attitude, leading life from the past until present, such as "Tham Dee Dai Dee" (Do Good, Receive Good), "Phalang Namjai Thai" (Power of Thai Spirit), "Cheewit Pen Khong Rao" (Life is Ours), "Saeng Sud Thai" (The Last Light) and "Rua Lek Khwan Ok Jak Fang" (Small Boats Should Leave the Shore), "Dharmajati" (The Natural), and "Rot Fai Kabuan Haeng Kwahm Fun" (Train of Dreams).
- Preserving traditional Thai country music. As one of Thailand's cultural heritages, the Thai Country music has unique characteristics, including the pronunciation and the way of use of language. Thai traditional country songs reflect Thai lifestyle, beliefs and society, which all contribute to the country's heritage. We elaborately composed quality Thai country songs, with touching lyrics and symphonic melodies and those songs have become timelessly renowned, for instance Nak Rong Baan Nok, Rak Khon Tro Ma, Tong Mee Sak Wan, Palangnan Jon, Kor Jai thur Laek Ber Tro, etc.



- Radio station, Green Wave F.M. 106.5 , owned by A-Time Media Company Limite, is a radio station which is the first and only station in Thailand focuses on environmental conscience. Green Wave also plays music which appeals to every generation and enjoys the longest popularity, focusing on reporting social and environmental information. It also campaigns for a healthy and green Earth. Green Wave organizes these activities by inviting listeners to do good deeds together, helping, and giving back to the community, like donating blood giving, unneeded items to be reused, providing public relations campaigns to raise funds for the sick, poor, and unfortunate and taking care of the environment as well.
- To Be Number 1 Project (as detailed in “The Anti-drug project).
- Programs on digital TV channels. Apart from dramas, variety shows, sitcoms, and game shows, they also offer news and documentaries which accounted not less than 25%

## 6. Environment Conservation

Considering the importance of environment protection, especially energy conservation (which will be discussed under Innovations and the Dissemination of Innovations in Corporate Social Responsibility Operations), the campaign and creation of awareness among employees in energy conservation and the wise and efficient use of resources and energy has been applied. The Board also creates useful activities for environment protection and supports the use of resources, environment and energy on a continued basis, where all employees are duty-bound to prevent the property under their care from degradation, loss or damage, as well as efficient use of other resources of the Company and the country. The Company has prepared guidelines for management and campaigns in various forms, with emphasis on the use of energy as necessary to reduce the waste of resources.

In 2018, the Company arranged the training for the employees on the use of air conditioning system of the building. The office air conditioning system has been improved with the installation of automatic temperature control cabinet and Sensor detector of temperature in AHU room to control the temperature to meet the standard of all floors for the whole building causing the temperature in the work area to be stable and the air compressors does not function hard at the same time (compressor rotary in functioning) to reduce energy and save energy costs by approximately 10%. This can support the conservation and the use of natural resources, the environment, and the reduction of energy. It is also the care on the employee's health both directly and indirectly.

## 7. Community and Social Development

During the past years, the Group had important roles on social responsibility and environment, with key persons in various areas taking part in activities as operators, organizers or supporters, aiming to enable communities to be self dependent, help each other, have good quality of life and live together with happiness continuously. In 2018, the Group's major projects on community and social responsibility were as follows:

### “The Celebration Project for His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun, Her Majesty Queen Sirikit, and Members of the Thai Royal Family”

- In May 2018, at the Amphorn Sathan Residential Hall, Dusit Palace, His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun granted a grand audience to Mr. Paiboon Damrongchaitham, Chairman of the Board of Directors of GMM Grammy Public Company Limited, and delegation to offer the net revenue from selling the CD sets of “Father of the Land” and royal compositions “Still On My Mind” at His Majesty's royal pleasure.





- Artists of GMM Grammy Public Company Limited attended “Un Ai Rak Khlai Khwam Nao” (Love and Warmth at Winter’s End) in which His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun issued a royal command to the agencies under the monarchy of Thailand, and public and private agencies to organize “Un Ai Rak Khlai Khwam Nao”. The festival presented a variety of performances, exhibitions of King Rama V the Great’s and King Rama IX’s royal works and biographies, the history of Thailand, and the strong bond of the monarchy with the Thai people and the nation. Volunteer artists from Grammy invited people to take a photo for charity, which the earnings contributed to a royal charity fund to support impoverished people. The festival was held from February 8 to March 11, 2018, and December 9, 2018, to January 19, 2019.



- In June 2018, the artists at GMM Grammy Public Company Limited attended “The Celebration on the Auspicious Occasion of the 66th Birthday Anniversary of His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun” to pay esteem respect and to remember his divine grace to underprivileged people. The knowledge about cancer prevention and control was shared to the general public by the Kanchanabaramee Foundation.



- In April 2018, the artists of GMM Grammy Public Company Limited led by Pijika Jittaputta (Lookwa), Surutikarn Pakcharoen (Earn), and Kittithat Kaew-uthai (Chaithat) attended “Under the Chakri Dynasty’s Prestige” organized by the Saijai Thai Foundation under Royal Patronage on Saijai Thai Day 2018. They recorded a song for charity to celebrate and recollect the royal grace of King Rama IX, His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun, and HRH Princess Maha Chakri Sirindhorn to present the significance of the monarchy to the nation. There were also public relations on the activities and works of the Foundation and requests for donations.





- In July 2018, Chainarong Yotha (Tree) and Thidadin Hin-on (Khao Thip), artists of GMM Grammy Public Company Limited attended the auspicious ceremony and planted the yellow star to celebrate the Auspicious Occasion of the 66th Birthday Anniversary of His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun on July 28, 2018, organized by the National Council on Social Welfare of Thailand (NCSWT). They wore a yellow shirt and sang “Sadudee Chom Racha”, felicitated, and planted the yellow star at the NCSWT.



- In December 2018, Thachaphon Polkpngseng (Palaphol), an artist of GMM Grammy Public Company Limited attended the charity concert “One Night in Bangkok”, Mr. Andrew Park, Royal Thai Honorary Consul-General of Queensland, Australia was the Chairman. The event was conducted to remember the royal grace of King Rama IX. The net income was donated to the Princess Sirindhorn Craniofacial Center, Chulalongkorn Hospital.



- In July 2018, Surattikarn Pakcharoen (Earn) and Phusil Warinrak (Tao), artists of GMM Grammy Public Company Limited, were selected by the National Council on Social Welfare of Thailand (NCSWT) as the presenters to distribute jasmine flowers on Mother's Day 2018. They had a photo taken for the poster and recorded the TV advertisement to invite people to support the jasmine flowers. The income was contributed to a charity fund to help impoverished people, the disabled, the elderly, as well as offered as a scholarship for needy and disadvantaged children in Thailand.





- In August 2018, Phusil Warineak (Tao), a presenter from GMM Grammy Public Company Limited, together with Napat Banjongjitphaisan (Yeepun) and Natthakit Nanthapanich (Tao), an actor and actress from GMM 25 Channel, joined the jasmine flower selling campaign on Mother's Day 2018. Partial income was contributed to the Queen consort of King Bhumibol Adulyadej for her royal pleasure.



- In July 2018, Thachaphon Polkpngseng (Palaphol), an artist of GMM Grammy Public Company Limited, attended the charity concert “67 Years to Home for Father’s Royal Wish” of the project “Rajavithi Hospital Merit-making” for making a donation for buying medical instruments and construction of the new Rajavithi Hospital medical center to support the demand of patients using the Hospital’s services.



- In July 2018, Thachaphon Polkpngseng (Palaphol) and Korn Sirisorn (Gung), artists of GMM Grammy Public Company Limited, joined the “2nd CRA Charity Run 2018” organized by the Chulabhorn Royal Academy to raise funds for underprivileged cancer patients in the four regions of Thailand, which continued the royal wish, expressed the loyalty, and recollected the royal grace of HRH Princess Chulabhorn.





- In September 2018, the executives led by Ms. Boosaba Daorueng, Chief Executive Officer of the GMM Grammy Group, artists, actors and actresses of GMM Grammy Public Company Limited; such as, Pijika Jittaputa (Lookwa), Kornphat Kerdphan (Non), and Tawan Wihokrat (Tae), offered flowers to the monument of HRH Princess Soamsawali and offered blessings for her recovery after staying at the Sor Kor Building, Chulalongkorn Memorial Hospital, the Thai Red Cross Society.



## TO BE NUMBER ONE

- From January to December 2018, the artists of GMM Grammy Public Company Limited participated in the “To Be Number One” project organized by the Department of Mental Health, Ministry of Public Health which Princess Ubol Ratana is the President. The project presented the “To Be Number One” concert throughout Thailand to encourage project members to spend their free time wisely and refrain from narcotics.



- From January to December 2018, the artists of GMM Grammy Public Company Limited participated in the “To Be Number One” project organized by the Department of Mental Health, Ministry of Public Health which Princess Ubol Ratana is the President. The project presented the “To Be Number One” concert throughout Thailand to encourage project members to spend their free time wisely and refrain from narcotics.





## Anti-Drug Projects

At present, the drug epidemic is a serious and unsolved problem at the national and global levels, and likely to become more severe and lead to other problems; such as, various crimes and family issues. For this reason, it is a threat to the country's security, economy, and society. Therefore, cooperation from all sectors is required in order to resolve this problem, and it has to be processed systematically and constantly to prevent, suppress, and rehabilitate.

During the several past years, the company has observed and given priority to the drug problem. Furthermore, it has taken part in campaigns and supported activities against drugs through the company's artists who are the idols or role models for the youth, who will be the power of the future, to take part in the solution to encourage no drug use. Moreover, it is a way to express the power and create the value to be number one without using drugs, as well as to set up a treatment program under the project "Raise Your Hand" to produce good people for society.

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- In June 2018, Thachaphon Polkpngseng (Palaphol) and Jedpipat Tilapornphat (Jed), the artists of GMM Grammy Public Company Limited and the actors of One 31 Channel, were selected by the Office of the Narcotics Control Board, Ministry of Justice to be the presenters of the World Anti-Drug Day 2018 campaign, as they were the role models for children and youth who were the future of the country.



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- On June 26, 2018, artists of GMM Grammy Public Company Limited; such as, Pramote Pathan (Oat), Saruny Winaipanich (Ice), and Chontida Asavahame (Pleng) participated in the campaign “Just Say No” and created the symbol of the campaign to encourage Thai people to say NO, not sell, buy or try drugs on the World Anti-Drug Day 2018. The company had continuously supported and participated in the campaign.



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- In December 2018, GMM Grammy Public Company Limited and GMMZ cooperated with Chum Electric Company Limited, Kamphaeng Phet, and the suppliers to organize the anti-drug music contest “The 3rd Chum Electric Fair Challenge” for the youth who loves music to spend free time wisely. An education scholarship was awarded to the winner.

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## Promotion Project for the Good Quality of Life in Society

The project to promote the good quality of life in society arose from the cooperation of GMM Grammy Public Company Limited, the government sector, and other agencies to support events for the public's interest.

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- The artist of GMM Grammy Public Company Limited, Thongchai McIntyre (Bird) joined the new TVC of the Ramathibodi Foundation under the concept “Power of Giving” in order to invite people to donate for providing specialized medical equipment with modern treatment technology. The key objective was to help prepare the Chakri Naruebodinra Medical Center to support and offer medical services to patients with its full efficiency (March 2018).



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- The artists of GMM Grammy Public Company Limited Co., Ltd., Napassorn Phuthornjai (New), Piyanutch Suajongpru (Jew), Preeti Barameeanant (Bank), Pramote Pathan (Oat), Paowalee, Pornpimon Fuengfung, and Mike Piromporn and Pornpirom Pintapakang joined the road safety campaign in the Songkran Festival 2018, by cooperating with the Department of Disaster Prevention and Mitigation (April 2018).



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- The artists of GMM Grammy Public Company Limited, Korn Sirisorn (Kang), Sarannat Praduquyamdee (Vivi), Amika Grant (Emma), Cholawit Meetongcom (Point), and Pornsuang Ruayruen (Siangsiang) joined “Everyone can Be a HERO,” the campaign for donating the “Ananda Mahidol Day Badge” 2018 at the Faculty of Medicine, Chulalongkorn University. They also walked for the campaign in order to get donations for the Ananda Mahidol Foundation, the Thai Red Cross Children's Home, sick monks, and impoverished patients of King Chulalongkorn Memorial Hospital, the Thai Red Cross Society (May 2018).



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- The artists of GMM Grammy Public Company Limited, Thanapat Kawila (Film) and Kitsakorn Kanoktorn (Tongtong) joined the “Mahidol Day”, the power of giving for underprivileged patients of Siriraj Hospital. They also joined creating the flag of the Mahidol Day and presented the campaign around the hospital in order to get donations for impoverished patients (September 2018).



- The artists of GMM Grammy Public Company Limited, Harit Cheewagaroon (Sing) and Chayapol (AJ), Chayakorn Jutamat (JJ) joined “The 18th Walk Charity for Health” in order to invite health-concerned people to make merit through the event’s tickets by cooperating with the National Blood Center of the Thai Red Cross Society and the Thai Red Cross Committee for Recruitment and Promotion of Voluntary Blood Donors. The objectives were to promote and encourage blood donors of the government as well as the private sector to take part in this public charity event, and to get donations for helping the implementation of the National Blood Center of the Thai Red Cross Society (September 2018).



- The artists of GMM Grammy Public Company Limited, Patompong Ruanjaidee (Toy) and Patara Eksangkul (Foei) were selected as the presenters of the campaign on the Disability Day 2018. Their photos were taken to design posters and TV spots. They invited people to make merit through buying Kaew Kalaya products and artificial flowers made by the disabled (October 2018).





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- GMM Grammy Public Company Limited cooperated with Thai Red Cross Eye Bank and held the campaign for promoting Thais to take care and pay attention to their eyes more. They also invited people to donate their eyes. The artists of GMM Grammy Public Company Limited; i.e., Jumpol Adulkittiporn (Off), Atthaphan Phunsawat (Gun), Korapat Kirdpn (Nanon), and Worranit Thawornwong (Mook) joined the poster shoot to be used as media of the campaign for people's awareness of the value of their eyes and for motivating them to donate their eyes to the Eye Bank (November 2018).



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- The artists of GMM Grammy Public Company Limited led by Tatchapol Polkongseng (Palapol), Orathai Dabkham (Tai), and Pongsatorn (Pai) joined the campaign for educating people in the signal levels of disaster warnings. The event was held by the Department of Disaster Prevention and Mitigation (DDPM), Ministry of Interior in order to prepare for coping with any possible immediate natural disasters. They also joined TV spots for PR in order to make people understand the color signals/signs of the warning. Moreover, Sarinthip Hanpradit (Rose), Jumpol Adulkittiporn (Off), and Natcharat Konkaew (Champ) joined the “Be aware, Be Preventive, Be Safe” event at the Uthongsuksalai School, Suphan Buri (November 2018).



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- The artists of GMM Grammy Public Company Limited, Puttichai Kasetsin (DJ Push), - Chaowalit Srimankongthum (DJ Chao Chao), and Techin Ploypetch (DJ Matoom) joined the PR campaign in order to invite people to go to the Red Cross Fair 2018, held between November 23 - December 1, 2018, at Lumpini Park, Rama IV Road for celebrating the special occasion of the 125th anniversary of the Thai Red Cross Society's mission implementation. The income was contributed to a charity fund started by H.M. the King, so to relieve, give happiness, heal, and prevent harm to impoverished people for their better quality of life in compliance with the missions of the Thai Red Cross Society under the slogan “Enjoy, Have Fun, Get Merit” (November 2018).



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- The artist of GMM Grammy Public Company Limited, Phusilpa Warinrak (Tao) was selected as a presenter of the World AIDS Day 2018, on December 1 of every year, in order to invite Thais to prevent harm caused by AIDS, under the concept “U = U : Undetectable = Untransmissible.” He also brought the artist team of Grammy Gold and GMM Grammy, for providing PR as a campaign medium to motivate awareness of AIDS prevention by regular examination, so as to prevent the spread of the epidemic and for ending the AIDS issue (November 2018).



- The artists of GMM Grammy Public Company Limited, Phusilpa Warinrak (Tao), the presenter of World AIDS Day 2018, and Surattikarn Pakcharoen (Earn), an artist from GMM Grammy Public Company Limited., were the leaders of the campaign on World AIDS Day 2018. They placed a red ribbon, the symbol of World AIDS Day 2018, on Gen Prayuth Chan-ocha, the Prime Minister, and members of the cabinet (December 2018).



- The artists of GMM Grammy Public Company Limited, Thongchai McIntyre (Bird), Patompong Ruanjaidee (Toy), and Patara Eksangkul (Foei) posted images with texts via the Facebook Fan Page on their birth months in order to invite fans to donate 100 Baht to the Ramathibodi Foundation for the project “Happy Give Day” (Let Birthdays Prolong a Million Lives of People) for donations to supply medical equipment for the Chakri Naruebodindra Medical Center (December 2018).





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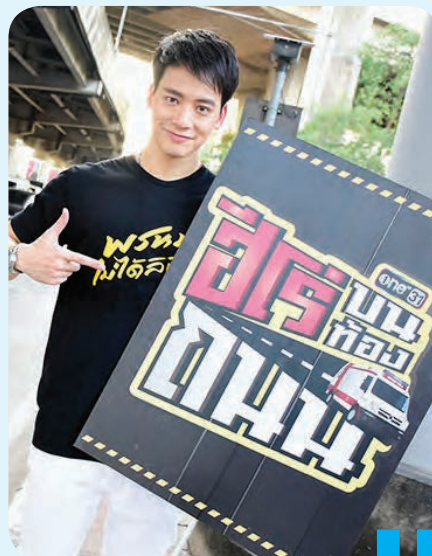
- The actor and actress of GMM25, Patompong Ruanjaidee (Toy) and Sarannat Praduquyamdee (Vivi) were royally bestowed the “Ananda Mahidol Day Badge” as a reward for being the role models of merit-making, calling for donations, and helping impoverished patients.



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- Hero on the Road was the campaign for drivers to be aware of the significance of giving way to ambulances or rescue vehicles in case of emergencies. The leaders of the campaign included the actors and actresses of ONE31, who distributed PR media that clarified the three steps of giving way in case of emergencies to people at different spots of traffic jams during the rush hours around Bangkok. The campaign was cooperated by the partners, organizations, and agencies, and conducted at various intersections; e.g., Asoke-Sukhumvit, Pathumwan, and Victory Monument.



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- The executives, actors, and actresses of ONE31 joined the PR campaign of “Reform Thailand Together.” The debut was led by the Prime Minister under the project “Thailand Moves Forward, Reform Thailand Together.”



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- The actors and actresses of ONE31 walked in the campaign for the International Day for the Elimination of Violence against Women held by the Friends of Women Foundation.



### Blood Donation Project

- The blood donation project was cooperated by GMM Grammy Public Company Limited and the Thai Red Cross Society for promoting "Blood Donation" in order to invite executives, employees, artists, organizations, and communities nearby to donate their blood. The company has held the blood donation project every 3 months since 2005. In 2018, there were 654 units from donors.



- The artist of GMM Grammy Public Company Limited, Jumpol Adulkittiporn (Off) joined the blood donation campaign. He called on Gen Prayuth Chan-ocha, the Prime Minister at Government House in order to invite donors to inherit Thai culture by wearing traditional Thai costume when they came to donate blood under the project "Blood Donation: No Dry Spirit in This Dry Season" (April 2018).



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- The artists of GMM Grammy Public Company Limited, Naruepol Yai-im (Nek) and Chutima Singjaichuen (Hay) joined the debut of the “Big Blood Campaign”; i.e., “World Blood Donor Day 2018” and “Missing Type” in order to generate the power of Thais for donating blood. The event was held by the National Blood Center, the Thai Red Cross Society. The objectives were to motivate awareness of the significance of blood donation and to motivate continual blood donation every 3 months (April 2018).



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- GMM25 cooperated with GREEN WAVE for the event “GIVE BLOOD: 1 “Donor” for 3 “Donees” presented by Monsaporn Monsaporn, Big Thanakorn, Vivi Sarannat, and Kit Nattakit, the actors and actresses of GMM25; along with DJ Aun Puwanat, DJ P’ Aoi Napaporn, DJ Fiat Nattanon, DJ Kate Kessalin, DJ Bam Paladisaisavidi, and a number of famous artists; e.g., Rose Sarinthip, Ice Sarunyu, PAUSE, and Bell Supol. The event was held on Saturday, March 31, 2018, 9.00 a.m. — 2.00 p.m., at the National Blood Center, the Thai Red Cross Society.



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### Conscience Building Project for No Piracy

GMM Grammy Public Company Limited has seriously followed the policy of supporting and promoting the use of legal products. We cooperate with the government as well as private agencies involved in intellectual property protection in order to create a no-piracy campaign “Right, Like, Legal” for building conscience of copyright through many events under the slogan “Stop Piracy, Buy Original Now.” The objective is to motivate awareness of intellectual property products, which shall reduce piracy issues in the long run.



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### Music Therapy Project for the Return of Well-doers to Society

This is a good project held by Grammy Gold for the restoration of well-doers back into society. Music is used by artists as a medium to encourage and offer positive ideas to prisoners, so that they can live their normal lives after impunity. This activity has been held continually since 2012 at different prisons; i.e., in Si Sa Ket, Nakhon Ratchasima, Ubon Ratchathani, and Buri Ram. In 2018, it was held at the female penitentiary in Nakhon Ratchasima. The artists went to play music, sing, and join recreational activities for the enjoyment of participating prisoners.



- Music Therapy for the Return of Well-doers to Society” at the penitentiary in Yasothon. The artists of Grammy Gold were led by Pai Pongsaorn, a local resident, and his artist team; i.e., Sathian Tummue, Saen Naga, Khaothip Tidadin, Vieng Naruemon, and Som Prueksa.



- “13th Music Therapy for the Return of Well-doers to Society” at the penitentiary in Roi Et were led by “Monkaen Kaenkoon,” a singer with the saddest voice, and his fellow artists; i.e., Sathian Tummue, Saen Naga, James Jaturong, and Som Prueksa.





### Children and Youth Project

GMM Grammy Public Company Limited is always aware of children and youth promotion as well as development for they are the key power of the country. We expect them to embrace good ideas and attitudes towards themselves, other people, and society. The project includes food events and encouragement to underprivileged children, events on National Youth Day, etc.

- GMM Grammy Public Company Limited together with Kanyarat Tiyaornchai (Lula) treated dinner and gave the necessary materials to underprivileged children in the event “Bring Smiles & Joy to Children” at Wat Don Chan, Chiang Mai (January 2018).



- GMM Grammy Public Company Limited arranged a merit-making ceremony on the occasion of the “20th Anniversary of the Damrongchaitham Foundation” and presented certificates to congratulate the scholarship graduates of 2018 at GMM Grammy Place (September 2018).



- The artist of GMM Grammy Public Company Limited, Sompol Rungpanich (Laem) (Laem 25Hours), was selected by the committee of the 12th ASEAN Skills Competition, Thailand, as the presenter to invite Thais to see and cheer the candidates of the competitions and to motivate them to be a good host. This event was held by the Department of Skill Development and hosted by Thailand (August 2018).





- The artists of GMM Grammy Public Company Limited, Saranya Mahawong (Earnkwan) and Naruepol Yai-im (Nek) treated lunch and performed a special mini concert to entertain over 1,200 disabled and underprivileged children from over 40 foundations in the event “Every Happiness Counts” (Year 5), which was held by the Bangkok Bank (October 2018).



- “P” Chod” led the “Club Friday Show on Tour” team across the country to introduce good ideas of love in every single aspect and inspiration to Maha Sarakham University students.



- GMMTV Company Limited took Rangers MCs to honor good and popular students of each particular school in order to find supporting funds for furthering the schools' and community's success. There were 10 schools altogether, and the event was separated into three sections as follows:

1. School Outstanding Product Support: The income was to support impoverished smart students. Fortune cookies were sold as an outstanding product for merit-making at Sa-nguan Ying School, Suphan Buri. Thai coconut munchkins (Khanom Tom) were sold as an outstanding product for merit-making at Kalayanawat School, Khon Kaen.







2. School Award-Level Performance Honor: The income was to support school activities and to be regarded as scholarships for impoverished smart students. The concert “We Sing, You Get” was performed at Janokrong School, Phitsanulok; and dancing for merit-making at Satri Watrakhang School, Bangkok.



3. Auction for income to support impoverished smart students. We called for the donation and auction of dolls for children, which was led by Chris-Singto, at Wat Nuannoradit School, Bangkok. Klip Lamduan (Thai dessert) was sold and auctioned for merit-making at Suranaree Wittaya School, Nakhon Ratchasima.



- “Cham Chamrum” constructed two school buildings consisting of six classrooms for Ban Nong Khanak students, Sukpaibun Subdistrict, Soeng Sang District, Nakhon Ratchasima. The building was burnt down due to an electrical short in November 2016 (Children’s Day).





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- “Tai Orathai” took the auspicious time on the same day she launched her “12th album: Sang Dai Sang Laew” (If I could hate you, I surely would), to hold the activity “16th Poaceae for Children against the Wind of Winter” at Bueng Bua Pittayakom School, Wachirabarami District, Phichit. Children and the elderly from over four villages in Wachirabarami District, Phichit came to get blankets for the relief from the cold weather.



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- For the event “Off Season Offerings for Baby Milk” on Mother’s Day 2018, the artists of Grammy Gold, led by a big sister like “Tai Orathai,” followed by her fellow juniors; e.g., “Tree Chainarong, Lampern Wonsakorn, Earn Surrattikarn, Nek Naruepol, and Muse Alaphatsaya”, brought happiness and joy to children at the Phayathai Babies’ Home, Pakret District, Nonthaburi. They collected various kinds of milk; i.e., dried milk, yoghurt, UHT, and dolls to give to the children.

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- “Tai Orathai” thought and created a good event for society. From her notice on social media, a group of youngsters and Thai country musicians busked for charity in order to find donations as medical expenses for “N’ Tonhom,” their friend who had leukemia and lung infections. The youngsters in the group formed together to do this busking.



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- “Earnkwan — Warunya” had a free day to invite “Teens Behave Well” (Year 3). She presented scholarships and instructional equipment, as well as treated lunch to students at Ban Nong Sarai School, Tha Uthen District, Nakhon Phanom.



#### Inheritance of Traditions and Culture and Good Religious Follower Project

The company has carried on the inheritance of Thai traditions and culture, and the conduct of good religious followers. As such, it was awarded the Religion, Arts and Culture Promotion and Good Religious Followers Award. Details of the 2018 Awards are as follows:

- Organized “Merit-making - 9 Temples” for the executives and employees to join in almsgiving at New Year of every year.



- GMM Grammy Public Company Limited organized “GMM Delightful Songkran 2018” to pass on the tradition and culture of the unique traditional New Year in accordance with the government’s concept of “Thai Style Songkran, Saving Water Saving Life”.





- In October 2018, Grammy Gold led by Tri Chainarong and Beer Prompong organized a Kathin Ceremony at Wat Thamsuksawang (Tham Khao Wongkot), Tambon Khao Wongkot, Amphoe Kaeng Hang Maeo, Chanthaburi province.



### Royal Thai Armed Forces Activities Support Projects

- In February 2018, the artists of GMM Grammy Public Company Limited; such as, Pongsak Rattanapong (Aof), Nonthanan Anchuleepradit (Kacha), Phusilp Warinrak (Tao), Thanatchai Wijitwongthong (Mon), Ornicha Karinchai (Praw), and Tawan Wihokrat (Tae) joined the campaign to encourage the general public to take part in the activities on Thai Veterans Day 2018 “Honor Brave Soldiers 3 February Thai Veterans Day”.



- In July 2018, the artists of GMM Grammy Public Company Limited; such as, Kanyarat Tiyaopornchai (Lula) and Sirinthip Hanpradit (Rose) joined the charity concert the 11th Royal Thai Air Force for Chaipattana at the Main Hall, Thailand Cultural Center, which was organized by the Royal Thai Air Force. The net earnings were donated to the Chaipattana Foundation to support the royal projects and other social development projects.







- In August 2018, an artist of GMM Grammy Public Company Limited, Surattikarn Phakcharoen (Earn) was invited to perform in the concert “Love Songs Love Land 11” to raise funds to support the activities of the General Prem Tinsulanonda Foundation, Royal Thai Army Band Department to develop music affairs of the Royal Thai Army Band Department, Royal Thai Army Band Division, the government and private music institutes, and to aid society and the nation according to the objective of the Foundation.



#### Cultural Publicity and International Relationship Promotion Project



- In March 2018, Mr. Chen Ewi Lin, Director of the Humanities and Printing Division, Ministry of Culture, Taiwan; Mr. Chen Quan Fu, Director of the Cultural Division, Taiwan Economics and Culture Office, Thailand, and a delegation from the Cultural Division, Taipei Economics and Culture Office, Thailand visited GMM Grammy Public Company Limited.



- In May 2018, artists of GMM Grammy Public Company Limited; such as, Thachaphon Polkongseng (Palaphol), Pijika Jittaputta (Lookwa), Da Endrophine, Sirinthip Hanpradit (Rose), and Surattikarn Pakcharoen (Earn) joined the concert the “19th Thai Festival 2018”, an event organized by the Royal Thai Embassy, Tokyo, Japan to promote Thainess in Japan and celebrate the 131st Anniversary of Thailand-Japan Diplomatic Relations.



- In July 2018, artists of GMM Grammy Public Company Limited; such as, Thongchai McIntyre (Bird), Thachaphon Polkongseng (Palaphol), and Chonlada Thongjulklang (Tukatan) sent encouragement to the people of Lao PDR. who were affected by the collapse of Saddle Dam D, which led to severe flooding and widespread destruction in Attapeu and Champasak provinces, Southern Lao PDR. GMM Grammy Public Company Limited donated 100,000 Baht and 100,000 Baht was also donated from Thongchai (Bird)'s personal funds.



- In October 2018, artists of GMM Grammy Public Company Limited; such as, Thachaphon Polkongseng (Palaphol) and Pornpimol Fuengfung (Paowalee), who were selected as representatives of Thailand, performed in the 2nd ASEAN Japan Music Festival organized by the Ambassador of Japan to ASEAN and Ministry of Economy, Trade and Industry at the NHK Hall, Tokyo, Japan, on the occasion of the 45th Anniversary of ASEAN-Japan Friendship and Cooperation.



- In November 2018, the artists of GMM Grammy Public Company Limited, Orathai Dapkhram (Tai) and Jojo Miracle, an artist from Lao PDR. met with H.E. MR. Seng Soukhathivong, Ambassador Extraordinary and Plenipotentiary of the Lao People's Democratic Republic in Thailand to present the music video "Nilundon", a special song composed to strengthen the relationship between Thailand and the Lao People's Democratic Republic.





### Good Life Quality Project

The Good Life Quality Project is the cooperation between GMM Grammy Public Company Limited, the government sector, and other agencies to support beneficial activities for society. In 2018, GMM Grammy Public Company Limited sponsored many projects; such as, “Because We Care”, a project for abused children and women, “Flood Relief Project”, “World AIDS Day”, “Mahidol Flag Project” by the Siriraj Foundation on Mahidol Day to raise funds for disadvantaged patients, “Activities for the Disabled”, and projects of the Thai Red Cross Society Relief; such as, World Blood Donation Day and Charity Walk for Health.

- GMM25 organized the activity “Hotwave in Hospital”. The artist from the Hotwave Music Awards 2018 volunteered to offer music therapy and perform acoustic music to help the service users at the hospital relax. The activity was held on 21 August at the Chaloom Phra Kiat Park, 1st Floor, HRH Princess Maha Chakri Sirindhorn Medical Center-MSMC Hospital and at the Syamindra Building, 1st Floor, Siriraj Hospital.



- “Mon Kaen Kane Khun”, the artist of the hit songs series “Khum Wa Hug Kun Man Hia Thim Sai” offered polished rice and sticky rice from his own 100 rai paddy field in Amphoe Loeng Nok Tha, Yasothon province to Phra Achan Bunchuan Thammakhosaka, abbot of Wat Pa Wang Namthip, Amphoe Loeng Nok Tha to distribute to people in need.



- Paowalee-Tao-Beer-Khao Thip participated in a donation project to raise funds for Srinagarind Day in remembrance of Princess Srinagarindra at the Faculty of Medicine, Khon Kaen University. The funds would be used for low-income patients in Khon Kaen province.



## Flood Relief Project

- “Happy Day” was the activity where Thai people provided support and showed their kindness to help disaster victims in remote areas. Donations and information were disseminated and the aid was distributed in various locations through News Division of ONE31 Channel in order to relieve distress and offer the necessary aid throughout 2018. This included:

- Presented a subsidy to the flood victims affected by the dam collapse in Attapeu province, Lao PDR.



- Offered materials and supplies to the flood victims in Kaeng Krachan, Phetchaburi province.



- Gave donations to flood victims from the Pabuk storm in Nakhon Si Thammarat province.





## GMM Grammy Public Company Limited 2018 Awards

- In November 2018, GMM Grammy Public Company Limited as the creative team of the series “Girl from Nowhere” won many honorary awards from international and Thai competitions; such as, “London International Awards 2018”, “Adam Awards”, and “B.A.D. Awards”.



## List of Awarded Artists in 2018

- In June 2018, Thachaphon Polkongseng (Palaphol), the artist of GMM Grammy Public Company Limited, and Jedpipat Tilapornphat (Jes), the actor from ONE31 Channel were awarded an honorable plaque as the presenters of the Anti-Drug Campaign 2018 at Government House. Air Chief Marshal Prachin Juntong, Deputy Prime Minister and Minister of Justice was the Chairman.



- In June 2018, the artists of GMM Grammy Public Company Limited, Korn Sirisorn (Gung), Pathompong Ruenjaidee (Toy), Sarunnut Pradukhuyamdee (Vivi), Pornsuang Ruayruen (Siang-Siang), and Cholaewit Meethongkhun (Point), received the “Ananda Mahidol Badge” 2018 from HRH Princess Maha Chakri Sirindhorn as the “Supporter” who participated in the donation campaign for the “Ananda Mahidol Badge” to raise funds for supporting the Ananda Mahidol Foundation, Thai Red Cross Children’s Home, and impoverished monks and patients at Chulalongkorn Hospital, Thai Red Cross Society.



- In July 2018, Phiromporn Pornphirom-Pintapakang (Mike), Napassorn Phuthonjai (New), and Piyanuch Suejongpru (Jiw), the artists of GMM Grammy Public Company Limited, won awards from the singing contest “Petch Nai Pleng” from the Fine Arts Department, Ministry of Culture, on National Thai Language Day. Pongsak Rattanapong (Aof), singing “Ro Patihan”, was the winner of the Thai Male Singer category.



- On 12 August, 2018, Kanyarat Tiyaornchai (Lula) and Phusil Warinrak (Tao), the artists of GMM Grammy Public Company Limited, were selected to receive the “Outstanding Filial Piety Award 2018” from HRH Princess Soamsawali, which the event was organized by the National Council on Social Welfare of Thailand.



- In August 2018, the artists of GMM Grammy Public Company Limited, Khru Sala Kunawut, Nakarin Kingsak (Pang), Thidarat Srijumpol (Ying Lee), Cholada Thongjulklang (Tukatan), Rannaphat Yungyuenpoonchai (Pat Klear), Sommay Labanoon-Nattanon Thong-On, Nat Sakdathorn, and Wanthongchai Intarawat (Tol) had an audience with HRH Princess Maha Chakri Sirindhorn at the Dusidalai Hall, Chitralada Park to be awarded the “8th Ganesha Award”, which the event was organized by the Thailand Music Association under Royal Patronage.



- In September 2019, the Department of Child and Youth, Ministry of Social Development and Human Security selected the country’s outstanding children and youth, as well as the person who made benefits for children and youth in 2018. Athiwara Khongmalai (Toon) and Radabdao Srirawong (Matang), the artists of GMM Grammy Public Company Limited, were selected to receive this award on the National Youth Day.



- “Chod-Saithip, Es-Worarit, and Ku-Eakasit” were awarded for the Best Series “Club Friday the Series 9 Rak Khrueng Thi Mai Teung Tai” at the 9th Nataraja Awards.



- YouTube awarded the Diamond Play Button (Diamond Button 10 Million Subscribers) to ONE31 Channel, one of the five Thai channels and the 3rd ranked channel in the TV business that won this award.



- “Chod-Saithip and Es-Worarit” received the “Most Popular Soundtrack Award from” “Ja Mi Wan Khong Chan Mai” by New-Jiw, the soundtrack of the drama “Long Fai” and the “Popular Series Award” from “Club Friday To be Continued: Rak Long Jai” broadcasted on GMM25 Channel, at the 4th Thailand Fever Awards 2017.



- Google awarded the most popular search to the drama “Mia 2018” broadcasted on ONE31 Channel. ONE31 Channel was ranked in the Top Google Search of the Google trend from the drama “Mia 2018”, “Lued Khon Khon Jang”, “Lah”, and Bap Rak”.



- The Ministry of Social Development and Human Security presented an honorary plaque for the “Person, Agency, and Media against Domestic Violence Award 2018” from the drama “Bap Rak”, as the creative media who joined the campaign to stop violence on children, women, and family members, and all forms of social violence.





- Saithip Montrikul Na Ayutthaya (Chod), Naphaporn Traiwareekul (DJ Oye), and Phuwanat Khunplin (Dr. Aun), received the Best MC Award from the TV program “Club Friday Show”, which was broadcast on GMM25 Channel, at the 32nd TV Gold Awards.



- Saithip Montrikul Na Audhaya (DJ Chod), Napaporn Traiwareekul (DJ Aoy) and Puwanart Kunpalin (Un) received 32nd Golden Television Awards for Outstanding Host for “Club Friday Show” aired on GMM25.



- The Commission of Integration and Cooperation for Emergency Rescue, the National Legislative Assembly presented the certificate from the project “The Road Hero” to the News Team of ONE31 Channel as the media presenting news and car cam video clip of the traffic wrongdoers to caution road users to be aware of the loss of life and property.



- At the 9th Nataraja Awards, Lalita Panyophas won the “Best Actress Award”, Srichol Inkanha won the award for the “Best Cinematography”, and Narong Prakitsuwan and Sasimaporn Sanejai won the award for the “Best Film Editing” for the drama “Lah”.



- Pimchanok Wisetphaiboon (Baifern) won the “Female New Star Award” at the 9th Nataraja Awards from the drama “Long Fai”.



- Thanaphop Leerattanakhajorn (Tor) won the “Best Actor Award” at the 9th Nataraja Awards from “Project S The Series: Side by Side” broadcasted on GMM25 Channel.



- The actors and actresses from “Project S The Series: Side by Side”, which was broadcasted on GMM25 Channel, won the “Best Drama Award” and GDH 559 Co., Ltd. won the “Best Performers Team Award” at the 9th Nataraja Awards.



- 7th Fever Awards - “Best News Reporter” was awarded to Theema Kanjanapairin, the news reporter at ONE31 Channel who presented the news via “Jud Sud Thuk Kwam Jing”, the news program on the ONE Channel.



- “The Best Social Entertainment” - “Best Thai Series on Social Media” 2018 was awarded to the drama “Long Fai”, GMM25 Channel, one of the three most mentioned dramas on social media.



- “Kazz Awards 2018” - “The Best Variety Show” was awarded to “Sam Yake Pak Wan” broadcasted on GMM25 Channel.



- Pimchanok Wisetphaiboon (Baifern) won the “Top Talked about Actress” award from “Long Fai” broadcasted on GMM25 Channel.



- Thanaphop Leerattanakhajorn (Tor) won the “Top Talked about Actor” from “Project S The Series: Side by Side” broadcasted on GMM25 Channel.



- Thailand Artists Council for Buddhism Promotion awarded the “Mercy Award” to Kritsadakorn Kanokthon, the actor of ONE31 Channel, as the Buddhist who was meritorious and conducted the Five Precepts during the Vegetarian Festival.



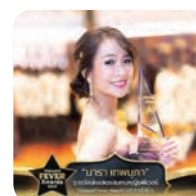
- Performers of the series “Side by Side”, broadcasted on GMM25 Channel, won the “Top Talked about TV Drama” Award.



- “Tac-Phathunyu” won “Best Fever Supporting Actor” from the drama “Long Fai” broadcasted on GMM25 Channel.



- “Nara Thepnupha” won “Best Fever Supporting Actress” from the drama “Rak Long Jai” broadcasted on GMM25 Channel.



- Pathompong Ruenjaidee (Toy) and Nattakit Nanthapanich (Kit), the actors of GMM25 Channel, were awarded “Buddhism Ambassador on Makha Bucha Day 2018” from the Thailand Artists Council for Buddhism Promotion. Phra Phrom Senabodi, Vice Clerical Title, Monk Dean Region 7, abbot of Wat Pathum Khongka Ratchaworawihan presented this award at the Thailand-Myanmar Makha Maha Mongkhon Festival.



- Buddhism Ambassador Award for the Asalha Puja Day-Buddhist Lent Day 2018 at the “Sacred Candle Casting and Hima-vanta for Buddhism Promotion” was awarded to Noraphat Wilaiphan and Nattaya Thongsane.



- “Tae-Tawan and Nanon-Koraphat” were awarded the “Phutthaanuson Award” from the 4th Virtue and Buddhism Promotion Project 2018, which was organized by the Buddhist Council.



- “Chris and Singto” were awarded the “Social Superstar of the Year 2017”, the most talked about couple on social media at the “Great Stars Social Superstar of the Year 2017”, which was organized by “Great Stars”.



- “Chris and Singto” were awarded the “Best Shipped Couple” at the Line TV Awards 2018.



- Thanat Lokhunsombat (Lee) and Woranit Thavornwong (Mook) received the Gold Medal for the “Thai Society Role Model 2018” from the 1st Power of Land Project.



- Puthichai Kasetsin (Put) won the “Outstanding Popular Artist” and Pratchaya Ruengroj (Singto) and Ramida Jeeranoraphat (Jane) won the “Male and Female New Star Award” at the 9th Award for Artists, Actors and Actresses, and Mass Media for the Non-Smoking Society.



- “Toptap and Pluster” were awarded the “Panthai Norasing Award 2018” by the Goodness Promotion Organization for a Good Role Model for giving benefits to society and the nation.





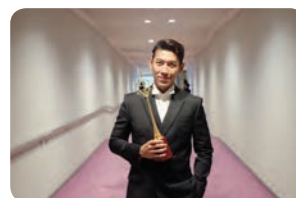
- Two major awards were presented at the “Attitude 7th Farewell Party” of “Attitude” magazine. The popular series “Sotus S The Series” led by “Chris-Peerawat and Singto-Prachaya” and “Guy-Siwakorn, Nammon-Krittanaei, U-jun-Korn, and New-Thitiphum, won the “Most Favorite TV Series of the Year” from the public vote. Thanat Lokhun-nasombat (Lee) won “Actor of The Year” because of his fabulous and popular work.



- Harit Cheevakaron (Sing) and Napasorn Weerayutwilai (Pui Mek), two teenage actors from GMM TV won the “Teens Role Model” for the Singer, Actor, and Musician category at the “Thailand Master Youth 2018”.



- Niti Chaichitathon (Pompam) won the “Outstanding Single MC” from “Talk-Ka-Toey Tonight” produced by GMM TV broadcasting on GMM25 Channel at the “32nd TV Gold Awards 2017”.



- Chris and Singto were awarded the “Thai Role Model” for the 5th Outstanding Artist 2018. It was the project organized by the Thai Broadcast Journalists Association to encourage good conduct and present a good role model.



- Thanat Lokhunnasombat (Lee), the famous actor of GMM TV won the Netiyara Award for the “Outstanding Youth Role Model” at the Press Awards 2018” under the concept social value model. The event was organized under the cooperation of the Mass Communication Organization of Thailand and Thai Society Creative Foundation.



- Peerawat Sangpothirat (Chris) and Pratchaya Ruengroj (Singto) were awarded the “Best Shipped Couple 2018” for the second time. Singto also won the “Most Popular Teen Artist Award”. Woranit Thavornwong (Mook) was awarded the “Most Popular Female Teen Award” at the Kazz Awards 2018 by Kazz magazine.



- Atthaphan Phunsawas (Gun), a GMM TV artist won the “New Star Male Artist 2017” from the series “The Secret Love” Part “Puppy Honey” at the 7th Daradaily Awards organized by Daradaily.





- “Lee-Thanat” was awarded the “Siamdara Favorite Star” at the “Siamdara Star Awards 2018” organized by Siamdara.



- “Namtan and Pui Mek” won the “Thepsatree Award 2018” from the Thai Society Creative Foundation and Women’s Organization Network, Jitree Foundation.



- GMM TV, the inclusive entertainment company and leader of teen series won two awards at the “4th Thailand Fever Awards 2017” from Thanat Lohunnasombat (Lee) who was awarded the “Actor Fever 2017 Award” from “My Dear Loser: Rak Mai Ao Than: “Monster Romance” while the funny MCs team “Golf-Kittiphat, “Godgi-Tatchakorn, and Jenny-Panan” were awarded the “MC Team Fever 2017” from “Toei Thiao Thai”.



- Thanatchai Wijitwongthong (Mon), the actor of the GMM TV series “Kiss Me Again” was awarded the “8th Phra Kinnaree Award 2019” organized by the Thai Broadcast Journalists Association.



- Koraphat Kerdphan (Nanon), a famous actor of GMM TV received the certificate of the “Buddhism Ambassador Asalha Puja Day-Buddhist Lent Day” for promoting the Five Precepts and anti-alcohol campaign “No Alcohol during Buddhist Lent 2018”, which was organized by the Thailand Artists Council for Buddhism Promotion, Administration Division, Office of Buddhism Promotion and Social Services, Mahachulalongkornrajavidyalaya University and the Department of Religious Affairs, Ministry of Culture.



- Thipnaree Weerawatanodom (Namtan), a GMM TV artist, was awarded the “Outstanding Filial Piety Award 2018” in the “6th Mother of the Land Project 2018”, which is presented to honor the people of the land.



- Peerawatt Sangphothirat (Chris) and Pratchaya Ruengroj (Singto) won the “Best Shipped Couple Award 2018” and “Singto” also won the “New Male Star Award 2018” for the second year. Meanwhile, Panisara Arayasakul (Opal), the cool MC won the “Best MC 2018” from “Lip Sync Battle Thailand” at the “Maya Awards 2018” organized by the Maya Channel magazine.



- Nawat Phumphongam White, a popular actor of GMM TV was awarded the “Outstanding Filial Piety Award 2018”, Artists Field, by the Youth Creative Club and Youth Development of Thailand.



- Pratchaya Ruengroj (Singto), a popular actor of GMM TV was awarded the “Sri Ganesha Artist Award” for promoting the inherited arts and culture at “Ganesha Chaturathi 2018”, which was organized by the Thailand Artists Council for Buddhism Promotion, Administration Division, Office of Buddhism-Promotion and Social Services, Mahachulalongkornrajavidyalaya University.



- Siwakorn Lertchuchot (Guy), an artist of GMM TV was awarded the “7th Siam Good Person 2018” for his outstanding role model at the Good Person of the Land Ceremony by the Project “Public and State Good Conduct for the Land” and Thai Broadcast Journalists Association.



- Peerawat Pratchaya (Chris), from the hit series “Sotus the Series” produced by GMM TV was awarded the “6th Thailand Headlines Person of the Year 2018” in the “Culture and Entertainment” category. The award is presented to a famous person who is in the interest of the Chinese people the most. The award was organized by the Thai Jiaranai Group Co., Ltd.



- The quality actor and actress of GMM TV, Atthaphan Phulsawas (Gun) from the series “The Gifted” and Woranit Thavornwong (Mook) from “Mint To Be” were awarded the “Ratbandit Award” (Good Guy of Thailand) for the “Outstanding Performance” at the Honorable Ceremony for the Outstanding Person, Organization, Media, and Businessman 2018, which was organized by the Thai Development Joint Association.





- Peerawat Sangphorat (Chris) and Pratchaya Rueangroj (Singto), from GMM TV, won the “Shipped Couple” from the “OK! Awards 2018” for the 13th Anniversary of “OK! agazine Thailand”.



- Weerayut Jansuk (Arm), the hot guy from GMM TV was awarded “Person of the Year” at the 11th Gold Bell Awards 2018 in the Society Creation and Support category. Field Marshal Jittasak Jaroensombat, Advisor to the Commission, National Legislative Assembly and former Advisor to the Minister of Defence and Ministry of Defense spokesman was the Chairman. The Award was organized by Thai Broadcast Journalists Association.



- Atthaphan Phulsawas (Gun) and Jumphol Adulkittiporn (Aof) from GMM TV won the “Outstanding Youth Award” in the “Shipped Couple 2018” in the ceremony for “Outstanding Youth and People” on National Youth Day; the event was organized by the Thailand Artists Council. Gun was the representative of Aof, who was abroad, to receive this award.



- Niti Chaichitathon (Pompam) was awarded “GQ Man of the Year 2018” for the “TV Personality” category, as the outstanding person in the TV market. The event was organized by GQ Thailand.



## 8. Innovation and the Dissemination of Innovation through Corporate Social Responsibility

The Company cooperated with Geurt Fah Company Limited, the owner of GMM Grammy Place building, has joined a campaign on producing personnel for building energy conservation or Building Energy Awards of Thailand 2010 Project (BEAT 2010), aiming to instill awareness on energy conservation among the public, produce personnel on energy conservation as an important force for the country in the long run and encourage the general public to become aware of energy conservation from real examples of known buildings. As the detail of measures in the Company's annual registration statement (Form 56-1)

### Company has received awards from the projects as follows:

1. ESCO Project Award 2012, No. 1, under the energy service company promotion project for the success in energy conservation through the use of ESCO system of the Institute of Industrial Energy, the Federation of Thai Industries and the Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy on January 17, 2012.
2. The Ministry of Energy's BEAT Awards 2010 on innovation and creation of mass awareness on energy conservation on March 8, 2012.

### Dissemination of innovation

The Company has disseminated innovation on energy conservation to the mass of people by

1. Publication of works in the book, "Join Forces to Conserve Building Energy," published by Energy Policy and Planning Office, Ministry of Energy
2. Publication of works in Eworld Magazine, Issue 2013-02 of February 2013, under the topic, "GMM Grammy uniting all green building sciences for sustainable energy saving"
3. Sending representatives to join hands with the Federation of Thai Industries in giving lectures on the topic, "Break Energy Crisis by ESCO Service," in various regions such as Bangkok, Pattaya, Nakhon Ratchasima, Rayong, Phetchaburi, etc.
4. Sending representatives to give lectures on energy conservation technology transfer to graduate students on energy conservation at Thammasat University
5. Welcoming interested parties from various sectors, including universities and business, to visit the Company's Energy Conservation Project in GMM Grammy Place Building, such as Airports of Thailand Public Company Limited, CP All Public Company Limited, PTT Public Company Limited, Energy Policy and Planning Office, Ministry of Energy, King Mongkut's University of Technology Thonburi, Thammasat University, Tesco Lotus Company Limited, Siam Paragon Department Stores, Bangkok Metro Public Company Limited, etc.

The Group is committed to the implementation of various activities on a continue basis for sustainable development of Thai society throughout the time.

### Business Operations with Impacts on Social Responsibility

The Board of Directors adheres to business operations in accordance with the principle of ethics and guidelines on good corporate governance, with responsibility to community, society and environment and therefore has never breached laws related to social responsibility operations.

### Activities Beneficial to Society and Environment

The Group and its artists have carried out activities for society and environment; these include donations, charitable activities for society, anti-drug campaigns, support to the Thai Red Cross Society's activities, party organizing for children at welfare centers and support to brave soldiers, as given in the Company's website under "Corporate Social Responsibility."

### Additional Guidelines on the Prevention of Corruption Involvement

The Risk Management Committee has determined additional guidelines on the prevention of corruption involvement, with three measures as follows:





### **Fraud risk assessment process**

The Company has put in place a risk management system suitable to the Company's business nature, aiming to prevent and combat fraud and corruption by identifying incidents of high fraud and corruption risks that may arise from business operations, estimating possibility and impact determining proper measures to combat fraud and corruption, suitable to the assessed risks, methods to measure the success and resources utilized in risk mitigation and evaluating the performance under the established risk management plan.

### **Supervision and control practices to prevent and monitor fraud risk**

The Company has established supervision and control practices to prevent and monitor fraud and corruption risks, which can be summarized as follows:

1. Put in place the audit process, internal control and risk management systems covering key operating systems, such as, sales and marketing, purchasing, contract preparation, account recording, payment systems, etc., aiming to prevent and monitor fraud and corruption risk and provide suitable guidelines in solving problems.
2. Provide channels for receiving information, clues or complaints on breaches of laws or the Company's business ethics or guidelines on the prevention of corruption involvement or suspicious abuse in financial reports or internal control systems, with a policy to protect the providers of information or clues and treat the received information with confidentiality, including measures on investigation and punishment under the Company's discipline and/or related laws. In case the provider of information or clues or the complainant can be contacted, the Company will give a written reply on the Company's action for information.
3. The relevant department's head is responsible for monitoring the action, correcting the error (if any) and reporting to the authorized person

### **Guidelines on monitoring and evaluating compliance with the guidelines on the prevention of corruption involvement**

The Company has determined guidelines on monitoring and evaluating compliance with the guidelines on the prevention of corruption involvement as follows:

1. Executives and employees are required to regularly appraise their own performance in compliance with the Good Corporate Governance and Business Ethics Manual of the Company, which contains policies on good corporate governance, business ethics, ethics on support to fraud and corruption counteracting, guidelines on the prevention of corruption involvement and employees' ethics and code of conduct.
2. Internal Audit Office is set up to oversee the internal control system, risk management and corporate governance, to provide recommendations continuously by conducting audit in accordance with the annual audit plan approved by the Audit Committee and report significant results with recommendations to the Audit Committee.
3. Risk Management and Internal Control Department is responsible for testing and evaluating fraud and corruption risk on a regular basis to ensure that anti-corruption measures are implemented effectively, including monitoring, reviewing and improving anti-corruption measures on a continued basis, with the assessment results being presented to the Risk Management Committee and reported to the Board of Directors regularly, on a timely basis.
4. In case of the facts from the investigation or complaints present the evidence with a reasonable cause to believe that there exists a transaction or abuse that may have a significant impact on the Company's financial position or operations, including an offense or breach of laws or the Company's business ethics or guidelines on the prevention of corruption involvement or suspicious abuse in financial reports or internal control system, the Audit Committee will report the findings to the Board of Directors for correction and improvement within a period of time deemed appropriate by the Audit Committee.

The Company has provided various channels for the communication of guidelines on the prevention of corruption involvement, such as the Group's intranet and the Company's website so that all executives and employees can acknowledge and follow.

## Details of the Head of Internal Audit, Chief Accountant, Company Secretary and Head of Compliance As of December 31, 2018

**Mr. Wichai Santadanuwat (Age: 43 years)**

**Head of Internal Audit <sup>11</sup>**

### Education

- Master of Business Administration (MBA), Bangkok University
- Bachelor of Accounting, Bangkok University

### Seminar Accomplishment:

#### The Thai Institute of Directors (IOD):

- Family Business Governance (FBG) 9/2017
- Director Certification Program (DCP) 229/2016
- How to Develop a Risk Management Plan (HRP) 07/2015
- Anti-Corruption: The Practical Guide (ACPG) 2014
- Handling Conflict of Interest: What the Board Should do? (2008)

#### The Institute of Certified Accountants and Auditors of Thailand (ICAAT):

- Fundamental SAP R3 Auditing (2007)
- Risk Assessment for Better Audit Planning (2005)
- Introductory to Computer Assisted in Auditing (2005)

#### Thai Listed Companies Association (TLCA):

- Risk Management Conference (2009)

#### Other Institutes:

- IT Audit for Non IT Audit, NSTDA Academy (2012)
- Cyber Defense Initiative Conference (CDIC), ACIS Professional Center (2009)

### Experience during the past 5 years

#### Listed Companies

Sep 2014–Present	Internal Audit Senior Director/ GMM Grammy Plc. Secretary of the Audit Committee GMM Grammy Plc.
Jan 2007–Aug 2014	Internal Audit Director/Secretary of the Audit Committee GMM Grammy Plc.
Jan 2005–Dec 2006	Internal Audit Department Manager
Jan 2004–Dec 2004	Internal Audit Division Manager GMM Grammy Plc.
May 2001–Dec 2003	Internal Audit Supervisor GMM Grammy Plc.
Mar 1997–Apr 2001	Internal Audit Staff Charoen Pokkaphan Food Plc.

#### Other Companies

Jun 1996–Mar 1997	Internal Audit Staff Bara winsor Co.,Ltd
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### Number of Share Holding (%) (as of 31/12/18)

None–

### Relationship among Executives

None–



## Ms. Kadearoon Uppathamp (Age: 49 years)

### Chief Accountant

#### Education

- Bachelor of Accounting, The University of the Thai Chamber of Commerce

#### Seminar Accomplishment:

##### Nation Broadcasting and Telecommunication Commission (NBTC)

- Knowledge about annual license fees Accounting Income classification in broadcasting and television business (Y2018)

##### Dharmniti Seminar and Training

- Transfer pricing (Y2018)

##### NYC Management Co.,Ltd.

- Revenue from contracts made with customers (TFRS15) (Y2018)

#### M wiz Accounting Consultant

- Update Corporate Income Tax Y2017 and Tax issues that accountants should know
- Update Financial Report Standards Y2017 and Tax issues related to revenue recognition
- Update New law Y2016 Guidelines and tax benefits

#### Executive Plus

- Tax for Accounting Y2015
- Update Accounting Standards Y2015

In 2018, attended continuous training program in accounting of 6 hours and other topics of 6 hours. Total training in 2018 was 12 hours

#### Number of Share Holding (%) (as of 31/12/18)

None-

#### Relationship among Executives

None-

#### Experience during the past 5 years

##### Listed Companies

Jul 2016-Present	Accounting Director GMM Grammy Plc.
Jun 2005 - Jun 2016	Accounting Manager United Distribution Business , Ltd.
Mar 2001 - Jun 2005	Accounting Section Chief United Distribution Business , Ltd.
Apr 1996 - Feb 2001	Accounting Staff United Distribution Business , Ltd.

**Mrs. Somsuda Ruampumsuk Age: (46 Years)**  
**Corporate Secretary and Head of Compliance <sup>12</sup>**

**Education**

- Bachelor of Engineering Computer Engineering King Mongkut's Institute of Technology Ladkrabang

**Seminar Accomplishment:**

**The Thai Institute of Directors (IOD):**

- Company Secretary Program (CSP) Class 71/2016
- Board Reporting Program (BRP) Class 19/2016
- Company Reporting Program (CRP) Class 16/2016
- Effective Minute Taking (EMT) Class 36/2016

**TLCA Executive Development Program (TLCA):**

- Fundamentals for Corporate Secretaries
- Advances for Corporate Secretaries
- 3 Session Sharing Seminar "Guidelines for the disclosure of CG Code Essentially apply or explain" (June 11,2018)"

**The Securities and Exchange Commission (SEC)**

- Smart Disclosure Program (SDP)
- SCP Straight Through
- CSR for Corporate Sustainability:P01 Class 8
- Criminal Liabilities of Representatives of Juristic Person Act Seminar (May 18, 2017)
- New set portal system Seminar (May 23, 2017)
- Guidelines for the use of the Securities Change Management System for Directors, Executives and Auditors (Form 59-2) Seminar (July 11,2017)
- New CG Code Seminar (July 31,2017)
- New Issuer Portal Training Course (Nov 10, 2017)

**Thai Investor Association**

- AGM Assessment Project (Dec 8,2017)

**Number of Share Holding (%) (as of 31/12/18)**

None-

**Relationship among Executives**

None-

**Experience during the past 5 years**

**Listed Companies**

Aug 10, 2016-Present	Secretary of the Corporate Governance and Ethics Committee GMM Grammy Plc.
Jan 1, 2016-Present	Director, Office of Corporate Secretary GMM Grammy Plc.
May 13, 2015-Present	Corporate Secretary GMM Grammy Plc.
May 13, 2015- Dec 31, 2015	Manager,Office of Corporate Secretary GMM Grammy Plc.
Mar 2013-May 2015	Co-ordinator Manager GMM Grammy Plc.
Jun 2012-Aug 2013	Procurement Director TT&T Plc.
2009-2012	Acting Regulatory Affair Director TT&T Plc.
2005-2009	Concession Management Manager TT&T Plc.
1994-2005	Engineer TT&T Plc.

**Other Companies**

July 21,2015 - Present	Company Secretary The One Enterprise , Ltd.
Dec 21,2017 - Present	Company Secretary GMM Channel Holding , Ltd.





## Remarks:

### <sup>11</sup> Duties and Responsibilities according to the Audit Committee's Charter regarding Head of Internal Audit

1. Supervising the Internal Audit Department policies and operations, by evaluating the Internal Audit Charter, the independence of its audits, the scope of work and audit schedules.
2. Evaluating, appointing, transferring, and terminating the Head of Internal Audit Department, as well as assessing the performance and approving compensation for the Internal Audit Department in accordance with evaluation performed by the Head of Internal Audit Department and top executives of the Company.
3. Reviewing the recommendations conducted by the external auditor and the Internal Audit Department, as well as monitoring the management team to ensure that recommendations have been sufficiently followed and effective action has been taken within an appropriate timeframe.

### <sup>12</sup> Duties and Responsibilities of the Company Secretary (and acting as Head of Compliance)

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

## General and Other Information

### General Information

Company Name	:	GMM Grammy Public Company Limited (“The Company”)
Head Office	:	50 GMM Grammy Place, Sukhumvit 21 Road (Asoke), Klongtoeinuea, Wattana, Bangkok 10110
Business	:	Entertainment and media
Company Registration Number	:	PCL. 0107537000955
Telephone	:	+66 2669 9000
Facsimile	:	+66 2669 9009
Company Homepage	:	<a href="http://www.gmmgrammy.com">http://www.gmmgrammy.com</a>
Authorized capital	:	819,949,729 baht consisting of 819,949,729 ordinary shares with a par value of 1 baht each (as of December 31, 2018)
Authorized & Paid-up capital	:	819,949,729 baht consisting of 819,949,729 ordinary shares with a par value of 1 baht each (as of December 31, 2018)

### Other Reference Persons

Share Registrar	Thailand Securities Depository Co., Ltd. 14th Floor, 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel: +66 2009 9000 Fax: +66 2009 9992
Auditor	EY Office Limited Lake Rajada Office Complex, 33rd Floor, 193/136-137 Ratchadaphisek Road, Klongtoey, Bangkok 10110 Tel: +66 2264 9090 Fax: +66 2264 0789-90
Legal Advisor	BAKER & MCKENZIE Co.,Ltd Abdulrahim Place, 25th Floor, 990 Rama IV Road, Silom, Bangkok, Bangkok 10500 Tel: +66 2666 2824 Fax: +66 2666 2924
	Weerawong, Chinnavat & Partners Ltd. Mercury Tower, 22nd Floor, 540 Ploenchit Road, Lumpini, Pathumwan Bangkok 10330 Tel: +66 2264 8000 Fax: +66 2657 2222



## Companies in which GMM Grammy hold more than 10% of their shares

Company		Business Type	Issued Shares	
			Type	Number
<b>Parent company</b>				
	GMM Grammy Plc.	Fully-integrate entertainment businesses, including music business, satellite television business, digital TV business, home shopping business, movies business and co-investment in other businesses	Common Shares	819,949,729
<b>Subsidiaries</b>				
1	GMM Music Publishing International Co., Ltd.	Management of music copyrights	Common Shares	50,000
2	Fan TV Co., Ltd.	Production of satellite television programmes	Common Shares	2,000,000
3	GDH 559 Co., Ltd.	Production of films and television programmes	Common Shares	1,500,000
4	GMM Tai Hub Co., Ltd.	Production of films and television programmes	Common Shares	420,000
5	GR Vocal Studio Co., Ltd.	Vocal and music schools	Common Shares	50,000
6	GMM Holding Co., Ltd.	Holding company	Common Shares	2,500,000
7	Exact Co., Ltd.	Production of television programmes	Common Shares	600,000
8	GMM Z Co., Ltd.	Satellite television platform provider	Common Shares	6,400,000
9	Z Trading Co., Ltd.	Production and distribution of satellite television and digital TV receivers	Common Shares	59,350,000
10	G Broadcast Co., Ltd. (formerly known as "Mifah Co., Ltd.")	Satellite television platform provider	Common Shares	450,000
11	GMM C J O Shopping Co., Ltd.	Wholesale and retail by using advertising media and phone orders service and receiving phone and E-commerce orders	Common Shares	5,400,000
12	GMM Goods Co., Ltd. (formerly known as "GMM Fitness Club Co., Ltd.")	Distributor of consumer products	Common Shares	4,000,000
13	OSP TV Co., Ltd.	Satellite television platform provider	Common Shares	10,000
14	MGA Co., Ltd.	Currently non-active	Common Shares	1,200,000
15	More Music Co., Ltd.	Currently non-active	Common Shares	160,000
16	GMM Digital Domain Co., Ltd.	Currently non-active	Common Shares	500,000
17	Digital Arms Co., Ltd.	Currently non-active	Common Shares	7,000,000
18	Digital Gen Co., Ltd.	Currently non-active	Common Shares	50,000
19	Global Music and Media (China) Limited	Currently non-active	Common Shares	1,507,500
20	Extraorganizer Co., Ltd.	Currently non-active	Common Shares	10,000
21	GDC Co., Ltd.	Currently non-active	Common Shares	500,000
22	Grammy Publishing House Co., Ltd.	Currently non-active	Common Shares	1,650,000

Company		Business Type	Issued Shares	
			Type	Number
23	GMM Studio Co., Ltd.	Currently non-active	Common Shares	500,000
24	Magic Film Co., Ltd.	Currently non-active	Common Shares	22,000
25	G S-one Co., Ltd.	Currently non-active	Common Shares	1,150,000
26	Teen Talk Co., Ltd.	Currently non-active	Common Shares	400,000
27	Deetalk Co., Ltd.	Currently non-active	Common Shares	10,000
28	Digistream Co., Ltd.	Currently non-active	Common Shares	10,000
29	Tifa Studios Co., Ltd.	Production of television programmes broadcast on digital TV and online media	Common Shares	500,000
30	Gung Ho Studios Co., Ltd.	Production of television programmes broadcast on digital TV and online media	Common Shares	500,000
31	Bravo Studios Co., Ltd.	Production of television programmes broadcast on digital TV and online media	Common Shares	500,000
<b>Associated companies</b>				
1	Scenario Co., Ltd.	Production of television programmes and plays	Common Shares	14,000,000
2	Nadao Bangkok Co., Ltd.	Films production and talent agency services	Common Shares	20,000
3	Sawasdee Thaweesuk Co., Ltd.	Design and post production of advertising media and films and public relations for films	Common Shares	50,000
4	Siengdee Thaweesuk Co., Ltd.	Provider of recording movie sound and movie advertisement, produce sound and music for movie	Common Shares	500,000
5	Ngandee Thaweesuk Co., Ltd.	Public relations and organizer	Common Shares	100,000
6	Good Things Happen Co., Ltd.	Provide advertising media, public relations consulting, and organizer	Common Shares	50,000
7	Family Know-How Co., Ltd.	Dissolution, liquidation is being in process	Common Shares	2,500,000
8	Lucks (666) Satellite Co., Ltd.	Currently non-active	Common Shares	200,000
<b>Joint Ventures</b>				
1	The ONE Enterprise Co., Ltd.	Production of television programmes and digital on-air	Common Shares	38,100,000
2	GMM Channel Holding Co., Ltd. (formerly known as "GMM Channel Trading Co., Ltd.")	Holding company	Common Shares	20,000,000





GMM Grammy Plc., subsidiaries, associated companies, joint ventures and other related companies have registered office at 50 GMM Grammy Place, Sukumvit 21 Rd.(Asoke), Khlongtoeinuea, Wattana, Bangkok except the following companies

1	GDH 559 Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klong-tonnua, Wattana, Bangkok
2	GMM Tai Hub Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klong-tonnua, Wattana, Bangkok
3	GMM CJ O Shopping Co., Ltd.	Office : 88/8 Rama 9 Rd.,Huaykwang, Bangkok
4	OSP TV Co., Ltd.	Office : 88/8 Rama 9 Rd.,Huaykwang, Bangkok
5	Global Music and Media (China) Limited	Office : Level 12, 28 Hennessy Road, Wanchai, Hong Kong
6	Scenario Co., Ltd.	Office : 99 Ratchadaphisek Rd., Din Daeng, Din Daeng, Bangkok
7	Nadao Bangkok Co., Ltd.	Office : 92/14 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klong-tonnua, Wattana, Bangkok
8	Sawasdee Thaweesuk Co., Ltd.	Office : 92/44 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klong-tonnua, Wattana, Bangkok
9	Siengdee Thaweesuk Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klong-tonnua, Wattana, Bangkok
10	Ngandee Thaweesuk Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klong-tonnua, Wattana, Bangkok
11	Good Things Happen Co., Ltd.	Office : 132 Soi Charoen Mit, North Prakanong, Wattana, Bangkok
12	Family Know-How Co., Ltd.	Office : 93 7th Floor, Ratchadaphisek Rd., Khlongtoei, Bangkok
13	Lucks (666) Satellite Co., Ltd.	Office : 1417 Soi Ladprow 94 (Panjamitr), Plub-Pla, Wangthonglang, Bangkok



GMM GRAMMY PUBLIC COMPANY LIMITED

50 GMM Grammy PLACE, Sukhumvit 21 Rd. (Asoke), Khlongtoeinuea, Wattana, Bangkok 10110, Thailand

Tel : 0-2669-9000 Fax : 0-2669-9009

[www.gmmgrammy.com](http://www.gmmgrammy.com)