



ANNUAL REPORT **2013**

GMM GRAMMY
PUBLIC COMPANY LIMITED



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Please see more of the Company's information from the Annual Registration Statement (Form 56-1) as presented in the www.sec.or.th or the Company's website





30 YEARS
OF TOTAL CONTENT
CREATION AND
MANAGEMENT



MUSIC

Operates under the "Total Music Business" model, with more than 300 artists and more than 40,000 songs in library



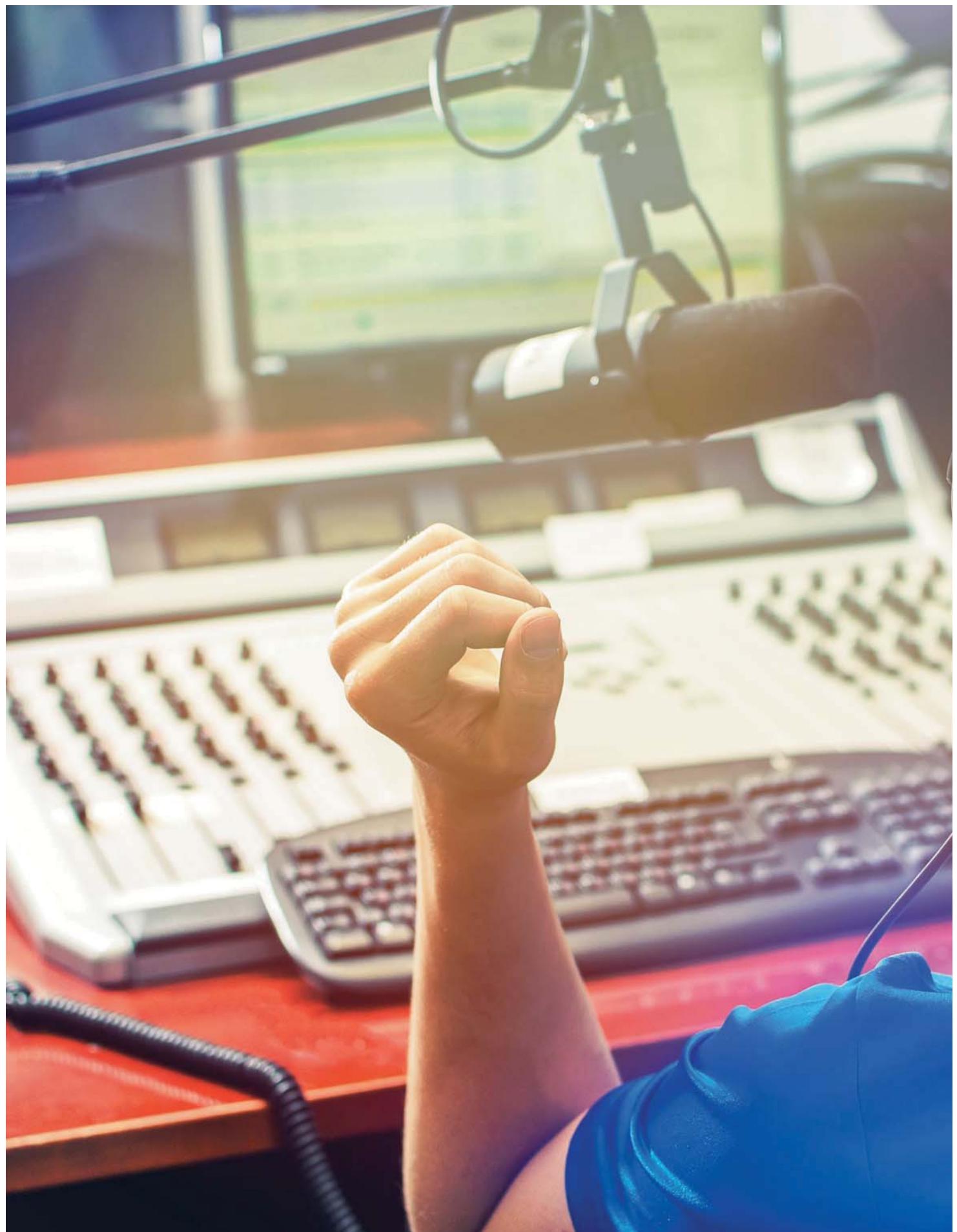


30 YEARS
OF TOTAL CONTENT
CREATION AND
MANAGEMENT



DIGITAL
CONTENT

Develop the services to meet consumers' consumption behaviour in all forms and at all ages





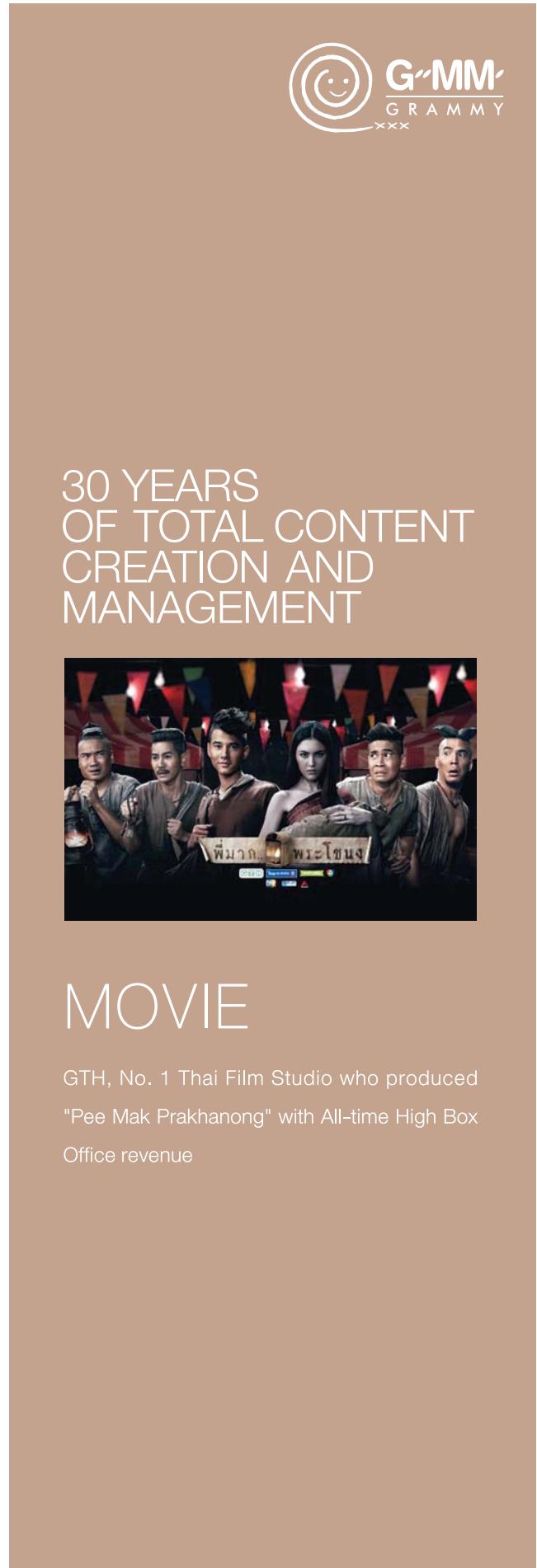
30 YEARS
OF TOTAL CONTENT
CREATION AND
MANAGEMENT



MEDIA

Operates under "Integrated Media Business"
consists of Radio, Television and Magazine









30 YEARS
OF TOTAL CONTENT
CREATION AND
MANAGEMENT



EVENT
MANAGEMENT

No. 1 event management company in Thailand
and No. 7 on the world's event companies





30 YEARS
OF TOTAL CONTENT
CREATION AND
MANAGEMENT



ANIMATION

"Byrdland" is considered a business committed to providing entertainment with knowledge to children worldwide

A close-up photograph of a woman with light brown hair, smiling warmly at the camera. She is wearing a textured, purple-colored beanie. Her hands are clasped together in front of her, holding a white rectangular sign. The sign features the word "SHOP" written in large, bold, black, hand-drawn letters. The background is a soft, out-of-focus yellow and white.

SHOP



HOME SHOPPING

Joint venture with CJ O shopping, No. 1 Korean home shopping and No. 2 World home shopping





30 YEARS
OF TOTAL CONTENT
CREATION AND
MANAGEMENT



SATELLITE TV

GMM Z, consists of GMM Z Platform Business, Satellite Free to Air Business and GMM Z Pay TV Business





30 YEARS
OF TOTAL CONTENT
CREATION AND
MANAGEMENT



DIGITAL
TERRESTRIAL
TV

Leverage expertise & existing capability to create
top DTT channels and capture TV advertising



Mr. Paiboon Damrongchaitham
Chairman of the Board of Directors



Ms. Boosba Daorueng
Group Chief Executive Officer

“

...As one of the leading and largest local content providers, with long-standing experiences, GMM Grammy is confident that our DTT channels will be channels of creativity and quality, and successful. They will be among favorite channels in the mind of viewers nationwide, and can reach viewers in all TV platforms. This will help generate and sustain good returns for shareholders in the long run...

”

Message from the Chairman and the Group Chief Executive Officer

Dear Shareholders,

GMM Grammy Public Company Limited made an important step towards its goal of becoming fully-integrated entertainment business in late 2013 when it won the auction for 2 licenses for the use frequencies for Digital Terrestrial Television (“DTT”), arranged by the National Broadcasting and Telecommunications Commission (“NBTC”). The licenses allowed GMM Grammy to operate 2 DTT channels, namely Variety-HD channel (No. 31), and Variety-SD channel (No. 25). As one of the leading and largest local content providers, with long-standing experiences, GMM Grammy is confident that our DTT channels will be channels of creativity and quality, and successful. They will be among favorite channels in the mind of viewers nationwide, and can reach viewers in all TV platforms. This will help generate and sustain good returns for shareholders in the long run.

Moreover, the Group is committed to pushing GMM Z satellite television platform to become the market leader as it is the most complete platform to watch free-to-air and free-to-box satellite channels, GMM Z Pay TV, as well as DTT channels, which will commence broadcasting in 2014. To date, GMM Grammy has expanded the GMM Z platform with 2.4 million set-top boxes sold in a short period of time, a very satisfactory growth rate. GMM Z satellite television platform will help enhance the Group’s potentials to gain a significant share of revenue in the advertising market.

In 2013, the Group produced a number of outstanding contents, such as the movie “Pee Mak...Phra Khanong”, fetching up to Baht 1,000 million in box-office revenue nationwide, the largest box-office revenue in Thai movie history, TV series “Hormones...”, well received by both viewers and advertising agencies with over 80 million views on YouTube and the highest advertising rate for satellite TV programs, and the most popular song of the year “Khor Jai Ther Laek Ber Tho” of Ying Lee, a great success in terms of revenue and polls by various institutions giving her the title “Female Singer of 2013”.

With willingness, dedication and adherence to the principle of ethics and transparency, GMM Grammy’s management and operations in 2013 were evaluated “Excellent” (5 stars) on corporate governance by the Thai Institute of Directors (IOD) for three consecutive years, evaluated “Very Good” on shareholders’ meeting quality by the Thai Investors Association, and ranked among the top 50 Thai listed companies with highest corporate governance scores by ASEAN CG Scorecard Country Reports and Assessment 2012 - 2013, with participation of listed companies from six ASEAN countries, namely, Indonesia, Malaysia, the Philippines, Singapore, Vietnam and Thailand. It was a pilot project of ASEAN CG Scorecard for further implementation in ASEAN countries.

Not only having been operating its business under the framework of good corporate governance, GMM Grammy always values the importance of good quality of life and livable society. Consequently, with social activities being part of GMM Grammy’s key missions, it has carried out projects for community and society continuously, such as the song “Phra Racha Phu Song Tham” (The Virtuous King) under a project to create contemporary moral songs in honor of His Majesty the King on the occasion of his Birth Anniversary on December 5, 2013, with Byrd-Thongchai McIntyre being the vocalist; To-Be-Number-One Project; “Thai Chuai Thai” Project of Support to Friends in Need (of “Pa”) Volunteers Foundation, the Thai Red Cross Society; Participation in the Blood Donation Project of the Thai Red Cross Society every year from 2008, etc.

All the achievements were the results of support from all parties concerned, including shareholders, customers, business partners, financial institutions, government agencies, advertising agencies, artists, the management and all employees. On behalf of the Board of Directors, I would like to thank all of you for your continued trust and support to GMM Grammy Public Company Limited. We are committed and dedicated to the creation of quality work for happiness and smiles on everyone, in all forms. We have developed appropriate strategies to suit the changing situation and technologies, while the potential of our personnel will help push the Company forward in order to sustain growth and generate adequate returns for all shareholders.



Mr. Paiboon Damrongchaitham
Chairman of the Board of Directors



Ms. Boosba Daorueng
Group Chief Executive Officer

Securities and Shareholder Information



Securities and Shareholder Information

1. The Company's Security

As of December 31, 2013, the Company has Authorized capital of 636,317,936 baht, (the Company increased capital on September 11, 2013), consisting of 636,317,936 common shares with a par value of Baht 1 each. The Company paid-up capital is 636,317,936 baht.

2. Major Shareholders

2.1 Top shareholders according to the share registration on November 14, 2013 are :

Rank	Shareholders	Number of Shares	% Holding
1.	Mr. Paiboon Damrongchaitham*	374,951,363	58.925%
2.	Mr. Taweechat Chulangkoon	113,296,022	17.805%
3.	Mr. Natthaphon Chulangkoon	38,532,785	6.056%
4.	CREDIT SUISSE AG, SINGAPORE BRANCH	25,052,520	3.937%
5.	Geurt Fah Co.,Ltd.	12,952,114	2.035%
6.	Mr. Takonkiet Viravan	6,930,840	1.089%
7.	Thailand Securities Depository Co.,Ltd. for Depositors	3,504,000	0.551%
8.	Mrs. Hatairat Chulangkoon	2,412,584	0.379%
9.	Thai NVDR Company Limited	2,361,217	0.371%
10.	GIC PRIVATE LIMITED-C	2,138,400	0.336%
Total		582,131,845	91.48%

* Mr. Paiboon Damrongchaitham Group consists of Mr. Paiboon Damrongchaitham, holding 374,951,363 shares (equivalent to 58.925%) and Geurt Fah Co., Ltd., holding 12,952,114 shares, (equivalent to 2.035%)

The free float of minority shareholders on March 18, 2013 (the last day of the registration book referred to by the Company for reporting the "Distribution of Ordinary Shares Report Form" to the SET) amounted to 2,595 shareholders, equivalent to 19.75% of the Company's paid-up capital.

Distribution of Shareholders by Nationality

The distribution of shareholders according to their nationality, as of the latest book registration closing date on November 14, 2013, is as follows :

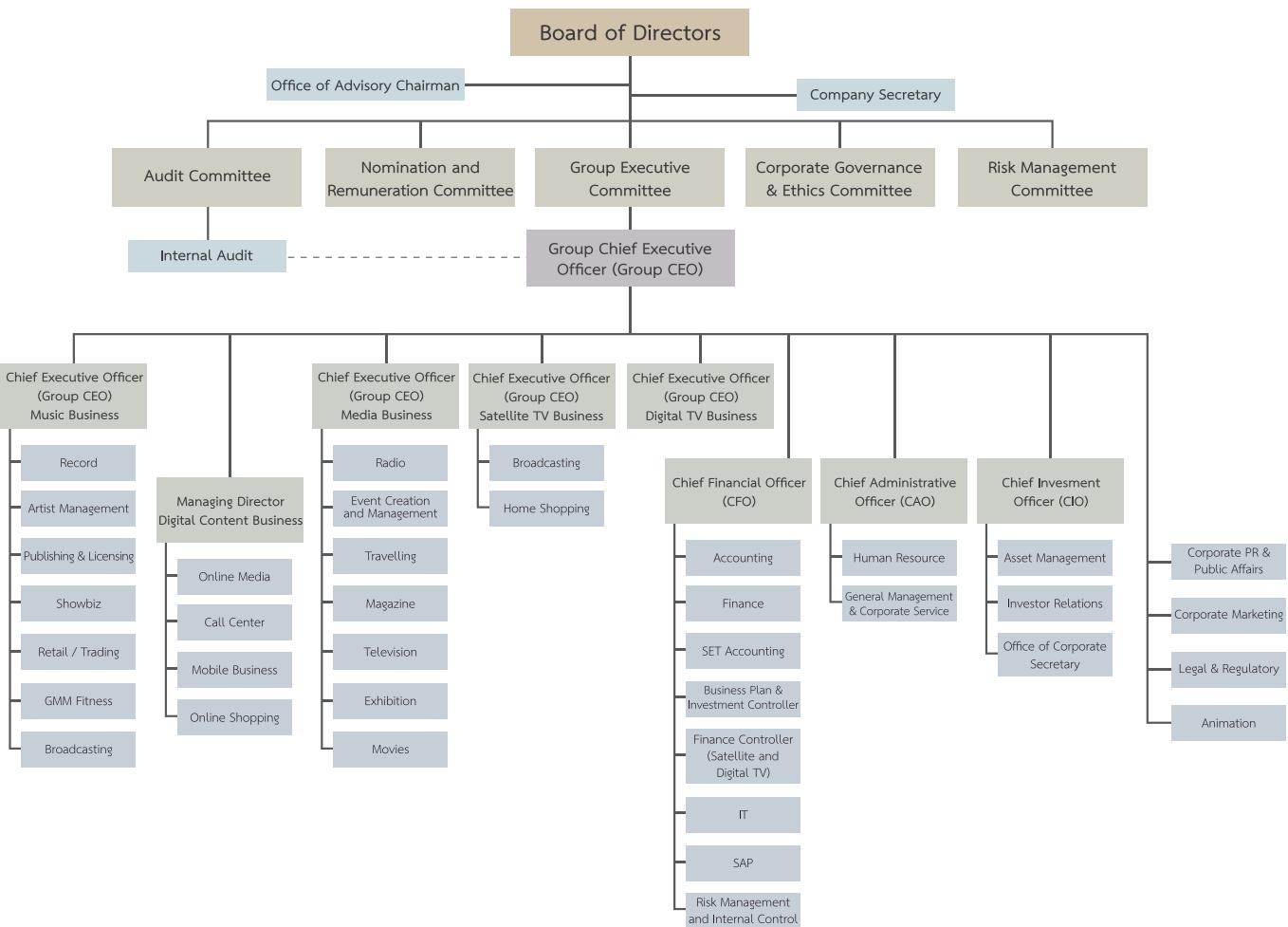
Shareholders	Grand Total			Corporations			Individuals		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Thai Shareholders	2,627	602,343,727	94.66	12	19,141,731	3.01	2,615	583,201,996	91.65
Foreign shareholders	33	33,974,209	5.34	21	33,936,109	5.33	12	38,100	0.01
Total	2,660	636,317,936	100	33	53,077,840	8.34	2,627	583,240,096	91.66

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

3. Dividend Policy

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

Management



The Company's management structure as of December 31, 2013 comprises Board of Directors and other 5 sub-committees appointed by the Board of Directors comprising (1) Audit Committee, (2) Nomination and Remuneration Committee, (3) Risk Management Committee, and (4) Corporate Governance and Ethics Committee. Moreover, the Board of Directors was 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

As of December 31, 2013, the Board of Directors consisted of 11 distinguished directors, 7 members were from management team, and 4 members were independent directors who were non-management (equivalent to 1/3 of the total number of directors). Head of the Office of Corporate Secretary serves as the Company Secretary.

Each year, 1/3 of total numbers of directors due to retire by rotation (according to the Company's Articles of Association). In 2013, the Board of Directors held 4 ordinary meetings and 6 extraordinary meetings, or 10 meetings in total over the past year.

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

Name	Title	Term	Meeting Attendance (times)	No. of years for Directorship
1. Mr. Paiboon Damrongchaitham	Director/ Chairman	Apr 2011 - 2014 Annual General Meeting (AGM)	9/10	19
2. Dr. Naris Chaiyasoot ¹	Independent Director	Apr 2013 - 2016 AGM	8/8	9 months
3. Mr. Dej Bulsuk	Independent Director	Apr 2013 - 2016 AGM	10/10	11
4. Mr. Weerawong Chittmittrapap	Independent Director	Apr 2013 - 2016 AGM	10/10	7
5. Ms. Suvabha Charoenying	Independent Director	Apr 2012 - 2015 AGM	10/10	3
6. Ms. Boosaba Daorueng	Director / Vice-Chairman	Apr 2013 - 2016 AGM	10/10	19
7. Mrs. Saithip Montrikul na Audhaya	Director	Apr 2012 - 2015 AGM	8/10	11
8. Mr. Krij Thomas	Director	Apr 2011 - 2014 AGM	10/10	5
9. Mr. Kriengkarn Kanchanapokin	Director	Apr 2011 - 2014 AGM	10/10	4
10. Mr. Sataporn Panichraksapong	Director	Apr 2011 - 2014 AGM	10/10	4
11. Ms. Suwimon Chungjotikapisit	Director	Apr 2012 - 2015 AGM	10/10	3
Miss Patcharat Patcharaput	Company Secretary	-	10/10	-
Mr. Chai Nasylvanta	Independent Director	Ended Feb 28, 2013	1/1	13 years 10 months
Mr. Takonkiet Viravan	Director	Ended Oct 14, 2013	3/8	4 years 5 months

Note: Additional information and changes during the year 2013

¹ Dr. Naris Chaiyasoot was appointed the Company's director, according to the resolution passed at the Board of Directors' Meeting No.2/2013 held on March 20, 2013 effective on March 20, 2013 to replace the resigned director, Mr. Chai Nasylvanta. (He was re-appointed as the director at the AGM held on April 26, 2013).

² Mr. Chai Nasylvanta resigned from the Company's director, effective on March 1, 2013.

³ Mr. Takonkiet Viravan resigned from the Company's director, effective on October 15, 2013.

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

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

Duties and Responsibilities of the Board of Directors

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

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

5. To approve or give consent to submit to the Shareholders Meeting for approval any connected transactions and transactions which may lead to potential conflicts of interest of the Company and subsidiaries, so as to be in compliance with 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 management team's performance and operations by ensuring that the team is well dedicated and cautious in operating the business.
11. To be responsible for financial reports by preparing a report of the Board of Directors' financial accountability in the annual report, together with the auditor's report.

According to the Corporate Authorization Index, 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 Chief Executive Officer's business line.
4. Approval of annual budget and manpower of the Group.
5. Giving consent on the Board of Directors' remuneration (being proposed by the Nomination and Remuneration Committee and before proceeding to shareholders for approval).
6. Employment, appointment, transfer and dismissal of the Chief Executive Officer.
7. Unbudgeted training and seminars, both in-house and offsite.
8. Investment in new projects or new company, such as investment in subsidiaries under the control of the Company or affiliated companies (Holding at least 20 - 50 %) or joint ventures, investment to expand the current project worth from 100 million baht, which beyond the authority of the Group Executive Committee where its authority is limited to not exceeding 100 million baht per year.
9. New budget or new project on production of new program, or any project which is not included in the annual budget.
10. Transfer of copyright.
11. Unbudgeted fixed assets procurement.
12. Unbudgeted fixed assets repair.
13. Amortization of fixed assets by destroying or donating which beyond the authority of the Group Executive Committee where its authority is limited to not exceeding 50 million baht per year.
14. Unbudgeted expenses.
15. 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 internationally accepted 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 Board of Directors at the meeting no. 3/2013 held on March 28, 2013 resolved to restructure the Group Executive Committee of which the structure comprising of top executives by the following positions (1) Group Chief Executive Officer (2) Chief Executive Officer-Music Business (3) Chief Executive Officer-Media Business (4) Chief Executive Officer-Satellite TV Business (5) Chief Executive Officer-Digital TV Business (6) Chief Finance Officer (7) Chief Investment Officer and (8) Chief Administrative Officer. Miss Patchararat Patcharaput was appointed Secretary to the Group Executive Committee.

As of December 31, 2013, the Group Executive Committee comprised 6 members who were knowledgeable and experienced in various business lines and met a total of 13 times. The names and meeting attendance of each member in 2013 were noted as follows :

Name	Title	Meeting Attendance (times)
1. Ms. Boosaba Daorueng	Chairman	12/13
2. Mrs. Saithip Montrikul Na Audhaya	Member	13/13
3. Mr. Krij Thomas	Member	12/13
4. Mr. Kanchit Kawachart ¹	Member	8/9
5. Mr. Premon Pinskul	Member	11/13
6. Mrs. Jiraporn Rungsrithong	Member	13/13
Mr. Thana Tienachariya ²	Member	0/1
Ms. Patchararat Patcharaput	Secretary	13/13

Note: Additional information and changes during the year 2013

¹ Mr. Kanchit was appointed as Chief Executive Officer-Digital TV Business by the Group Executive Committee Meeting No.4/2013, effective on March 25, 2013.

² Mr. Thana Tienachariya resigned from the Company, effective on February 1, 2013.

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 management under supervision of the Group Chief Executive Officer, and carry out duties as determined by the Board of Directors.
5. Being responsible for other assignments periodically delegated by the Board of Directors.
6. Carrying out the Shareholders' and the Board of Directors' resolutions, abiding by laws with honesty and integrity for the benefits of the Company, and in accordance with related laws, and the Company's objectives and Articles of Association.

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

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

As of December 31, 2013, the Company's management team ('Management' in this instance refers to the top four most senior members of the management team ranked below the Group Chief Executive Officer or Group CEO, irrespective of their positions, including the position equivalent to the fourth rank and senior management in the Accounts and Finance Departments, or the position equivalent to the Chief Finance Officer or CFO), comprised 7 qualified members as follows :

Name	Title
1. Mr. Paiboon Damrongchaitham ¹	Chairman of the Company Advisory Board
2. Ms. Boosaba Daorueng	Group Chief Executive Officer
3. Mrs. Saithip Montrikul Na Audhaya	Chief Executive Officer-Media Business
4. Mr. Krit Thomas	Chief Executive Officer-Music Business, Acting Chief Executive Officer-Satellite TV Business
5. Mr. Kanchit Kawachart ²	Chief Executive Officer-Digital TV Business
6. Mr. Premon Pinskul	Chief Financial Officer
7. Mrs. Jiraporn Rungsritthong	Chief Investment Officer, Acting Chief Administrative Officer
Mr. Thana Tienachariya ³	Chief Executive Officer-Broadcasting Business

Note: Additional information and changes during the year 2013

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

² Mr. Kanchit Kawachart was appointed as the above mentioned position by the Group Executive Committee Meeting No. 4/2013, effective on March 25, 2013.

³ Mr. Thana Tienachariya resigned from the Company, effective on February 1, 2013

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 Group CEO's scope of authority extends to various matters or businesses as follows :

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

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

Changes to GRAMMY Shares Held by Directors and Management

The Company reports on changes in GRAMMY's shareholding status of all directors and the Management at the Board of Directors Meeting quarterly, summarizing shares held by the Board of Directors, members of the Group Executive Committee, and Management Team (as defined by the SEC). These figures include the number of shares held by related parties, according to Section 59 and 258 of the Securities and Exchange Act. As of December 31, 2013, the figures of individual shares holding (directly and indirectly) compared to 2012, were as follows :

No.	Director/Executive	Position	Number of Shares Holding As of December 2012	Percentage (%) *	Number of Shares Holding As of December 2013	Percentage (%) **	Number of Shares Change Increase/ (Decrease) During 2013
1	Mr. Paiboon Damrongchaitham	Chairman	289,201,630	54.54	374,951,363	58.93	85,749,733
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		9,894,800	1.87	12,841,114	2.00	2,946,314
2	Mrs. Boosaba Daorueng	Vice Chairman	1,000,100	0.19	1,150,120	0.18	150,020
	Spouse/Immature Children		500,100	0.09	600,120	0.09	100,020
	Related Juristic Person		-	-	-	-	-
3	Dr. Naris Chaiyasoot	Independent Director	N/A	N/A	-	-	-
	Spouse/Immature Children		N/A	N/A	-	-	-
	Related Juristic Person		N/A	N/A	-	-	-
4	Mr. Dej Bulsuk	Independent Director	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
5	Mr. Weerawong Chittmittrapap	Independent Director	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
6	Ms. Suvabha Charoenying	Independent Director	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
7	Mrs. Saithip Montrikul Na Audhaya	Director	100	0.00	120	0.00	20
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
8	Mr. Krij Thomas	Director	1,327,200	0.25	1,593,600	0.25	266,400
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
9	Ms. Suwimon Chungjotikapisit	Director	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
10	Mr. Kreingkarn Kanjanapokin	Director	1,764,000	0.33	2,127,898	0.33	363,898
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
11	Mr. Sataporn Panichrakspong	Director	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
12	Mr. Kanchit Kawachart	Chief Executive Officer	N/A	N/A	-	-	-
	Spouse/Immature Children		N/A	N/A	-	-	-
	Related Juristic Person		N/A	N/A	-	-	-
13	Mr. Premon Pinskul	Chief Financial Officer	-	-	-	-	-
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-
14	Mrs. Jiraporn Rungsritthong	Chief Investment Officer Acting Chief Administrative Officer	5,000	0.00	13,200	0.00	8,200
	Spouse/Immature Children		-	-	-	-	-
	Related Juristic Person		-	-	-	-	-

* Paid-up shares of the Company as of December 31, 2012 = 530,264,947 shares

** Paid-up shares of the Company as of December 31, 2013 = 636,317,936 shares

Company Secretary

The Board of Directors Meeting No. 4/2012 held on June 22, 2012, resolved to appoint Miss Patchararat Patcharaput, Head of Office of Corporate Secretary, as the Company Secretary, effective as of June 22, 2012. This person is considered well qualified with great capabilities, possesses many years of useful experience, 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 Management 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 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.

Remuneration of Directors and Management

1. Directors and Audit Committee Members

Monetary remuneration for members of the Board of Directors was an annual gratuity, which would be paid in term of meeting allowance. The rest amount would be paid varied with the meeting attendance in each year. Allocating remuneration to the Board of Directors then depends upon each individual attendance at the Board of Directors Meetings. In addition, the Chairman of the Nomination and Remuneration Committee will allocate these funds (within the budget approved by the Annual General Meeting of Shareholders). Remuneration for 13 directors of the Board, including 5 members of the Audit Committee in 2013, was amounting to 6,650,000 baht in total, with details as follows :

Name	Title	Director's Meeting Allowance in 2013 (Baht)	Director's Annual Gratuity in 2013 (Baht)	Remuneration for the Audit Committee 2013 (Baht)	Total Remuneration in 2013 (Baht/Year)
1. Mr. Paiboon Damrongchaitham	Chairman	117,000	792,152	-	909,152
2. Mr. Chai Nasylvanta ¹	Independent Director / Chairman of Audit Committee	13,000	44,008	33,334	90,342
3. Dr. Naris Chaiyasoot ²	Independent Director / Chairman of Audit Committee	104,000	352,068	166,666	622,734
4. Mr. Dej Bulsuk	Independent Director / Member of Audit Committee	130,000	440,085	150,000	720,085
5. Mr. Weerawong Chittmittrapap	Independent Director / Member of Audit Committee	130,000	440,085	150,000	720,085
6. Ms. Suvabha Charoenying	Independent Director / Member of Audit Committee	130,000	440,085	150,000	720,085
7. Ms. Boosaba Daorueng	Director	30,000	440,085	-	470,085

Name	Title	Director Meeting Allowance in 2013 (Baht)	Director Annual Gratuity in 2013 (Baht)	Remuneration for the Audit Committee 2013 (Baht)	Total Remuneration in 2013 (Baht/Year)
8. Ms. Suwimon Chungjotikapisit	Director	30,000	440,085	-	470,085
9. Mrs. Saithip Montrikul Na Audhaya	Director	24,000	352,068	-	376,068
10. Mr. Krij Thomas	Director	30,000	440,085	-	470,085
11. Mr. Takonkiet Viravan ¹³	Director	9,000	132,024	-	141,024
12. Mr. Kreingkarn Kanjanapokin	Director	30,000	440,085	-	470,085
13. Mr. Sataporn Panichraksapong	Director	30,000	440,085	-	470,085
Total Amount		807,000	5,193,000	650,000	6,650,000

Note :

¹¹ Mr. Chai Nasylvanta resigned from the Company's director, effective on March 1, 2013.

¹² Dr. Naris Chaiyasoot was appointed the Company's director, according to the resolution passed at the Board of Directors' Meeting No.2/2013 held on March 20, 2013 effective on March 20, 2013 to replace the resigned director, Mr. Chai Nasylvanta.

¹³ Mr. Takonkiet Viravan resigned from the Company's director, effective on October 15, 2013.

2. Group Executive Committee Member and Management Team

Monetary remuneration for the Group Executive Committee and Management Team ('Management' in this instance refers the SEC and SET'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 and other benefits such as company cars, car allowances in lieu of company cars, mobile phones usage fee, medical payments, and life insurance premium. In 2013, the total monetary remuneration for 7 member of the management team (including those for the resigned member; Mr. Thana Tienachariya but excluding Chairman of Advisory Board) amounted to 70,029,686 baht.

Remuneration Description	Amount (Baht)
Salary and Bonus	66,271,749
Other Remuneration :	
- Provident Fund (Depend on the period of employment)	1,556,400
- Others	2,201,537
Total	70,029,686

Human Resources

GRAMMY Group's total numbers of workforce, both full-time and part-time employees (with a definite contract term), as of December 31, 2013 were 5,073.

Unit : Person

Company	2013		
	Full-time	Part-time	Total
GMM Grammy Plc.	1,132	978	2,110
Subsidiaries	2,452	511	2,963
Total	3,584	1,489	5,073

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.

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

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

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

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

- None-

Major labor disputes in the past 3 years

- None-

Employee Remuneration and Benefits

Among one of the missions that the Board of Directors has highlighted, "*promote employees' job satisfaction and skill and better quality of life*," human capital is the Company's most valuable asset. Therefore, the Board of Directors has prescribed a set of policies and guidelines on employee remuneration and benefits, as follows :

1. Salary and bonus

The GRAMMY Group's policy in remunerating its employees is on the basis of reasonableness, fairness, knowledge, capability, performance, and compatibility with the industry's average pay scale, as well as growth of the business and the Company.

2. Other benefits

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

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

In 2013, total salaries, bonuses, and employer's contributions paid for the entire Group were amounting to 1,944.29 million baht, details are as follows :

Company	2013				Unit: Million Baht
	Salaries	Bonuses	Employer's contributions	Total	
GMM Grammy Plc.	581.55	81.20	18.54	681.29	
Subsidiaries	1,107.27	128.43	27.30	1,263.00	
Total	1,688.82	209.63	45.84	1,944.29	

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 Handbook.

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

In 2013, the Company reviewed and ensured that the Human Resources Management Policies, Company Employment Regulations, and Welfare Handbook were fully and constantly complied with.

Board of Directors and Management Team

Board of Directors

as of December 31, 2013



1. Mr. Paiboon Damrongchaitham
Chairman of the Board



2. Ms. Boosaba Daorueng
Vice Chairman



3. Dr. Naris Chaiyasoot
Independent Director



4. Mr. Dej Bulsuk
Independent Director



5. Mr. Weerawong Chittmittrapap
Independent Director



6. Ms. Suvabha Charoenying
Independent Director



7. Mrs. Saithip Montrikul Na Audhaya
Director



8. Mr. Krij Thomas
Director



9. Mr. Kreingkarn Kanjanapokin
Director



10. Mr. Sataporn Panichraksapong
Director



11. Ms. Suwimon Chungjotikapisit
Director

Management Team (Group Executive Committee)

as of December 31, 2013



1. Ms. Boosaba Daorueng
Chairman of Group Executive Committee



2. Mrs. Saithip Montrikul Na Audhaya
Member



3. Mr. Krij Thomas
Member



4. Mr. Kanchit Kawachart
Member



5. Mr. Premon Pinskiul
Member



6. Mrs. Jiraporn Rungsrithong
Member

Board of Directors and Management Team

Mr. Paiboon Damrongchaitham (64 years)

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

Education Background

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

Seminar Accomplishment

The National Broadcasting and Telecommunications Commission

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

Number of Share Holding (%) as of 31/12/2013

374,951,363 shares (58.93%), including related parties, according to Section 59 of the Securities and Exchange Act

Experience

GMM Grammy Plc.

Jul 2011 - Present	Member of the Nomination and Remuneration Committee
2008 - Present	Chairman of the Company Advisory Board
1998 - Present	Chairman of the Board
2005 - Jul 2011	Chairman of the Nomination and Remuneration Committee
1998 - Jul 2008	Advisor to the Executive Committee

Other Listed Companies

-None-

Other Companies

2009 - Present	Vice Chairman, Family Know-how Co., Ltd.
2008 - Present	Chairman of the Company Advisor, GMM Media Plc.
2007 - Jul 2008	Advisor to the Executive Committee, GMM Media Plc.
2005 - Feb 2009	Chairman of the Nomination and Remuneration Committee, GMM Media Plc.
2005 - Oct 2007	Chairman of the Risk Management Committee, GMM Media Plc.
2002 - Feb 2009	Chairman of the Board, GMM Media Plc.
2002 - Apr 2007	Chief Executive Officer, GMM Media Plc.
2005 - Oct 2006	(Acting) Managing Director, Sanamluang Gandontree Co.,Ltd.
1983 - 1998	Managing Director, Grammy Entertainment Plc.

Ms. Boosaba Daorueng (61 years)

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

Education Background

- Bachelor of Liberal Arts, Thammasat University

Number of Share Holding (%) as of 31/12/2013

1,750,240 shares (0.27%), including related parties, according to Section 59 of the Securities and Exchange Act

Experience

GMM Grammy Plc.

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

Other Listed Companies

-None-

Other Companies

Sep 2013 - Present	GMM HD Digital TV Co.,Ltd.
Sep 2013 - Present	GMM SD Digital TV Co.,Ltd.
Oct 2010 - Present	Director, GR Vocal Studio Co., Ltd
May 2010 - Present	Director, Acts Studio Co., Ltd.
2008 - Present	Advisor, GMM Media Plc.
Jul 2005 - Present	Director, Index Creative Village Plc.
Apr 2004 - Present	Director, Scenario Co.,Ltd.
2003 - 2008	Advisor to the Board of Directors / Advisor to the Executive Committee, GMM Media Plc.

Dr. Naris Chaiyasoot (58 years)

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

Education Background

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

Seminar Accomplishment

The Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP), Class 32/2005
- Finance for Non-Finance Directors (FND), Class 19/2005
- Director Certification Program (DCP), Class 82/2006
- Chartered Director Class (CDC), Class 3/2008

Number of Share Holding (%) as of 31/12/2013

-None-

Experience**GMM Grammy Plc.**

Mar 2013 - Present Chairman of the Audit Committee
Independent Director, Member of the Nomination and Remuneration Committee

Other Listed Companies

Dec 2012 - Present Chairman of the Audit Committee, Fortune Parts Industry Plc.
2009 - 2012 Director, Thai Oil Plc.
2008 - 2011 Director, PTT Plc.

Other Companies

2011 - Present Director-General, The Treasury Department, Ministry of Finance
2011 - Present Chairman, Small and Medium Enterprise Development Bank of Thailand
Oct 2011 - Present Chairman, Dhanarak Asset Development Co.,Ltd.
2010 - Present Chairman, Deposit Protection Agency
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 Rector, Thammasat University

Mr. Dej Bulsuk (63 years)

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

Education Background

- Bachelor of Business Administration, Thammasat University

Seminar Accomplishment

The Thai Institute of Directors (IOD)

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

Number of Share Holding (%) as of 31/12/2013

-None-

Experience**GMM Grammy Plc.**

Jul 2011 - Present Chairman of the Nomination and Remuneration Committee
2009 - Present Member of the Audit Committee
2002 - Present Independent Director
2006 - July 2011 Member of the Nomination and Remuneration Committee
2006 - Feb 2009 Chairman of the Audit Committee
2002 - 2006 Member of the Audit Committee

Other Listed Companies

2011 - Present Member of the Audit Committee, Siam Future Development Plc.
2004 - Present Independent Director, Siam Future Development Plc.
Oct 2011 - Present Independent Director, Patum Rice Mill and Granary Plc.
Jan 2005 - Present Director, J Gallery Co.,Ltd.
Nov 2004 - Present Member of the Audit Committee, The Erawan Group Plc.
2001 - Present Member of the Audit Committee, AEON Thana Sinsap (Thailand) Plc.
2006 - 2009 Advisor to the Board, President Bakery Plc.
2002 - Aug 2013 Independent Director / Member of the Audit Committee, Jay Mart Plc.

Other Companies

2004 - Present President, CCC Business Development Co., Ltd.
2007 - 2009 Director, Thailand Convention and Exhibition Bureau (TCEB) (Public Organization)
Chairman of the Good Governance, Recruitment and Remuneration Committee, TCEB

2004 - 2006	Honorary Chairman, McThai Co.,Ltd. (McDonald's Thailand)
2002 - 2009	Independent Director / Member of the Audit Committee, GMM Media Plc.
2001 - 2006	Chairman - Ronald McDonald House Charities Foundation
1984 - 2004	President & Joint Venture Partner, McThai Co.,Ltd. (McDonald's Thailand)

Mr. Weerawong Chittmittrapap (55 years)

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

Education Background

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

Seminar Accomplishment

The Thai Institute of Directors (IOD)

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

Other Institutes

- Capital Market Academy Leader Program, Class 12/2011, Capital Market Academy

Number of Share Holding (%) as of 31/12/2013

-None-

Experience

GMM Grammy Plc.

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

Other Listed Companies

2013 - Present	Director, Frasers and Neave Limited (Listed Company in Singapore)
Dec 2012 - Present	Independent Director, Chairman of the Audit Committee, Golden Land Property Development Plc.
2011 - Present	Independent Director, Member of the Audit Committee, SCB Life Assurance Plc.
2009 - Present	Independent Director, Member of the Audit Committee, Member of the Good Corporate Governance Committee, Member of the CSR Committee, Thai Airways International Plc.
2001 - Present	Independent Director, Member of the Audit Committee, Berli Jucker Plc.
2007 - 2011	Independent Director / Member of the Audit Committee, Siam Food Products Plc.
2005 - 2006	Director, Nutrix Plc.
2001 - 2007	Independent Director / Member of the Audit Committee, ITV Plc.

Other Companies

2013 - Present	Director, Frasers Centrepoint Limited
2008 - Present	Chairman, Weerawong, Chinnavat & Peangpanor Ltd.
2008 - Present	Director, National Power Supply Plc.
2011 - May 2013	Independent Director, Minor International Plc.
2009 - Jan 2013	Director, Nok Airlines Co.,Ltd.
1996 - 2008	Executive Partner, White & Case (Thailand) Co., Ltd

Other Present Works

- Special Speaker, The Thai Institute of Directors
- Special Advisor, Thai Listed Companies Association
- Special Lecturer, King Prajadhipok's Institute

Ms. Suvabha Charoenying (50 years)

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

Education Background

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

Seminar Accomplishment

The Thai Institute of Directors (IOD)

- Financial Institution Governance Program (2012)
- Audit Committee Program (ACP), Class 35/2011
- Successful Formulation & Execution of Strategy, Class 6/2010
- DCP Refresher, Class 1/2005
- Finance for Non Finance Director, Class 1/2003
- Director Certification Program (DCP) (Fellow Member), Class 1/2000

Other Institutes

- Thammasat Leadership Program (TLP), Class 1/2012 Thammasat University
- Certified Financial Planner (CFP), Thai Financial Planner Association, Class 1/2009
- TLCA Executive Development Program, Thai Listed Companies Association, Class 2/2008
- Leader Program, Capital Market Academy, Class 1/2005
- Certificate in Families Business : Generation to Generation, Harvard Business School (2004)

Number of Share Holding (%) as of 31/12/2013

-None-

Experience**GMM Grammy Plc.**

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

Other Listed Companies

2009 - Present	Director / Executive Director, Thanachart Securities Plc.
2001 - Present	Managing Director, Thanachart Securities Plc.
1993 - 1996	Vice President, KGI Securities Plc.
1988 - 1990	Manager, Business Development Department, Kasikorn Bank Plc

Other Companies

2010 - 2011	Director / Executive Director, Nakornluang Thai Securities Co.,Ltd.
1996 - 2001	Chief Executive Officer, Schroder Asset Management Ltd.
1990 - 1993	Vice President, Morgan Grenfell Thai Company Limited

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

Education Background

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

Number of Share Holding (%) as of 31/12/2013

120 shares (0%), including related parties, according to Section
59 of the Securities and Exchange Act

Experience**GMM Grammy Plc.**

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

Other Listed Companies

-None-

Other Companies

Mar 2012 - Present	Director, GMM Z Co.,Ltd.
Sep 2010 - Present	Director, A Gen Event Agency Co., Ltd.
May 2010 - Present	Director, Acts Studio Co., Ltd.
Apr 2010 - Present	Director, Image On Air Co., Ltd.
2009 - Present	Chairman of the Board, GMM Media Plc.
2007 - Present	Chief Executive Office, GMM Media Plc.
2002 - Present	Director / Managing Director, GMM Media Plc.
Mar 2009 - Present	Director, Index Creative Village Plc.
2007 - Present	Director / Managing Director, A-Time Traveler Co., Ltd.
1989 - Present	Director / Managing Director, A-Time Media Co., Ltd.
2008 - Feb 2009	Vice Chairman, GMM Media Plc.
Nov 2007 - Feb 2009	Chairman of the Risk Management Committee, GMM Media Plc.
2005 - Oct 2007	Member of the Risk Management Committee, GMM Media Plc.
2002 - Apr 2007	Executive Director, GMM Media Plc.

Mr. Krij Thomas (53 years)

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

Education Background

- Bachelor of Arts (Mass Communications), Chulalongkorn University

Number of Share Holding (%) as of 31/12/2013

1,593,600 shares (0.25%), including related parties, according to Section 59 of the Securities and Exchange Act

Experience**GMM Grammy Plc.**

Mar 2013 - Present	(Acting) Chief Executive Officer (Satellite TV Business)
May 2012 - Present	Member of the Group Executive Committee
Apr 2012 - Present	Member of the Corporate Governance and Ethics Committee
Feb 2012 - Present	Chief Executive Officer (Music Business)
Feb 2011 - Present	Member of the Risk Management Committee
2008 - Present	Director
2003 - Present	Managing Director (Grammy Gold Division)
2011 - Feb 2012	Senior Executive Vice President (Music Business Division)
2008 - 2010	Executive Vice President (Music Business Division)
2005 - 2006	(Acting) Managing Director (GMM International Division)
2004 - May 2012	Executive Director
2001 - 2003	Deputy Managing Director (Grammy Gold Division)
1999 - 2001	Assistant Vice President (Grammy Gold Division)

Other Listed Companies

-None-

Other Companies

Jul 2012 - Present	Director, GMM Z Co.,Ltd.
Feb 2013 - Present	Director, GMM CJ O Shopping Co.,Ltd.
2007 - Present	Director, 3-RD Co., Ltd.
1997 - Present	Director, Krij Thomas Co.,Ltd.
2004 - Feb 2009	Director, Dokya Poojung Co.,Ltd.

Mr. Kreingkarn Kanjanapokin (51 years)

Director

Education Background

- Bachelor of Political Science, Chiang Mai University

Seminar Accomplishment

The Thai Institute of Directors (IOD)

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

Other Institutes

- Exclusive Management with Business Development and Investment, Class 1/2013 Institute of Business and Industrial Development

Number of Share Holding (%) as of 31/12/2013

2,127,898 shares (0.33%), including related parties, according to Section 59 of the Securities and Exchange Act

Experience**GMM Grammy Plc.**

2009 - Present	Director
2009 - May 2012	Executive Director

Other Listed Companies

-None-

Other Companies

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

Other Present Works

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

Mr. Sataporn Panichraksapong (46 years)

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

Education Background

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

Number of Share Holding (%) as of 31/12/2013

-None-

Experience

GMM Grammy Plc.

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

Other Listed Companies

-None-

Other Companies

Sep 2010 - Present	Director, A Gen Event Agency Co.,Ltd.
2009 - Present	Director, GMM Media Plc.
2007 - Present	Director / Managing Director, GMM TV Co., Ltd.
2007 - Feb 2009	Member of the Risk Management Committee, GMM Media Plc.
2005 - 2007	Deputy Managing Director, Grammy Television Co., Ltd.
2002 - 2005	Deputy Managing Director (Music Business), RS Promotion Plc.

Ms. Suwimon Chungjotikapisit (61 years)

Director, Company Advisor

Education Background

- Bachelor of Political Science, Chulalongkorn University (Honors)

Seminar Accomplishment

The Thai Institute of Directors (IOD)

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

Number of Share Holding (%) as of 31/12/2013

-None-

Experience

GMM Grammy Plc.

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

Other Listed Companies

-None-

Other Companies

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

Mr. Kanchit Kawachart (48 years)

Member of the Group Executive Committee, Member of the Risk Management Committee, Chief Executive Officer (Digital TV Business)

Education Background

- Bachelor of Architecture, King Mongkut's Institute of Technology Ladkrabang
- Master of Business Administration, University of Missouri, USA

Seminar Accomplishment

The Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP), Class 47/2005

Number of Share Holding (%) as of 31/12/2013

-None-

Experience**GMM Grammy Plc.**

Mar 2013 - Present Chief Executive Officer (Digital TV Business)
Mar 2013 - Present Member of the Group Executive Committee

Other Listed Companies

2012 - Present Member of the Audit Committee, JMT Network Services Plc.
2005 - 2013 Director / Chief Finance Officer / Executive Vice President Business Development, Workpoint Entertainment Plc.
2002 - 2005 Vice President of Investment Banking Department, Thanachart Securities Plc.

Other Companies

Sep 2013 - Present Director, GMM HD Digital TV Co.,Ltd.
Sep 2013 - Present Director, GMM SD Digital TV Co.,Ltd.
2009 - 2001 Assistant Vice President Development Fund, Ayudhya JF Asset Management Limited
1994 - 2009 Assistant Vice President, Product Development, Securities One Plc.
1988 - 1988 Architect, Architect 49 Limited

Mr. Premon Pinskul (57 years)

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

Education Background

- Master of Accounting (Commerce and Accountancy), Thammasat University
- Master of Arts (Economics), University of Detroit, USA
- Master of Business Administration, University of Detroit, USA

Seminar Accomplishment

The Thai Institute of Directors (IOD)

- Advanced Audit Committee Program (AAPC), Class 2/2010
- Director Certification Program (DCP), Class 114/2011

Number of Share Holding (%) as of 31/12/2013

-None-

Experience**GMM Grammy Plc.**

Jul 2011 - Present Member of the Risk Management Committee
Jun 2011 - Present Chief Financial Officer
May 2012 - Present Member of the Group Executive Committee
Jul 2011 - May 2012 Executive Director / Secretary to the Executive Committee
Jul 2011 - Mar 2012 Member of the Corporate Governance & Ethics Committee

Other Listed Companies

2005 - 2011 Assistant Chief Financial Officer, Total Access Communication Plc.

Other Companies

Oct 2013 - Present Director, GMM HD Digital TV Co.,Ltd.
Oct 2013 - Present Director, GMM SD Digital TV Co.,Ltd.
Mar 2012 - Present Director, GMM Z Co.,Ltd.
2011 - Present Director, 3-RD Co.,Ltd.
2011 - Present Director, GMM CJ O Shopping Co.,Ltd.

Mrs.Jiraporn Rungsritthong (45 years)

Secretary of the Nomination and Remuneration Committee,
Member of the Risk Management Committee,
Member of the Group Executive Committee,
Chief Investment Officer and Acting Chief Administrative Officer

Education Background

- Bachelor of Arts (German), Silpakorn University
- Master of Business Administration, Winthrop University, SC, USA

Seminar Accomplishment

The Thai Institute of Directors (IOD)

- Role of the Nomination and Governance Committee (RNG), Class 5/2013
- Director Certification Program (DCP), Class 167/2012

Other Institute

- Leadership Development Program (LDP), Class 1/2013, Thai Listed Companies Association
- TLCA Executive Development Program (EDP2), Class 2/2008, Thai Listed Companies Association
- Capital Market Academy Leader Program, Class 2/2006, Capital Market Academy
- The Theory and Practice of Investor Relations (2004), University of Michigan, USA
- The Primer Program-Institute of Finance (2000), Lehman Brother, NY, USA

Number of Share Holding (%) as of 31/12/2013

13,200 shares (0%), including related parties, according to Section 59 of the Securities and Exchange Act

Experience

GMM Grammy Plc.

Dec 2012 - Present	Secretary of the Nomination and Remuneration Committee
Aug 2012 - Present	Member of the Risk Management Committee
Jul 2012 - Present	Member of the Group Executive Committee
23 Jul 2012 - Present	Chief Investment Officer and Acting Chief Administrative Officer
1 - 22 Jul 2012	Chief Investment Officer

Other Listed Companies

2005 - 2011	Assistant Chief Financial Officer, Total Access Communication Plc.
Feb - Oct 2013	Director, SE-EDUCATION Plc.

1996 - Jun 2012 Senior Vice President - Investor Relations, Electricity Generating Plc.

Other Companies

Feb 2013 - Present	Director, Family Know-how Co.,Ltd.
2001 - Present	Director, Thai Investor Relations Club
1995 - 1996	Business Analyst, Moody's Investor Services, USA

GMM Grammy Plc.

Financial Highlights

Consolidated
Unit : Million Baht

	2013	2012	2011
Total revenues	11,003.7	11,756.5	9,388.0
Revenue from sales and services	10,621.5	11,435.5	9,102.6
Total costs	7,786.9	8,062.5	5,396.7
Gross profit	2,834.6	3,373.0	3,705.9
Earnings/loss before Non-controlling interest of the subsidiaries	-1,221.2	-286.7	684.1
Net earnings/loss for the year	-1,282.7	-347.5	625.5
Dividend paid	-	-	286.3
Total assets	12,603.5	11,309.1	8,533.9
Total liabilities	8,626.7	7,455.7	4,891.2
Non-controlling interest of the subsidiaries	931.2	861.6	712.3
Equity attributable to the Company's shareholders	3,045.6	2,991.8	2,930.4
Weighted average number of ordinary shares (Million shares)	564.6	530.3	530.3
Net earning/loss per share (Baht)	-2.27	-0.66	1.18
Dividend paid per share (Baht)	-	-	0.54
Book value per share (Baht)	5.39	5.64	5.53
Net profit/loss margins	-11.66%	-2.96%	6.66%
Return on equity	-42.49%	-11.73%	20.45%
Return on assets	-10.73%	-3.50%	7.77%

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

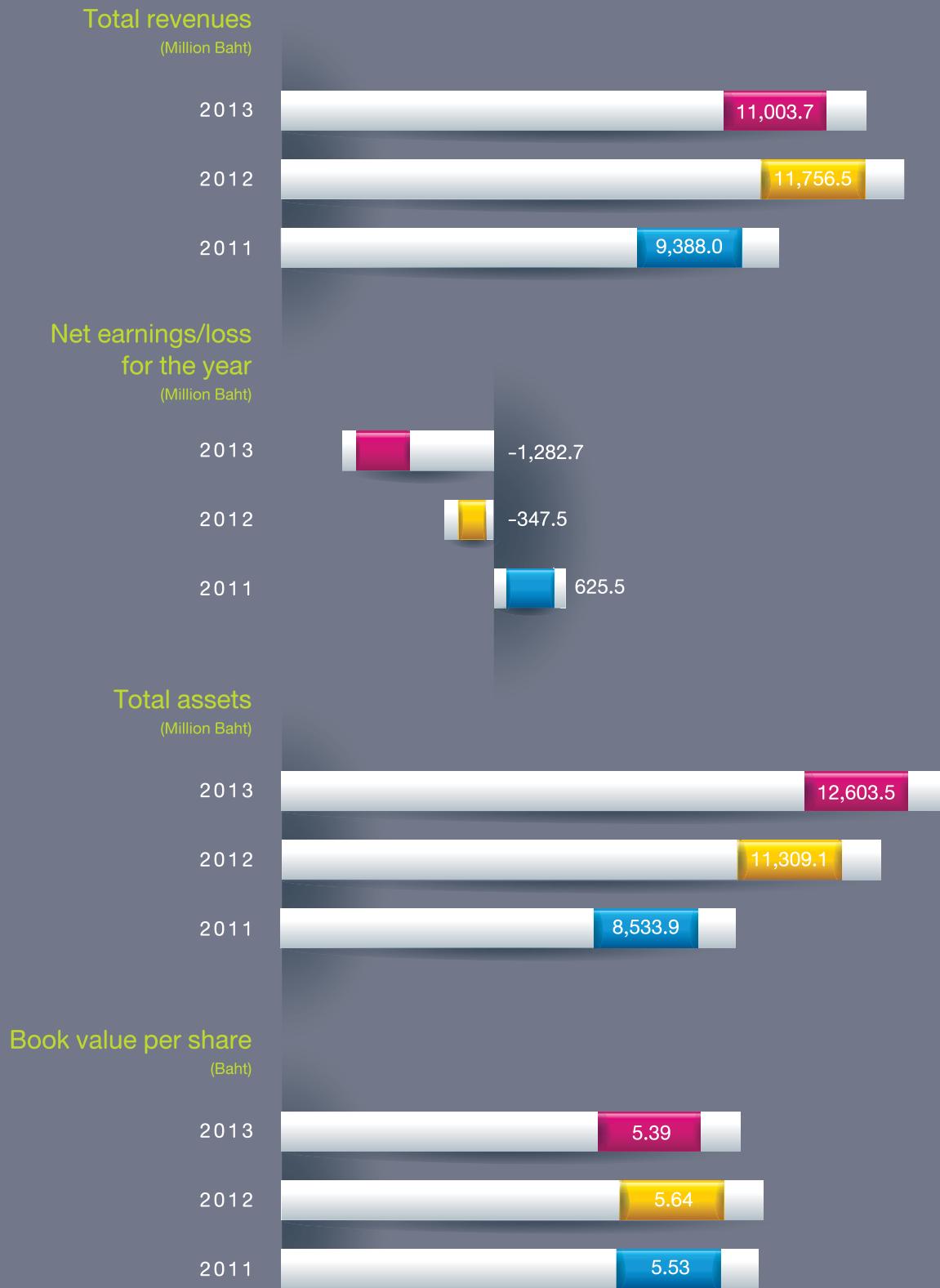
"The interim dividend payment for the first half-year operational result of 2011 was Baht 0.54 per share, according" to the resolution at the Board of Directors' Meeting No.5/2011 on August 10, 2011. In order to reserve cash "for the ongoing projects under the Company's business plan, therefore, the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

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

"In order to reserve cash on hand for the Company's business plan, therefore, the Board of Directors' Meeting No.1/2013" held on February 28, 2013 approved the omission of dividend payment for the year ended December 31, 2012 and such resolution was approved by the 2013 Annual General Meeting of Shareholders held on April 26, 2013.

2013: The omission of dividends payment for operation result of 2013

"The Board of Directors' Meeting No.1/2014, held on February 28, 2014, resolved to propose the omission of dividend" payment for the operational result of 2013 in order to reserve cash for the ongoing projects under the Company's businessplan. It must be approved by the 2014 Annual General Meeting of Shareholders which will be held on April 25, 2014.



Policy and Business Overview

Vision, Mission and Long Term Goal

Vision

To be a leader in creating and producing of all forms of entertainment, in tandem with all types of media and technological developments, to provide a great quality of life and unlimited happiness.

Mission

Engage in the continuous creation of excellent and innovative work

Encourage a learning organization

Enrich people so they are passionate and skillful in their work and enjoy a better quality of life

Endorse social responsibilities and activities

Long Term Goal

To sustainably be the number one entertainment company in Thailand.

Major change and development

The Company was established in 1983 under the name of Grammy Entertainment Company Limited to operate business mainly in creating Thai music, issuing the first album "Niyai Rak Jak Kon Mek" with Dr. Phanthiwa Sinratchatanan being the singer, and producing three television programs, i.e., "Yim Sai Khai," "Man Kwa Haew" and "Siang Tid Dao." The Company was successful and grew continuously. Details of the Company's history and business growth can be found in the Company's website under Main Menu "Our Company" Item "Company Background"

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

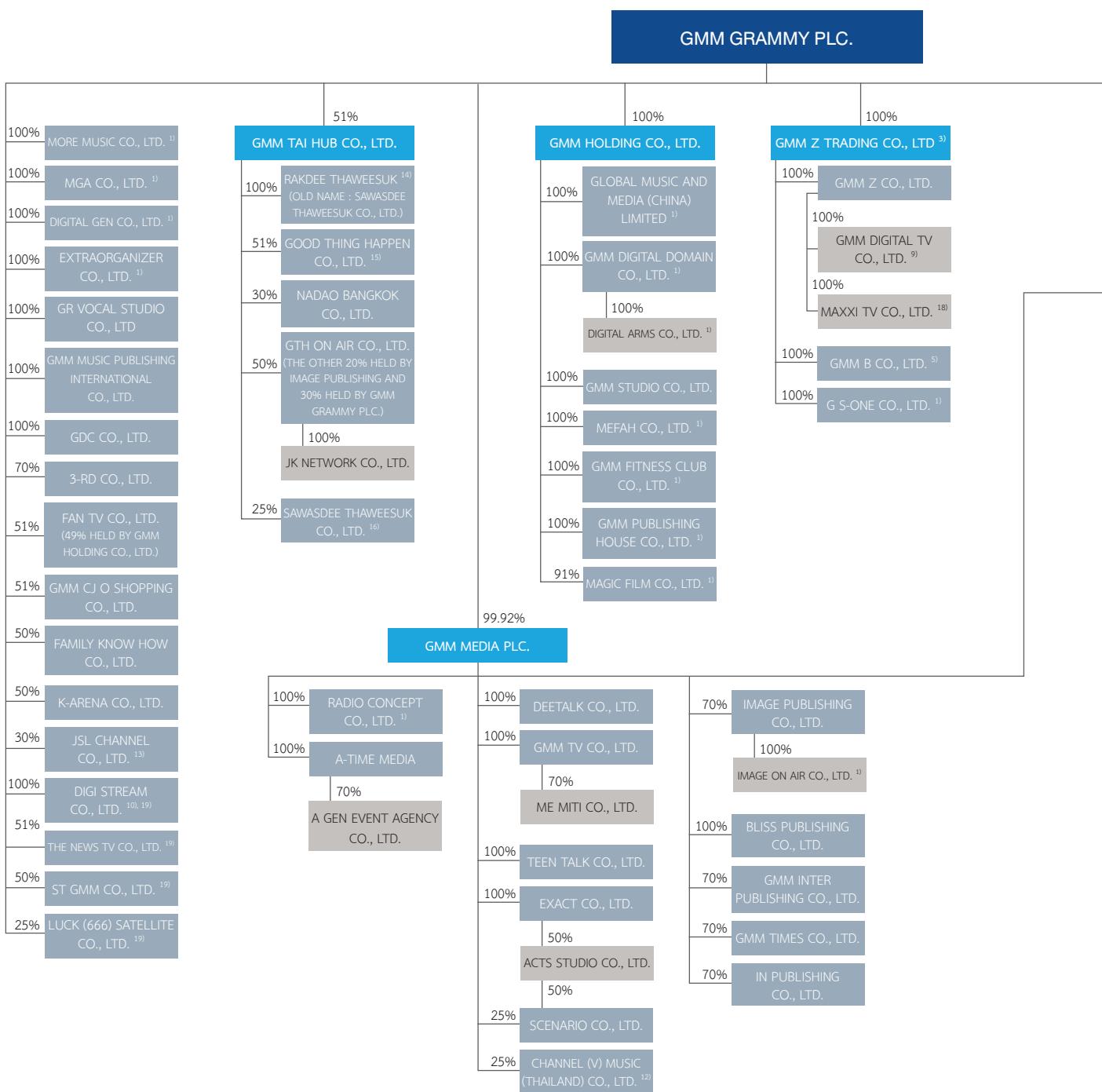
2013	
January	<ul style="list-style-type: none"> Change in broadcasting of Channel GMM One from only GMM Z platform to broadcasting for free views on all platforms through satellite.
February	<ul style="list-style-type: none"> Official launch of satellite television services subscription for members to choose programs via satellite television channels through subscription by a prepaid card under 4 packages, namely, monthly entertainment channel package, monthly sport channel package, monthly entertainment and sport channel combined package and yearly entertainment and sport channel combined package.
March	<ul style="list-style-type: none"> Official launch of HD GMM Z satellite set-top boxes. Launch of "Pee Mak ... Phra Khanong" movie, which fetched up to Baht 567 million in box office revenue, the highest amount in Thai movie history.
April	<ul style="list-style-type: none"> Change of the name of satellite television channel from GMM ONE to ONE Channel (a variety entertainment channel) for easy remembering.
May	<ul style="list-style-type: none"> Launch of "Hormones..." series, with 13 episodes in total, via satellite television ONE Channel and YouTube, an extraordinarily popular series nationwide, with over 80 million views in YouTube.
July	<ul style="list-style-type: none"> Official opening of new service for satellite television subscription under AIS mobile telephone system named "GMM Z on AIS" for customer base expansion.
September	<ul style="list-style-type: none"> Capital increase at the ratio of three existing shares to one new share at Baht 10 per share, with full subscription of 106,052,989 shares, amounting to Baht 1,060,529,890, for use in strategic investments, i.e., digital TV business to enhance and add value to the Company's existing business. Registration of change in the Company's paid-up capital from Baht 530,264,947 to Baht 636,317,936 at the Registrar of Public Companies, Department of Business Development, Ministry of Commerce.

2013

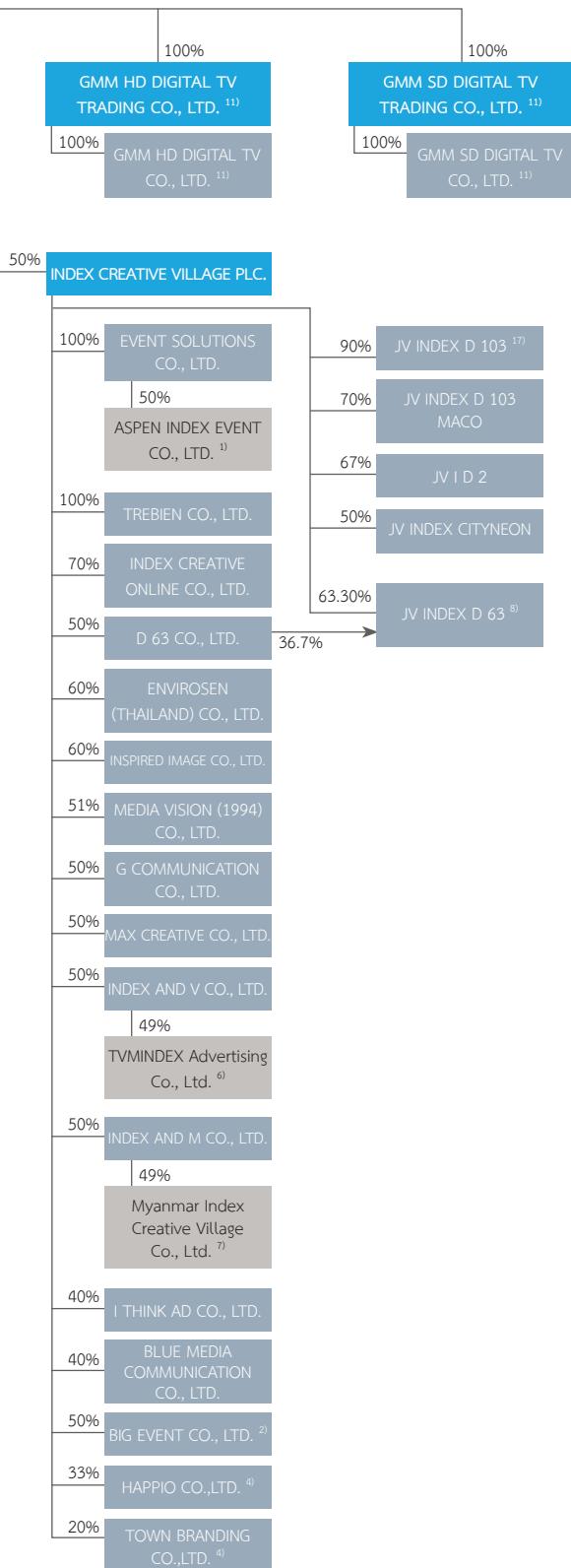
	<ul style="list-style-type: none"> Opening of “GTH Side Stories in continuation of GTH popular movies” via ONE Channel, which was the continuation production of popular movies by GTH Company Limited, with a total of 8 episodes from 8 movies. Investing in 10,000 ordinary shares of GMM HD Digital TV Company Limited and GMM SD Digital TV Company Limited, by establishment registration at the Ministry of Commerce on September 6, 2013 at 100 baht per share, amounting to 1,000,000 baht to the Company and on October 22, 2013 GMM HD Digital TV Company Limited registered a capital increase at the Ministry of Commerce to 200 million baht with 2,000,000 shares at 100 baht per share, and GMM SD Digital TV Company Limited registered a capital increase to 100 million baht with 1,000,000 shares at 100 baht per share. Joining in the purchase of documents on the auction for digital TV licenses, national business type from the National Broadcasting and Telecommunications Commission (NBTC).
October	<ul style="list-style-type: none"> Opening new satellite television subscription packages, namely, Gold Package that can be viewed through 14 satellite television channels and Platinum Package that can be viewed through 31 satellite television channels, with additional content on 27 channels from “Fox International Channels,” the world’s largest content provider. Applying to participate in the auction for the licence of variety-HD channel and variety-SD channel to the National Broadcasting and Telecommunications comission (NBTC).
November	<ul style="list-style-type: none"> Change of the name and programs of satellite television channel of GTH from Play Channel, presenting variety entertainment programs to GTH on Air presenting Thai and International movies and series.
December	<ul style="list-style-type: none"> Launch of “ATM Khu Ver Error Er Rak” series via GTH on Air Channel, which was created as the continuation of “ATM Er Rak Error”, the highly popular movie with over Baht 150 million in box office revenue in 2012. Change of the name and logo of satellite television channel from Fan’Oke to Z O’ke, with 24-hour karaoke music programs being maintained. Participating in the auction for the licenses of Variety – HD channel and Variety – SD channel.



Shareholding Structure of the Company Group



as of 31 December 2013



Remarks:

- 1) Temporary discontinued operations.
- 2) The company was registered in Quarter1
- 3) GMM GRAMMY PLC., invested in common stock of GMM Z Co.,Ltd in Quarter1
- 4) The company was registered or jointly invested in Quarter 2.
- 5) GMM GRAMMY PLC., invested in common stock of GMM B Co.,Ltd in Quarter 2.
- 6) INDEX AND V CO.,LTD , the subsidiary of INDEX CREATIVE VILLAGE PLC., jointly invested 49% in common stock of TVMINDEX Advertising Co.,Ltd
- 7) INDEX AND M CO.,LTD, the subsidiary of INDEX CREATIVE VILLAGE PLC., jointly invested 49% in common stock of Myanmar Index Creative Village Co., Ltd.
- 8) INDEX CREATIVE VILLAGE PLC., jointly invested INDEX D 63 Co.,Ltd in Quarter2.
- 9) GREEN CHANNEL CO.,LTD was registered the change of company's name "GMM DIGITAL TV CO.,LTD" on July 26, 2013. GMM DIGITAL TV CO.,LTD was registered the company's liquidation on December 12, 2013.
- 10) BANG CHANNEL CO.,LTD was registered the change of company name "DIGISTREAM CO.,LTD" on July 31, 2013.
- 11) GMM GRAMMY PLC. invested in the subsidiary ; the shareholding structure are as follows:
 - 1) GMM HD DIGITAL TV TRADING CO.,LTD with 100% shareholding and GMM HD DIGITAL TV TRADING CO.,LTD holds 100% in common stock of GMM HD DIGITAL TV CO.,LTD.
 - 2) GMM SD DIGITAL TV TRADING CO.,LTD with 100% shareholding and GMM SD DIGITAL TV TRADING CO.,LTD holds 100% in common stock of GMM SD DIGITAL TV CO.,LTD.
- 12) CHANNEL (V) MUSIC (THAILAND) CO.,LTD was registered the company's liquidation on September 9, 2013.
- 13) JSL Channel Co.,Ltd was registered the company's liquidation on September 12, 2013.
- 14) SAWASDEE THAWEESUK CO.,LTD was registered change of company name to RAKDEE THAWEESUK CO.,LTD on October 22, 2013. GMM Tai Hub invested 100% in registered capital.
- 15) GOOD THING HAPPEN CO.,LTD was registered on October 30, 2013; GMM TAI HUB CO.,LTD invested 51% in the registered capital.
- 16) SAWASDEE THAWEESUK CO.,LTD was registered on October 31, 2013. GMM TAI HUB CO.,LTD invested 25% in the common stock of SAWSDEE THAWEESUK CO.,LTD.
- 17) INDEX CREATIVE VILLAGE PLC. entered into a joint venture agreement with JV INDEX D 103 by holding 90% of the JV in Quarter 4.
- 18) MAXXI TV CO.,LTD was registered the company's liquidation on December 12, 2013.
- 19) GMM GRAMMY PLC. invested in common stock of DIGI STREAM CO.,LTD., THE NEWS TV CO., LTD., ST GMM CO.,LTD and LUCK (666) SATELLITE CO.,LTD.
- 20) GMM GRAMMY PLC. sold common stock of GMM Z CO.,LTD, GMM B CO.,LTD and G S -ONE CO.,LTD to GMM Z TRADING CO.,LTD.

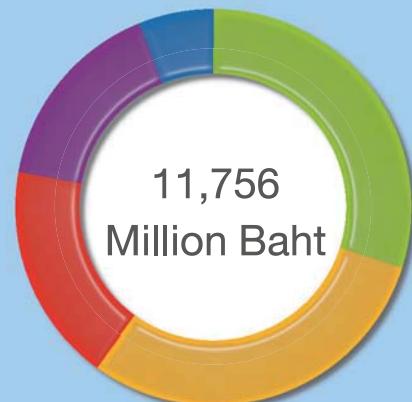
Revenue Structure and Business Description





Revenue Structure 2012

Music	3,575	Million Baht	
Media	3,565	Million Baht	
Satellite	2,101	Million Baht	
Event	1,782	Million Baht	
Others	733	Million Baht	



Revenue Structure 2013

Music	3,084	Million Baht	
Media	3,915	Million Baht	
Satellite	1,563	Million Baht	
Event	1,174	Million Baht	
Others	1,268	Million Baht	



Revenue Structure

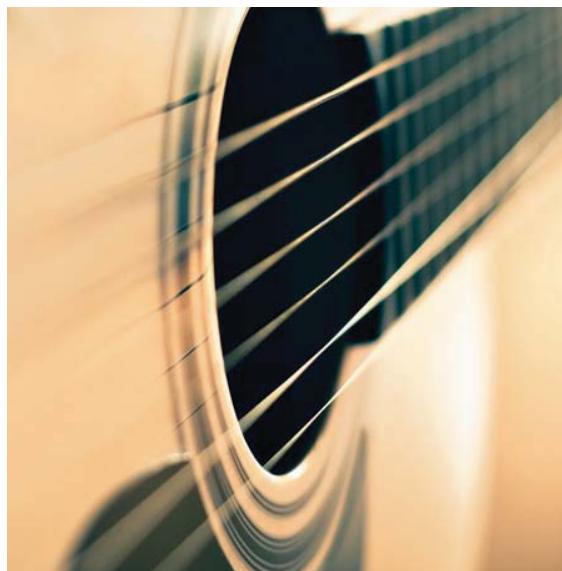
Product / Service Operated by	2013		2012		2011	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from music and digital businesses						
GMM Grammy Plc.	1,877.86	17.1	2,324.19	19.8	2,500.57	26.6
GMM Music Publishing International Co., Ltd.	173.87	1.6	179.68	1.5	207.06	2.2
Fan TV Co., Ltd.	15.78	0.1	45.94	0.4	86.14	0.9
Exact Co., Ltd.	16.79	0.2	26.13	0.2	58.10	0.6
Other subsidiaries	4.34	0.0	2.83	0.0	3.17	0.0
Total revenues from music and digital businesses	2,088.64	19.0	2,578.78	21.9	2,855.04	30.4
Revenues from show businesses						
GMM Grammy Plc.	830.35	7.5	868.84	7.4	647.19	6.9
GMM Media Plc.	165.04	1.5	127.80	1.1	84.76	0.9
Total revenues from show businesses	995.39	9.0	996.64	8.5	731.95	7.8
Revenues from motion pictures businesses						
GMM Grammy Plc.	0.00	0.0	0.01	0.0	0.05	0.0
GMM Tai Hub Co., Ltd.	514.27	4.7	314.38	2.7	295.79	3.2
Luckdee Thaweesuk Co., Ltd. (Formerly known as "Sawasdee Thaweesuk")	4.26	0.0	2.58	0.0	9.43	0.1
Good Things Happen Co., Ltd.	1.13	0.0	0.00	0.0	0.00	0.0
Total revenues from motion pictures businesses	519.65	4.7	316.96	2.7	305.26	3.3
Revenues from television programmes businesses						
GMM Grammy Plc.	93.49	0.8	79.61	0.7	47.06	0.5
Exact Co., Ltd.	1,813.23	16.5	1,664.14	14.2	1,444.43	15.4
GMM TV Co., Ltd.	420.94	3.8	403.97	3.4	436.21	4.6
Deetalk Co., Ltd.	142.58	1.3	135.74	1.2	125.26	1.3
Me Miti Co., Ltd.	11.64	0.1	10.88	0.1	0.80	0.0
Total revenues from television programmes businesses	2,481.88	22.6	2,294.34	19.5	2,053.76	21.9
Revenues from satellite television programmes businesses						
GMM Grammy Plc.	92.36	0.8	403.79	3.4	109.42	1.2
Fan TV Co., Ltd.	195.71	1.8	164.02	1.4	27.81	0.3
Exact Co., Ltd.	202.67	1.8	256.75	2.2	197.81	2.1
GMM TV Co., Ltd.	126.13	1.1	120.74	1.0	102.50	1.1
GS-One Co., Ltd.	0.00	0.0	48.80	0.4	19.98	0.2
STGMM Co., Ltd.	28.69	0.3	30.11	0.3	14.54	0.2
GMM Media Plc.	112.18	1.0	119.23	1.0	92.88	1.0
GMM Z Co., Ltd.	155.51	1.4	910.52	7.7	0.00	0.0
GMM Z Trading Co., Ltd.	595.63	5.4	2.91	0.0	0.00	0.0
GTH On Air Co., Ltd.	54.28	0.5	37.45	0.3	7.73	0.1
Other subsidiaries	0.00	0.0	6.69	0.1	0.00	0.0
Total revenues from satellite television programmes businesses	1,563.16	14.2	2,101.02	17.9	572.66	6.1
Revenues from radio programmes businesses						
GMM Media Plc.	769.36	7.0	775.27	6.6	764.17	8.1
Total revenues from radio programmes businesses	769.36	7.0	775.27	6.6	764.17	8.1

Product / Service Operated by	2013		2012		2011	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from event advisor and organizer businesses						
GMM Media Plc.	0.00	0.0	49.08	0.4	14.51	0.2
In Publishing Co., Ltd.	2.10	0.0	3.84	0.0	27.13	0.3
Index Creative Village Plc.	574.10	5.2	920.51	7.8	699.08	7.4
Event Solutions Co., Ltd.	62.94	0.6	26.52	0.2	31.36	0.3
Tresbien Co., Ltd.	8.78	0.1	18.00	0.2	13.16	0.1
Media Vision (1994) Co., Ltd.	187.25	1.7	246.88	2.1	179.89	1.9
G Communications Co., Ltd.	8.34	0.1	27.23	0.2	26.31	0.3
Inspire Image Co., Ltd.	97.29	0.9	92.98	0.8	79.31	0.8
D-63 Co., Ltd.	102.12	0.9	109.94	0.9	113.22	1.2
Index Creative Online Co., Ltd.	4.14	0.0	16.36	0.1	15.26	0.2
Envirosell (Thailand) Co., Ltd.	28.77	0.3	18.25	0.2	0.50	0.0
Joint Venture ID2	0.00	0.0	0.08	0.0	33.34	0.4
Joint Venture Index Cityneon	17.37	0.2	43.12	0.4	10.78	0.1
Joint Venture Index D103 Maco	19.01	0.2	179.01	1.5	21.76	0.2
Joint Venture Index D63	11.10	0.1	0.00	0.0	0.00	0.0
A Gen Event Agency Co., Ltd.	50.54	0.5	30.41	0.3	42.86	0.5
Total revenues from event advisor and organizer businesses	1,173.85	10.7	1,782.21	15.2	1,308.46	13.9
Revenues from publishing media businesses						
Image Publishing Co., Ltd.	47.93	0.4	64.55	0.5	68.77	0.7
GMM Inter Publishing Co., Ltd.	42.69	0.4	41.39	0.4	33.53	0.4
GMM Times Co., Ltd.	30.26	0.3	34.28	0.3	38.87	0.4
Bliss Publishing Co., Ltd.	5.29	0.0	18.36	0.2	33.65	0.4
In Publishing Co., Ltd.	17.68	0.2	19.54	0.2	24.48	0.3
Grammy Publishing House Co., Ltd.	0.24	0.0	0.00	0.0	0.00	0.0
Total revenues from publishing media businesses	144.08	1.3	178.12	1.5	199.31	2.1
Revenues from other businesses						
GMM Grammy Plc.	47.77	0.4	118.22	1.0	82.38	0.9
I Think Ad Co., Ltd.	46.66	0.4	85.97	0.7	108.87	1.2
3-RD Co., Ltd.	137.18	1.2	111.33	0.9	106.53	1.1
GR Vocal Studio Co., Ltd.	15.09	0.1	14.60	0.1	11.47	0.1
GMM CJ O Shopping Co., Ltd.	558.85	5.1	79.78	0.7	0.00	0.0
Acts Studio Co., Ltd.	68.03	0.6	0.00	0.0	0.00	0.0
Other subsidiaries	11.90	0.1	2.25	0.0	2.68	0.0
Total revenues from other businesses	885.49	8.0	412.14	3.5	311.94	3.3
Interest income	49.10	0.4	35.76	0.3	29.76	0.3
Dividend received	34.34	0.3	49.00	0.4	54.41	0.6
Others income	298.74	2.7	236.22	2.0	201.22	2.1
Total revenue	11,003.69	100.0	11,756.47	100.0	9,387.96	100.0



The Group operates its business under the philosophy to work creatively, produce high quality contents, and embrace up-to-date technology, resulting in highly satisfied customers from the beginning of the Company. The Group divides its business into four main categories, comprising music business, media business, event management business, broadcasting business and other businesses. Furthermore, they can be arranged into 2 groups, namely 'existing businesses', which are the core businesses and have been in operation for more than 5 years, and 'new businesses', which are the expansion to provide sustainable growth in the future. However, the 2 groups can be subdivided into 9 businesses as follows.

1. **Music businesses** comprise sale and distribution of physical products, publishing management, show business, and artist management.
2. **Digital content business**
3. **Media business** comprises radio, television and publishing.
4. **Movie business**
5. **Events management business**
6. **Animation business**
7. **Home shopping business**
8. **Satellite TV business** comprises sale of satellite set-top box, production of TV programs to be aired on satellite TV channels, and Pay TV.
9. **Digital Terrestrial TV Business**



Music Business

Music business operates under the “Total Music Business” model, consisting of music production (physical products) and distribution, publishing management, show business and artist management business.

GMM Grammy has more than 300 artists, singers, actors, and actresses under management, and more than 40,000 songs in its music library.

- **Physical Products and Distribution Business**

In 2013, the Company released 200 music albums, covering every consumer target group, namely pop, rock, alternative, country (songs for life), R&B, soul, and compilation of top hits during the year. Sales and distribution is carried out through

modern trade channels (superstores and discount stores), traditional trade channels (wholesalers and retailers) throughout the country, and the Company’s own “Imagine” retail stores. As of December 2013, there were 37 Imagine retail stores.

- **Publishing Management Business**

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

- **Show Business**

This business employs its music and artist resources in producing a variety of concerts in various formats, such as promoting albums and theme concerts. In 2013, the Company organized 22 large-scale concerts. The largest ones were Khon Nok Kab Dokmai Concert : SECRET GARDEN, Grammy Happy facetival, 45 years Jennifer Kim, the Paradox Circus, 6.2.13 Dance Fever. In addition, it also organized 2 music festivals, namely Chick Mountain Music Festival and Big Mountain Music Festival. Besides generating revenues from the sale of tickets and sponsorship, this business also generates additional revenues from the sale of VCD and DVD recordings of live performances.





• Artist Management Business

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



Industry Outlook

In 2014, competition is expected to continue in the same way as it did over the past years. There would still be growth on physical products; therefore, the design of packaging is the main key to make ordinary physical products special gifts for the collectors. Moreover, the Company expands the distribution channels through online shop at www.shopping8000.com, and also increases the number of show to generate additional revenue for music business.

Furthermore the Company also expands the music business in other countries, such as

1. Exporting physical products to other countries.
2. Publishing management is the licensing of melodies for licensees to put lyrics in their own languages. Moreover, the Company partnered up with a foreign company to manage music publishing for independent labels in Asia.
3. Exporting more shows to other countries, and also importing shows and concerts in cooperation with foreign partners.



Digital Content Business

Digital content is a business diversified from music business by the use of a developed technology. The Company has therefore developed the service into a new digital form to generate more revenue for the Company. Digital content business is to convert music content into a digital form for distribution to mobile telephone networks, the internet and entrepreneurs, with categories of download services, such as ringtone, ring-back tone, full song and full MV, in both a la carte and subscription services through channel *123 www.gmember.com and iTunes Store. Besides, the Company has offered music streaming services through KK Box application on both computer and mobile telephone, where customers can listen to Thailand and overseas popular music.



Industry Outlook

As the channel of distribution of digital content has changed with the developed technology, the Company has to develop the services to meet the consumer's consumption behavior in all forms and at all ages. The Company has developed digital content services through channel *123, the country's first service provider through a digital system. Considering highly developed technologies, the Company in cooperation with a mobile telephone service provider has opened a new service, "music streaming" through KK Box application, from which customers can listen to over 10 million songs in both Thailand and overseas. Besides, the Company has sold music in digital forms through iTunes stores and telecom operators in various countries.

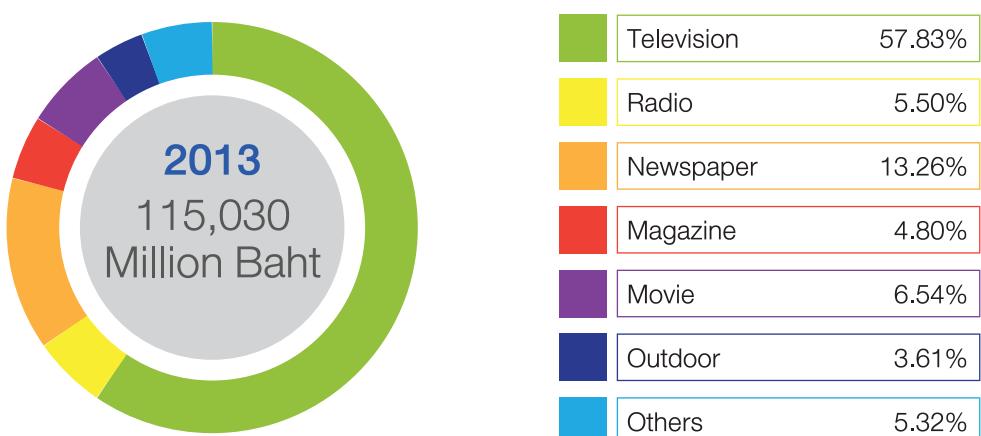




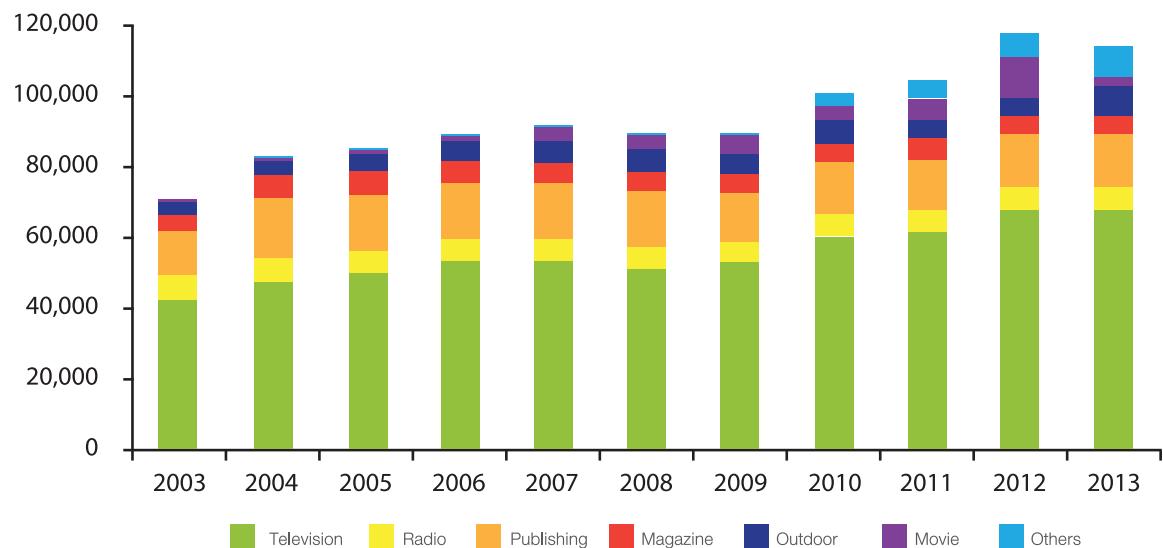
Media Business

The overall advertising expenditure in all media rose from Baht 113,945 million in 2012 to Baht 115,030 million in 2013, an increase of 0.95%. The ad spending rose continuously in the first half of 2013 but in the latter half, the advertising market underwent major changes with the emergence of digital television, resulting in the slowdown of television media because of the customers' wait-and-see attitude to the market change, resulting in slight market growth, compared to 2012. However, the media with the highest growth rate was the internet, which registered the growth rate of 53.05%, followed by mobile media, at 18.65%. Television remained the industry's main media; it was used most by the customers and continued to retain its highest share of the ad spending, with the growth rate of 1.68%, while radio and magazine's growth rates dropped by 0.58% and 1.38% respectively.

Media Market Share of Advertising Expenditures in 2013
Total Advertising Expenditures in 2013 amounted to 115,030 million Baht



Value of Various Media Advertising Expenditures (million Baht)



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

Radio Business

Production of radio programs to be broadcasted through radio stations requires bidding for airtime for commercial purposes from various state agencies. In 2013, the Group has 3 radio stations.

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

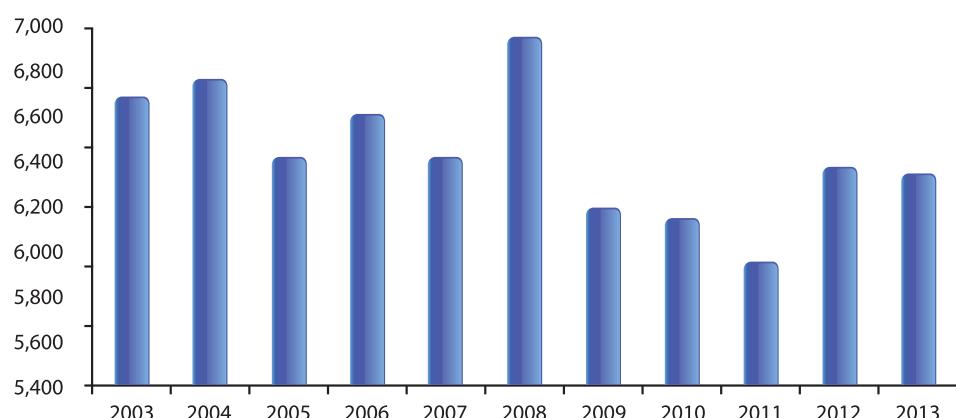


There are 525 radio stations in Thailand, 211 radio stations in Bangkok and 314 radio stations in other provinces (source: The National Telecommunications Commission). All stations are owned by government agencies, with which radio operators must lease airtime. Those agencies base their decision to lease the airtime on monetary compensation, format of programs, and financial status of the operators.

Radio Advertisement Market

The study of Nielsen Media Research (Thailand) Co.,Ltd., as at December 31, 2013 found that advertising expenditure on radio media was equivalent to 5.50% of total ad spending in all media. Radio advertising amount reduced from 6,358 million to 6,321 million, or 0.58%.

Advertisement Expense on Radio (Million Baht)



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

Based on the information above, it can be seen that the radio industry has constantly fluctuated from year 2002 to year 2008, then slowed down from 2009 to 2011 and rebounded in 2012, and then slightly dropped in 2013 from the political situation in the second half of 2013.

Industry Outlook

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

Television Business

Television business encompasses the production of programs and shows and commission to produce programs and shows to be aired on 4 Free TV stations, namely Channels 3, 5, 7, and 9 which are the most popular advertising media and gain the most advertising revenue.

All program producers under the Company have to devise creative and unique ways of presenting their programs, as well as adapting the format, quality, and content with changes and developments in the market. More importantly, the programs have to meet the needs of the television stations in terms of its policies and audience ratings.

In 2013, the Group produced a total of 37 television programs in different categories.

Category	program
Drama, Sit-com	19
Variety Show	8
Teenage Oriented Program	3
Music Program	5
Children Program	2
Total	37

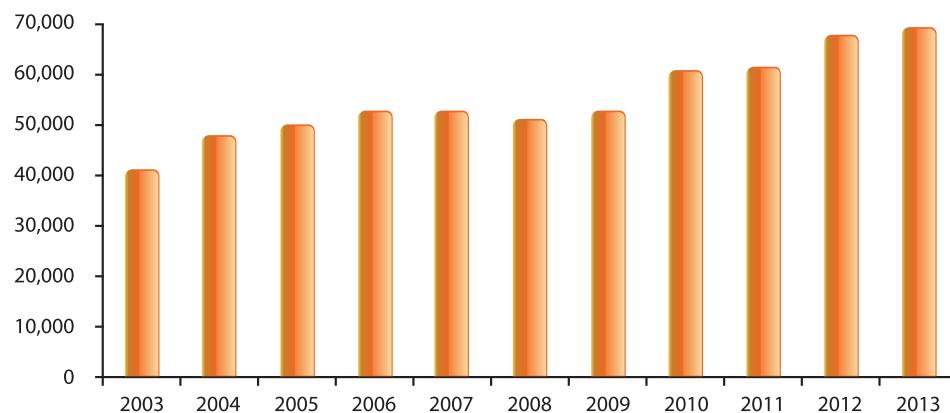
Program Type	Format	Target Audience	Number of Programs
Dramas/Sit-coms	This type of program is one that the Group is most adept at producing and continues to offer its programs to television stations. During the past year, the Group's dramas that were aired received positive audience ratings, and were among the leaders in this genre, in terms of prime time soap operas and sit-coms. The Group is considered the leader in producing sit-coms and continues to win highest market ratings, in addition to their acclaim for constructive dramas targeting teenaged viewers.	The entire family, suitable for all genders and ages	19
Variety Shows	A clear and well-defined target audience. Program angles are usually based on a variety of formats: popular entertainment, current issues and ideas, combined with current events that effectively integrate knowledge and fun through famous show hosts by highlighting topics of current interest by presenting ideas, often by including a socially constructive angle, in interesting and effective way. This is an area that allows the Group to effectively showcase and maximize the organization's potential capacity and range as a complete entertainment media giant. This is evident in developing reality shows that have been drawing a lot of attention from the Group's primary consumers who require novel ways of showing the capabilities of the participants, such as singing.	Teenagers and families, suited for general viewing	8
Teenage oriented programs	These programs cater to carefully targeted viewers. Programs cover a wide variety of entertaining formats that focus on presenting constructive and popular issues to teenaged viewers, blended with useful and creative information. It is also a channel to source new artists for the entertainment industry.	Teenagers nationwide	3
Music Programs	Music programs featuring various artists' music videos and concerts helps promote and publicize the Group's latest music releases.	Teenagers aged 15 years and up / high school and college students / housewives	5
Children Programs	This program caters to specific targeted viewers and uses technology to create an animation show to attract the target group. In addition, it blends in useful and creative information effectively.	The entire family, suitable for all genders and ages	2



Television Advertisement Market

The study of Nielsen Media Research (Thailand) Co., Ltd., as at December 31, 2013 found that advertising expenditure on television media was equivalent to 57.83% of total ad spending in all media.

Advertisement Expense on Television (Million Baht)



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

In the first half of 2013, Thailand's political and social situations were normal, while the economic situation registered a high growth rate, resulting in high spending on advertising through television media. In the latter half of the year, television media advertising slowed down due to the political unrest and digital TV business's uncertainty in 2013, resulting the growth rate of advertising spending on television media in 2013 being at 1.68%, and television media remained the most used media, accounting for 60.2% of the total advertising expenditure of Baht 115,030 million.

Industry Outlook

For 2014, the Company anticipates that television business is likely to grow markedly due to the entry of digital TV business, which will result in an increase of advertising time for television media, giving rise to new groups of customers with demand for television media. Particularly, small and medium enterprise (SME) groups, from the rising trend of advertising, will therefore compete for higher market shares. In such case, the media that can adapt its business to show worthiness and accessibility to target groups will finally be able to grow more than the competitors.



Publishing Business

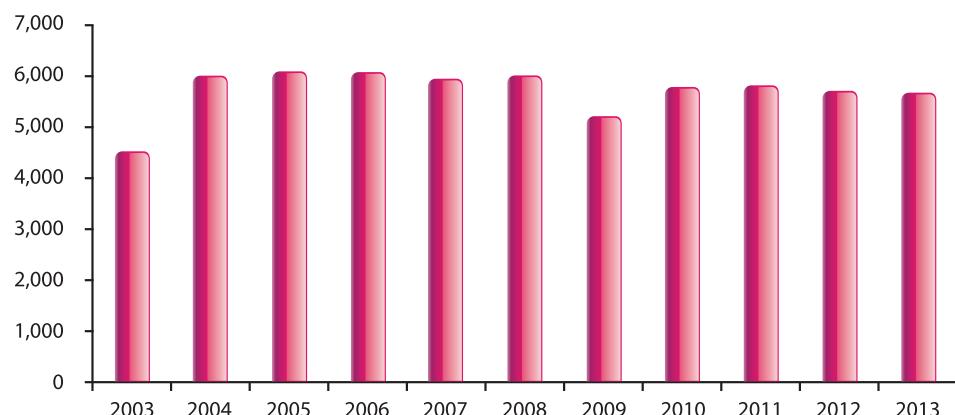
The Group's publishing business produces monthly and bi-weekly fashion, women's and men's and entertainment magazines. There are a total of six publications comprising two local magazines and four magazines produced under foreign licensing. Each magazine's unique characteristics are as follows :

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

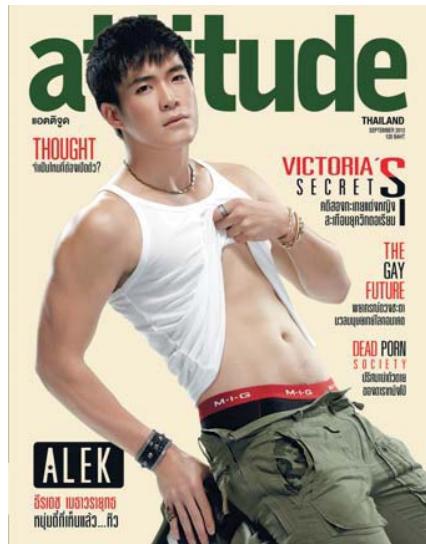
Magazine Advertising Market

Competition in the publishing industry over the past year has eased. Nielsen Media Research (Thailand) Limited revealed that the budget allocated to magazines in 2013 was 4.80% of total media spending, equivalent to 5,518 million baht, a decline of 1.38% from the previous year.

Advertisement Expense on Magazine (Million Baht)



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



Industry Outlook

In 2014, the magazine publishing industry is expected to improve even though competition will remain stiff in terms of content, format, the date magazines are circulated to the stands. More importantly, there are changes in consumer behavior in light of digital innovations such as reading magazines and books on the internet, or by using hand held devices such as iPads and e-book readers. These channels have attracted the attention of many publishing companies, including GMM Grammy and its foreign magazines. For this year, the Company plans to retain its customer base and attract new customers through new distribution channels and adapt to their constantly changing lifestyles. In addition, it will offer advertising packages that bundle various media, such as print, satellite TV, outdoor billboard, and LED screen, to its customers, and provide printing services to businesses that want to share information with their customers.



Movie Business

Movie making is a business that generates about 3 - 5% of the Company's revenues. The business requires fairly high investments and considerable planning and production periods of approximately 8 months to 1 1/2 years, depending on the size of the project.

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





Industry Outlook

In 2013, the film industry in Thailand was worth 4,562 million baht (box office figures only), which increased by 8.2% from 2012. Foreign movies garnered 76% of the market share while Thai movies captured approximately 24%.

In 2013, 25 Thai movies raked in total box office revenues of 1,087 million baht. Only one movie produced by GTH Co., Ltd., “Pee Mak.. Phra Khanong”, was screened, but generating the all-time high Box Office revenue for Thai movie of 563 million baht.

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





Event Management Business

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

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

The events creation & management group's innovative and varied offerings continue to make waves in this industry in terms



of creativity and technology. Many projects have been widely acclaimed, and the company has received the most domestic and international awards amongst its peers.

Though the events management industry has more than 200 operators, most companies have fewer than 20 employees. Only 25 companies have staff sizes not exceeding 50 employees, and fewer than 10 companies have more than 50 employees. Therefore, the overall market is one where market segmentation according to company size is clearly delineated. Index Group is the only company capable of providing comprehensive services

that are creative and delivers results, as well as a wide range of rental equipment. Thus, competition is considered relatively low in this industry.

Industry Outlook

Trends in 2014 continues to show growth prospects because these activities are no longer limited to the private sector alone as it has expanded to encompass the public sector. Many government organizations have begun to increasingly use event organizers to broadcast information to the public as well as to support its work and government policies. Due to the current economic situation,

private sector businesses have a greater need for media or activities to communicate through to their consumers as much as possible, while maximizing the efficacy and value in spending their marketing budgets. Moreover, trends indicate an increase in the use of more frequent and large-scale marketing activities. Therefore, larger and more reputable companies will stand a greater chance of winning assignments compared to medium and small companies. Among competitors in this market, only three operators considered large. Thus, competition in this industry is not too intense. In addition, as a preparation for the ASEAN Economic Community in the next few years, the Company is expanding its reach internationally.





Animation Business



Animation business is the production of animated cartoon television programs for terrestrial television channels, with the animated character being from the country's most popular artist "Thongchai McIntyre" or popularly known as "Phi Bird" under the title "Byrdland ... Land of Miracles."

"Byrdland" is considered a business committed to providing entertainment with knowledge to children worldwide through music, merriment and adventurous stories, aiming to stimulate children to become curious, observant, and aware of friendship, unity and preparedness in solving problems. The principle of cartoon animation is to present friendship among friends, teamwork, curiousness and contribution to the creation of a better world and peaceful co-existence.

Industry Outlook

For the market outlook in 2014, the Company is confident that animation business will grow continuously, with the content of being interesting and meeting the requirements of viewers, both children and parents. Besides, the Company has developed content to keep up with change and suit the current situation, with good tips and ideas being inserted and awareness being instilled in children and youths, which is well received both in the country and foreign countries.



Home Shopping Business

Home shopping business is a business of 24 hour distribution of goods, where customers can choose products, even from their own residence. The business is managed by GMM CJ O Shopping Co., Ltd., a joint venture company of GMM Grammy Pcl and CJ O Shopping Co., Ltd. from South Korea.

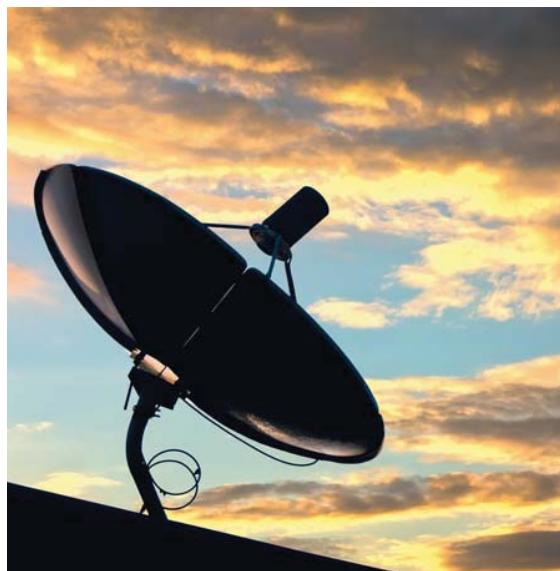
The Company aims to become the leader of Thailand's home shopping business by creating a phenomenon of interactive home shopping programs that are superior, fresh, novel and unique, offering knowledge about products in a straight manner in all aspects, called Shopfotainment Channel (shopping, information, and entertainment). The channel offers quality products, well recognized by consumers, with convenience and swiftness in delivery to meet customers' demands, as well as multiple payment

options as may be deemed appropriate by the customer, choices of products and services well recognized internationally, and access to all groups of viewers.

Industry Outlook

In 2014, digital TV business will be a business that will draw most attention, as its emergence will provoke interests in media consumption among people in both improvement of signals quality and addition of options in media selection for viewers, which will be positive to home shopping business because the programs will reach more customer target groups and competition will be more fierce too, while the overall market will grow, with a total value being around Baht 5,000 million.





Satellite TV Business



Satellite TV business can be divided into 3 main components.

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

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

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

Grammy Channels	Genres	Target Audience	First Aired
Fan TV 	Contemporary Thai Look Thung	General audience	October 2008
Bang Channel 	Variety shows that cater to teenagers	Pre-teens and teenagers	February 2009
Green Channel 	Variety talk shows, contemporary music programs, footage of rare concerts, and programs targeting working professionals' lifestyles.	Working professionals and teenagers	March 2009
Acts Channel 	Dramas, sit-coms and entertaining variety shows	General audience	April 2009
GMM Music 	Contemporary music	General audience	March 2012
GMM One 	Variety programs	General audience	November 2012
Money Channel* 	Programs on financial matters and investments	General audience and working professionals with an interest in finance and investments	October 2009
Saranair Channel** 	Variety of comedy shows	General Audience	October 2010
JKN Channel*** 	Series from Korea and Japan	General Audience	April 2011

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

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

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

2.2 Satellite television programs that can be viewed on only GMM Z platform (Free to Box), in 6 channels. They are as follows :

Grammy Channels	Genres	Target Audience	First Aired
Z Oke 	24-7 Karaoke programs	General audience	November 2013
NAT GEO Wild 	Entertainment on living creature's life	General audience	March 2012
Fox Thai 	American series and famous programs woth Thai dub	General audience	August 2013
GTH On Air*, ** 	Movie and series from GTH	General audience	November 2013
GMM Football Max  - available on GMM Z HD only	Football programs	General audience with an interest in sport	September 2012
GMM Sport Extra 	Sport programs	General audience with an interest in sport	August 2012

* The channel is jointly-owned (30% each) with the Group's subsidiary GTH Co., Ltd. and GMM Media's subsidiary Image Publishing Co., Ltd.

** Changed name from Play Channel on May 2011



Each GMM Z STB provides different Free to Box channels as the follow details

GMM Z STB	Free to Box	Definition	Total (channels)
Mini	 <ul style="list-style-type: none"> - Z Oke - GTH On Air 	<ul style="list-style-type: none"> - SD - SD 	2
Smart	 <ul style="list-style-type: none"> - Z Oke - GTH On Air - Fox Thai - NAT GEO Wild - Sport Extra 	<ul style="list-style-type: none"> - SD - SD - SD - SD - SD 	5
HD	 <ul style="list-style-type: none"> - Z Oke - GTH On Air - Fox Thai - NAT GEO Wild - Sport Extra - Football Max 	<ul style="list-style-type: none"> - HD - HD - SD - HD - HD - HD 	6

3. **Pay TV business**, a new business of the Group, was first launched with satellite TV platform business by purchasing broadcasting rights from program owners or franchisees in Thailand to broadcast on the Group's GMM Z Pay TV platform. In total, the Group's Pay TV service has 31 channels (excluded Free to Box channels), dividing into 2 packages, namely Gold Package (199 baht per month or 1,499 baht per year), and Platinum Package (499 baht per month or 4,999 baht per year), as follows :

Gold Package	Platinum Package	Definition	Genres	Target Audience
NAT GEO Adventure 	NAT GEO Adventure 	SD	Adventures worldwide	General audience
Nick Jr. 	Nick Jr.  Baby TV 	SD	Children programs	Pre-school children, aged 2-7 years
Warner TV 	Warner TV 	SD	Series from overseas	General audience
StarWorld HD 	StarWorld HD 	HD	Variety programs from overseas	General audience

Gold Package	Platinum Package	Definition	Genres	Target Audience
StarWorld HD 	StarWorld HD 	SD	Variety programs from overseas	General audience
- broadcasted in SD on GMM Z Smart	- broadcasted in SD on GMM Z Smart			
M Channel 	M Channel 	SD	Varieties programs from Korea	General audience
	Fox Action Movies HD 	HD	24 hours Action movies	General audience
	Fox Action Movies HD 	SD	24 hours Action movies	General audience
	- broadcasted in SD on GMM Z Smart			
	Fox Crime 	SD	Series	General audience
	FX 	SD	Movies and series	General audience
	Stargold 	SD	Bollywood movies from India	General audience
	Starplus 	SD	Series, realities and entertainment programs from India	General audience
	Star Chinese Movie 	SD	Chinese movies from China, Taiwan and Hong Kong	General audience
	Star Chinese Movie Legend 	SD	Chinese Movie Legend since 70 th , 80 th and 90 th	General audience
	Star Chinese 	SD	Chinese variety programs	General audience
	Fox News 	SD	News	General audience

Gold Package	Platinum Package	Definition	Genres	Target Audience
	Sky News 	SD	News	General audience
	NAT GEO Music 	SD	Historical documentary	General audience
	Channel V Thailand 	SD	Music program	General audience
	Channel V 	SD	Music program	General audience
Eurosport 	Eurosport 	SD	Sport from Europe i.e. Tour De France, US Open, Winter Sport and etc.	General audience
Eurosport HD 	Eurosport HD 	HD	Sport from Europe i.e. Tour De France, US Open, Winter Sport and etc.	General audience
Fox Sports News 	Fox Sports News 	SD	Sport news	General audience
Fox Sports News 	Fox Sport Plus HD 	HD	Sport news	General audience
	Fox Sport Plus HD  - broadcasted in SD on GMM Z Smart	SD	Sport news	General audience
	Star Sports 	SD	Sport news	General audience
GMM Club Channel 	GMM Club Channel 	SD	Sport programs about first-class football clubs	General audience

Gold Package	Platinum Package	Definition	Genres	Target Audience
GMM Sport One 	GMM Sport One 	SD	Sport programs	General audience
	GMM Football Max 	SD	Sport programs about famous football matches	General audience
	Fox Sports 	SD	Sport programs	General audience



For both packages, consumers can apply under three different channels as follows :

First channel : SMS code via mobile phone

- Dial the call center at (662) 841 8888, chose the package and wait for SMS code
- Pay at Counter Service or MPAY

Second channel : Pay slip at convenience store

- Pay the package at convenience store i.e. 7-eleven, Tesco Lotus or any store with E-Pay logo or U top up
- Dial the call center at (662) 841 8888 to activate

Third channel : Pay via credit card

- Dial the call center at (662) 841 8888, chose the package and pay via credit card (VISA, Master Card, JCB, Kasikorn credit card, Krungthai credit card and Bangkok Bank credit card - except American Express or AMEX)



Industry Outlook

After the announcement of the Broadcasting and Public Media Act BE 2551 on 5 March 2008, cable and satellite television industry operators were stimulated as they are now permitted to legally operate and earn advertisement revenue from advertisement spots not exceeding six minutes per hour. Consequently, the cable and satellite television business has become more attractive and is considered a viable channel for new television operators since there were more than 15.8 million households watching television via satellite and cable TV in November 2013 (Source: AGB Nielsen). Goods and services advertised by both direct customers and agencies in television programs through satellite television channels have risen in number due to the increased number of viewers and the accessibility to target audience under product segmentation that can be efficiently selected for specific satellite television viewer groups, while the advertising fee rates of satellite television channels are much less than those of free television channels. For this reason, the degree of competition in satellite & cable TV business is more intense, the competition in the television platform market is also rising in intensity, with the platform owner having quality contents of their own and contents from different platforms, which will be of advantage to customer base expansion because consumers have learned more of how to choose platforms worth their expenses.

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



Digital Terrestrial TV Business

The National Broadcasting and Telecommunications Commission (NBTC) arranged an auction for 24 frequency licenses for use in the broadcasting of commercial Digital Terrestrial Television (DTT) during December 26 - 27, 2013. The licenses were divided into 4 categories, namely Kid and Family (3 licenses), News (7 licenses), Variety - Standard Definition (SD) (7 licenses), and Variety - High Definition (HD) (7 licenses). GMM Grammy participated in the auction and won 2 licenses - Variety SD, and Variety HD. At present, GMM Grammy is in the process of applying for all required licenses from the Office of NBTC and other agencies in order to be able to commence trial broadcasting of the 2 DTT channels in early April 2014.





Risk Factors

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 2013, 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.

Moreover, to promote legal purchase of goods, the Group has continuously developed additional channels of distribution in line with technological change to provide more convenience to consumers, such as music downloading services on an 'a la carte' (individual song) basis, and monthly subscription basis, to leading mobile telephone network operators in Thailand through *123, website www.gmember.com and itune store including new digital content service 'music streaming' from KK Box application, aiming to facilitate continued purchase of songs, etc. In the film industry, the Group has received warm cooperation from theatre operators in issuing various measures to reduce illegal recordings. The Group expects that with serious and continual collaboration between the government and private sectors, the use of pirated products will decrease significantly, benefiting the entire music industry in the future.

2. Risk of business interruptions due to force majeure

The Group has envisioned the importance of business operations continuity, without interruptions, especially for major business processes of the Group in case of force majeure, such as natural disasters, man-made hazards, technological hazards or computer virus attacks, protests, disturbances, enactment of new legislation, etc. The Board of Directors has therefore appointed a Business Continuity Plan Committee (BCP) to push ahead with the development of a business continuity plan (BCP) in a concrete manner to absorb impacts and minimize damage that may befall the Company's major business processes, creating confidence that the work systems and workplaces are able to cope with disasters or equipped with systems capable of managing emergencies and returning to normal operations quickly.

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

The Group has nine businesses composed of music business, digital content business, media business, movie business, event management business, animation business, home shopping business, broadcasting business and digital terrestrial TV business. Each business has its own characteristic which also requires different staff's talent and expertise. In addition, the rapid business expansion of the Group may affect the internal process adjustment of each business group in various ways, such as The Group's organization structure etc. and may create overlap of processes between business units and supporting units. Besides, some centralized policies issued may not support some processes of current business units or new business units. Consequently, these may cause risk from retard internal process adjustment to the rapid business expansion.

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

4. Risk from Relying on Individual Talent

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

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

In addition, in order to keep the business growth in balance, the Group has invested in new businesses which are based on technology or systems such as home shopping business, satellite business and digital terrestrial TV business.

Management Discussion and Analysis of the Financial Position and Operating Results of 2013

(a) Operating results

Overview of the past operations

The Company organizes its structure into four business units according to the types of business, namely, music business, media business (radio, television, movie and publishing), broadcasting business and event creation and management business, which can be summarized by each business as follows:

1. Music business comprises three businesses, namely, physical products distribution business, digital content business and show business. In 2013, the revenue from music business amounted to Baht 3,084 million, a decline of 14% from the previous year, from physical products distribution business and digital content business due to changes in consumer behavior from listening from CD's or downloading to mobile phones or electronic devices, to music streaming service. The change resulted in the Company closing down some retail stores upon the termination of the lease agreement, and the opening of music streaming service in the fourth quarter of 2013. The Company expects that the music streaming service would be able to offset the decline in revenue from music business as the Company plans to expand the subscriber base of its music streaming service in 2014. For showbiz, the revenue in 2013 was about the same level as the previous year although a number of shows in the last quarter had to be postponed due to the political rallies in Bangkok.
2. Media business comprises four businesses, namely, radio business, television business, publishing business and movie business. In 2013, media business's revenue was Baht 3,915 million, an increase of 10% from the previous year, with movie business and television business growing by 64% and 8% respectively from the success of "Pee Mak", which generated the highest box office revenue in Thai movie history, and the success of television program production for broadcasting on free television channels, together with the overall growth of television advertising market. In 2014, 24 new digital terrestrial television channels will begin operations, resulting in further growth of television advertising market. For radio business and publishing business, the revenue declined from the previous year by 1% and 19% respectively, due to the Company's reduction of the number of radio stations for broadcasting to three stations (from previously four stations) and the shrinkage of the overall publishing market.
3. Broadcasting business comprises satellite set-top box distribution business, satellite television subscription business and satellite television media business.
 - 3.1 For satellite set-top box distribution business, in 2013, the Company was able to sell about one million satellite set-top boxes and with the earlier sold set-top boxes from the beginning of this business included, the total number of set-top boxes sold was about 2.4 million. Revenue from sale of satellite set-top boxes in 2013 was Baht 673 million, a decline of 26% from the previous year because in 2012 there was live broadcasts of Euro 2012 tournament, which could be viewed only through the Company's satellite set-top boxes, resulting in the Company selling higher than normal number of satellite set-top boxes. In 2014, the Company expects to sell more satellite set-top boxes from digital terrestrial television broadcasting, which can be viewed via satellite television platforms under "Must Carry" rule enforced by NBTC and the expansion of Pay TV subscribers.
 - 3.2 Satellite television subscription (Pay TV) business, the Company began Pay TV service in early 2013 after being licensed by NBTC in late 2012, with about 100,000 subscribers and Baht 47 million in revenue at the end of 2013. In 2014, the Company, in cooperation with the recipient of the rights to broadcast the English Premier League ("EPL") football competitions, will have the EPL broadcast live on the Company's platform, resulting in the Company's Pay TV (comprising sport, entertainment and knowledge programs) having the most completed and largest contents in the market. Besides, the Company will provide additional local quality content, which will contribute to the expansion of the subscriber base to achieve the target.
 - 3.3 Satellite television business continues to grow. Currently, the Company has nine satellite television channels, generating advertising revenue on a regular basis for the Company. In 2013, the revenue from this business was Baht 843 million, an increase of 9% from the previous year.
4. Event creation and management business in 2013 posted Baht 1,174 million in revenue, a decline of 34% from the previous year, because in 2012 the Company was contracted to organize a number of big events, such as, BOI Fair and World Expo, but in 2013 there were no such big events. However, the Company has expanded the business to neighboring countries by cooperating with strong partners in each of the countries to accommodate the emergence of ASEAN Economic Community in 2015.

GMM Grammy Group in 2013 registered Baht 11,004 million in revenue, a decline of 6% from the previous year, and a net loss of Baht 1,283 million. The loss rose by 298% from the previous year due to the decline in revenue and the rise of costs in music business where the policy on provision for inventory was changed, broadcasting business where amortization for content and satellite transponder fees were recorded, and the increase of sales and management expenses from operations of new business.

(b) GMM Grammy Group's financial position as at the end of 2013

1) Assets

The Group's total assets at the end of 2013 amounted to Baht 12,604 million, increasing by Baht 1,138 million from the previous year, with major items as follows:

- Temporary investments amounting to Baht 2,066 million, an increase of 1,510 million, resulting from the use of proceeds from the sale of long-term investments to invest in financial instruments.
- Inventory amounting to Baht 620 million, a decline of Baht 420 million, resulting from the change of policy on provision of inventories in music business and satellite set-top boxes sale.
- Other long-term investments amounting to Baht 342 million, a decline of Baht 1,160 million, resulting from the sale of some long-term investments.

2) Liabilities

The Group's total liabilities at the end of 2013 amounted to Baht 8,627 million, an increase of Baht 1,090 million from the previous year, resulting from the increase of bank overdrafts and short-term borrowings from the previous year, deducted by repayment of long-term borrowings due during the year and the increase of employee's long-term benefit reserves.

3) Equity

At the end of 2013, the Group's equity amounted to Baht 3,977 million, an increase of Baht 48 million from the previous year. The Group registered a capital increase of 106 million shares, by issuing new shares to existing shareholders at the ratio of 5 existing shares to 1 new share at Baht 10 per share. However, the Group registered an operating loss of Baht 1,283 million for 2013.

Liquidity and cash flows

Cash and cash equivalents amounted to Baht 1,653 million, an increase of Baht 808 million, involving cash for operation amounting to Baht 839 million, for investment activities at Baht 403 million, mostly equipment purchase for production and business operations, and net cash from financial procurement activities at Baht 2,051 million from capital increase and bank overdrafts and short-term borrowings, deducted by repayment of long-term borrowings as due. The overall liquidity and cash flows at the end of 2013 were at a good level, suggesting good liquidity and strong financial position of the Group.

4) Key ratios

In 2013, the Group registered a drop of revenue by 6.44% from the previous year and an initial profit margin of 26.69%, a drop from the previous year due to a lower initial profit margin of set-top boxes, compared with the existing business, and an operating loss and a net loss of 9.98% and 11.66%, compared with 1.10% and 2.96% in 2012 respectively, due to the loss from investment in broadcasting business, which was under investment period. The Company will propose to the shareholders' meeting to suspend dividend payment for the operating results of 2013 so as to set aside cash for investment in new businesses. The interest coverage ratio was - 2.61 times, compared to - 9.06 times in 2012. Besides, the Group's liquidity ratio was at 1.11 times, debt to equity ratio 2.17 times, average collection period 74 days and average sale period 39 days.

5) Key factors and influences that may affect future operating results and financial standing

The Company will operate digital television business in 2014 after winning 2 licenses from the auction to use frequencies for digital terrestrial television, namely, Variety - HD channel (No. 31) and Variety - SD channel (No. 25). Currently, the Group is in the process of applying for related licenses and making preparations for programs and contents to be broadcasted in mid-2014. As one of the country's largest television program producers, with long-standing experiences in this business, the Company is confident that the Company's digital television channels will be among the country's top five popular television channels.

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 Audit Committee, which comprises independent directors, to be responsible for the quality of financial reports and internal control. This also provide 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, 2014, 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 2013. The system, set by the management which compliance with the SET regulations and COSO guideline. The Board agreed with the Audit Committee that the GMM Grammy Group's quarterly and the annual financial statement for the year 2013 (which has been audited by the Company's external auditor) has been prepared in accordance with generally accepted accounting principles and disclosed sufficiently, accurately and reliably. In general, the internal control system of the Company and subsidiaries was fairly established and appropriate to the Company business. There were no internal control deficiencies which would affect the accuracy and reliability of financial statement and the achievement of the entity's business goal. The Board of Directors has expressed the opinion on the sufficient of the Company and subsidiaries' internal control system in "Internal Control" section.

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



Mr. Paiboon Damrongchaitham
Chairman



Ms. Boosaba Daorueng
Group Chief Executive Officer



Independent Auditor's Report

To the Shareholders of GMM Grammy public Company Limited

I have audited the accompanying consolidated financial statements of GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of GMM Grammy Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

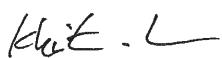
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities and of GMM Grammy Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustment resulting from such change. The Company has also presented consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes. My opinion is not qualified in respect of this matter.

Other matter

The consolidated financial statements of GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities and the separate financial statements of GMM Grammy Public Company Limited for the year ended 31 December 2012 (before restatement) and 31 December 2011 (which have been used for preparing the consolidated and separate statements of financial position as at 1 January 2012 as described in the preceding paragraph) were audited by another auditor of our firm, who expressed an unqualified opinion on those statements, under his report dated 28 February 2013 and 27 February 2012, respectively.



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Bangkok: 28 February 2014

Statement of financial position

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

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December (Restated) 2012	1 January 2012	31 December 2013	31 December (Restated) 2012	1 January 2012
Assets							
Current assets							
Cash and cash equivalents	8	1,653,068,457	844,857,204	1,016,223,148	863,469,373	139,996,047	152,718,893
Current investments	9	2,065,744,052	556,056,952	327,702,001	1,875,000,000	-	-
Trade and other receivables	7, 10	2,421,665,581	2,782,461,200	2,107,387,495	1,732,603,998	1,825,114,407	1,024,423,680
Prepaid expenses		269,123,628	319,740,469	283,695,360	81,111,437	29,823,473	90,410,229
Inventories	11	619,683,133	1,039,382,170	995,153,845	180,991,100	399,986,756	540,321,358
Advance payments		166,797,832	187,845,188	115,698,439	37,941,732	32,092,106	42,230,470
Other current assets	12	1,581,576,144	575,403,467	594,164,085	91,250,849	57,906,676	437,284,932
Total current assets		8,777,658,827	6,305,746,650	5,440,024,373	4,862,368,489	2,484,919,465	2,287,389,562
Non-current assets							
Investments in subsidiaries	13	-	-	-	1,143,965,558	1,214,956,258	979,788,789
Investments in joint ventures	14	-	-	-	9,999,800	9,999,800	-
Investments in associates	15	301,388,745	301,475,312	254,187,759	27,999,980	27,999,980	27,999,980
Other long-term investments	16	342,480,115	1,502,115,635	1,093,978,535	341,080,415	674,546,035	517,918,835
Loans to related parties	7	4,966,135	6,200,000	1,375,707	1,594,957,000	14,000,000	18,500,000
Property, plant and equipment	17	1,785,008,678	1,631,236,702	1,075,009,414	128,092,829	109,259,214	131,646,735
Goodwill		79,857,240	79,857,240	79,857,240	-	-	-
Other intangible assets	18	530,177,835	1,134,563,064	384,964,798	368,889,878	315,255,912	361,639,725
Deferred tax assets	29	242,151,873	155,562,138	118,080,549	109,872,151	62,865,028	57,143,527
Other non-current assets	19	539,823,838	348,708,277	205,004,417	154,562,724	107,566,372	86,225,663
Total non-current assets		3,825,854,459	5,159,718,368	3,212,458,419	3,879,420,335	2,536,448,599	2,180,863,254
Total assets		12,603,513,286	11,465,465,018	8,652,482,792	8,741,788,824	5,021,368,064	4,468,252,816

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

Statement of financial position (continued)

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities
As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December (Restated) 2012	1 January 2012	31 December 2013	31 December (Restated) 2012	1 January 2012
Liabilities and shareholders' equity							
Current liabilities							
Bank overdraft and short-term loans from banks	20	4,329,436,625	3,109,190,200	1,254,711,649	2,000,000,000	326,000,000	214,000,000
Trade and other payables	7, 21	2,521,758,913	2,546,583,847	1,992,125,474	677,799,943	725,712,018	965,864,879
Unearned income		549,444,048	513,199,411	599,438,172	86,902,119	81,442,870	87,362,636
Short-term loans from related parties	7	-	-	-	1,363,000,000	-	-
Current portion of long-term loans	22	28,848,000	301,348,000	123,208,000	-	280,000,000	-
Current portion of liabilities under finance lease agreements	23	18,720,700	22,783,664	22,757,233	9,992,644	11,555,306	11,081,433
Income tax payable		31,274,645	35,805,992	58,822,993	-	-	-
Other current liabilities	24	437,197,471	436,498,789	293,979,259	136,604,436	130,840,122	86,741,301
Total current liabilities		<u>7,916,680,402</u>	<u>6,965,409,903</u>	<u>4,345,042,780</u>	<u>4,274,299,142</u>	<u>1,555,550,316</u>	<u>1,365,050,249</u>
Non-current liabilities							
Long-term loans - net of current portion	22	281,152,000	152,886,422	243,323,287	-	-	195,778,000
Liabilities under finance lease agreements - net of current portion	23	40,557,404	45,301,414	38,911,641	23,807,726	24,318,618	22,408,724
Provision for long-term employee benefits	25	335,038,191	260,840,105	232,054,639	142,600,365	119,257,123	108,498,142
Deferred tax liabilities	29	14,505,810	80,730,290	48,913,537	14,491,042	80,544,166	48,840,969
Other non-current liabilities		<u>38,799,113</u>	<u>31,243,572</u>	<u>31,889,007</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current liabilities		<u>710,052,518</u>	<u>571,001,803</u>	<u>595,092,111</u>	<u>180,899,133</u>	<u>224,119,907</u>	<u>375,525,835</u>
Total liabilities		<u>8,626,732,920</u>	<u>7,536,411,706</u>	<u>4,940,134,891</u>	<u>4,455,198,275</u>	<u>1,779,670,223</u>	<u>1,740,576,084</u>

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

Statement of financial position (continued)

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

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December (Restated) 2012	1 January 2012	31 December 2013	31 December (Restated) 2012	1 January 2012
Shareholders' equity							
Share capital	26						
Registered							
636,317,936 ordinary shares of Baht 1 each (31 December 2012: 530,556,100 ordinary shares of Baht 1 each)		636,317,936	530,556,100	530,556,100	636,317,936	530,556,100	530,556,100
Issued and fully paid							
636,317,936 ordinary shares of Baht 1 each (31 December 2012: 530,264,947 ordinary shares of Baht 1 each)		636,317,936	530,264,947	530,264,947	636,317,936	530,264,947	530,264,947
Paid-in capital							
Share premium	26	2,580,594,677	1,626,117,776	1,626,117,776	2,580,594,677	1,626,117,776	1,626,117,776
Transferred of share premium to offset deficit in separate financial statements		271,203,657	271,203,657	271,203,657	-	-	-
Capital surplus from share premium of subsidiaries		860,964,766	860,964,766	860,964,766	-	-	-
Retained earnings							
Appropriated - statutory reserve	27	63,631,794	53,055,610	53,055,610	63,631,794	53,055,610	53,055,610
Transfer of statutory reserve to offset deficit in separate financial statements		50,000,000	50,000,000	50,000,000	-	-	-
Unappropriated (deficit)		(1,012,031,563)	308,369,917	630,432,847	948,081,976	710,082,846	323,577,359
Other components of shareholders' equity		(405,052,318)	(654,354,809)	(1,031,526,954)	57,964,166	322,176,662	194,661,040
Equity attributable to owners of the Company		3,045,628,949	3,045,621,864	2,990,512,649	4,286,590,549	3,241,697,841	2,727,676,732
Non-controlling interests of the subsidiaries		931,151,417	883,431,448	721,835,252	-	-	-
Total shareholders' equity		3,976,780,366	3,929,053,312	3,712,347,901	4,286,590,549	3,241,697,841	2,727,676,732
Total liabilities and shareholders' equity		12,603,513,286	11,465,465,018	8,652,482,792	8,741,788,824	5,021,368,064	4,468,252,816

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

Income statement

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities
For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Revenues					
Sales of goods		2,275,712,562	2,276,537,801	1,001,678,302	1,236,899,082
Service income		7,524,195,398	8,177,171,690	1,739,392,635	2,005,827,013
Revenues from copyrights		821,605,631	981,770,747	754,682,192	848,305,554
Interest income		49,100,220	35,760,970	63,023,109	3,814,927
Dividend received		34,337,903	49,001,431	514,848,922	374,575,496
Gains on disposal of equipment		-	19,444,938	1,601,441	3,511,906
Other income		298,739,789	216,777,577	107,181,874	64,094,865
Total revenues		<u>11,003,691,503</u>	<u>11,756,465,154</u>	<u>4,182,408,475</u>	<u>4,537,028,843</u>
Expenses					
Cost of sales and services		7,786,845,221	8,062,464,172	2,362,166,247	2,949,566,073
Selling and servicing expenses		1,007,462,162	874,766,160	46,855,569	55,332,978
Administrative expenses		3,216,015,680	2,863,030,286	1,344,653,882	1,100,087,943
Losses on sale of investment in subsidiaries		-	-	148,499,604	-
Total expenses		<u>12,010,323,063</u>	<u>11,800,260,618</u>	<u>3,902,175,302</u>	<u>4,104,986,994</u>
Profit (loss) before share of profit from investments in associates, finance cost and income tax expenses		(1,006,631,560)	(43,795,464)	280,233,173	432,041,849
Share of profit from investments in associates	15	<u>15,976,285</u>	<u>87,489,155</u>	-	-
Profit (loss) before finance cost and income tax expenses		(990,655,275)	43,693,691	280,233,173	432,041,849
Finance cost		(139,285,489)	(108,396,070)	(60,461,379)	(23,415,967)
Profit (loss) before income tax expenses		(1,129,940,764)	(64,702,379)	219,771,794	408,625,882
Income tax expenses	29	<u>(91,210,971)</u>	<u>(184,268,630)</u>	<u>34,431,079</u>	<u>(22,120,395)</u>
Profit (loss) for the year		<u>(1,221,151,735)</u>	<u>(248,971,009)</u>	<u>254,202,873</u>	<u>386,505,487</u>
Profit (loss) attributable to:					
Equity holders of the Company		(1,282,709,774)	(322,062,930)	<u>254,202,873</u>	<u>386,505,487</u>
Non-controlling interests of the subsidiaries		<u>61,558,039</u>	<u>73,091,921</u>		
Basic earnings per share	31	<u>(1,221,151,735)</u>	<u>(248,971,009)</u>		
Profit (loss) attributable to equity holders of the Company		<u>(2.27)</u>	<u>(0.61)</u>	<u>0.45</u>	<u>0.73</u>

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

Statement of comprehensive income

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities
For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Profit (loss) for the year	<u>(1,221,151,735)</u>	<u>(248,971,009)</u>	<u>254,202,873</u>	<u>386,505,487</u>
Other comprehensive income:				
Actuarial losses - net of income tax expenses	(32,957,248)	-	(5,627,559)	-
Exchange differences on translation of financial statements in foreign currency	(1,339,716)	356,523	-	-
Gain (loss) on change in value of available-for-sale investments - net of income tax expenses	88,804,015	376,815,622	(264,212,496)	127,515,622
Other comprehensive income for the year	<u>54,507,051</u>	<u>377,172,145</u>	<u>(269,840,055)</u>	<u>127,515,622</u>
Total comprehensive income for the year	<u>(1,166,644,684)</u>	<u>128,201,136</u>	<u>(15,637,182)</u>	<u>514,021,109</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(1,222,360,997)	55,109,215	(15,637,182)	514,021,109
Non-controlling interests of the subsidiaries	<u>55,716,313</u>	<u>73,091,921</u>		
	<u>(1,166,644,684)</u>	<u>128,201,136</u>		

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

Statement of changes in shareholders' equity

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities
For the year ended 31 December 2013

(Unit: Baht)

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

Statement of changes in shareholders' equity (continued)

GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities
For the year ended 31 December 2013

(Unit: Baht)

Separate financial statements						
			Other components of shareholders' equity			
			Other		Total shareholders' equity	
			comprehensive income			
			Retained earnings	Surplus (deficit) on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
	Issued and paid-up share capital	Share premium	Appropriated - Statutory reserve	Unappropriated		
Balance as at 1 January 2012 - as previously reported	530,264,947	1,626,117,776	53,055,610	266,433,832	243,502,009	2,719,374,174
Cumulative effect of the change in accounting policies due to the adoption of Thai Accounting Standard 12	-	-	-	57,143,527	(48,840,969)	8,302,558
Income taxes (Note 4)						
Balance as at 1 January 2012 - as restated	530,264,947	1,626,117,776	53,055,610	323,577,359	194,661,040	2,727,676,732
Total comprehensive income for the year (restated)	-	-	-	386,505,487	127,515,622	514,021,109
Balance as at 31 December 2012 - as restated	530,264,947	1,626,117,776	53,055,610	710,082,846	322,176,662	3,241,697,841
Balance as at 1 January 2013 - as previously reported	530,264,947	1,626,117,776	53,055,610	647,217,818	402,720,828	3,259,376,979
Cumulative effect of the change in accounting policies due to the adoption of Thai Accounting Standard 12	-	-	-	-	-	
Income taxes (Note 4)						
Balance as at 1 January 2013 - as restated	530,264,947	1,626,117,776	53,055,610	710,082,846	(80,544,166)	(17,679,138)
Share capital issued (Note 26)	106,052,989	954,476,901	-	-	322,176,662	3,241,697,841
Setting aside to statutory reserve (Note 27)	-	-	10,576,184	(10,576,184)	-	1,060,529,890
Total comprehensive income for the year	-	-	-	248,575,314	(264,212,496)	(15,637,182)
Balance as at 31 December 2013	636,317,936	2,580,594,677	63,631,794	948,081,976	57,964,166	4,286,590,549

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

Statement of cash flows
GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities
For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012
Cash flows from operating activities				
Profit (loss) before tax	(1,129,940,764)	(64,702,379)	219,771,794	408,625,882
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	350,241,749	297,832,244	52,142,359	62,793,626
Amortisation	376,693,688	512,732,145	61,836,714	377,607,707
Allowance for doubtful accounts (reversal)	(35,692,951)	(4,892,411)	(9,056,967)	(8,966,290)
Reduction of cost of inventory to net realisable value	203,584,529	23,364,197	207,907,599	23,671,040
Provision for sales returns (reversal)	108,088,209	2,547,981	(536,516)	2,810,980
Allowance for impairment of investments in subsidiaries (reversal)	-	-	37,999,500	(36,985,583)
Allowance for impairment of investments in associate	-	-	5,000,000	-
Allowance for impairment of other long-term investments (reversal)	-	(5,497,909)	-	(5,497,910)
Losses (gains) on sale of investment in subsidiaries	-	-	148,499,604	(300)
Gain on sale of other long-term investments	(114,395,297)	(10,359,961)	(24,200,000)	(10,359,961)
Loss (gain) on disposal of equipment	4,651,926	(18,527,166)	(1,601,442)	(3,511,906)
Dividend received	(34,337,903)	(49,001,431)	(514,848,922)	(374,575,496)
Share of profit from investments in associates	(15,976,285)	(87,489,155)	-	-
Long-term employee benefit expenses	39,546,915	31,006,266	20,651,133	10,758,981
Interest income	(49,100,220)	(35,760,970)	(63,023,109)	(3,814,927)
Interest expenses	139,285,489	108,396,070	60,461,378	23,415,967
Profit (loss) from operating activities before changes in operating assets and liabilities	(157,350,915)	699,647,521	201,003,125	465,971,810
Decrease (increase) in operating assets				
Trade and other receivables	396,488,570	(670,181,294)	28,739,125	(704,447,851)
Prepaid expenses	50,616,841	(72,146,749)	(51,287,964)	10,138,364
Inventories	84,195,979	(36,045,109)	(22,880,152)	60,586,756
Advance payments	21,047,356	(177,855,901)	(5,849,626)	103,862,499
Other current assets	(302,256,582)	78,118,572	50,533,847	261,184,376
Other non-current assets	(408,516,814)	(1,282,478,028)	(149,790,681)	(185,388,880)

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012
Increase (decrease) in operating liabilities				
Trade and other payables	(9,627,331)	528,741,295	(89,233,132)	(240,100,142)
Unearned income	36,244,637	(86,238,761)	5,459,249	(5,919,766)
Other current liabilities	(107,389,527)	139,971,549	4,257,444	41,287,841
Provision for long-term employee benefits	(6,545,378)	(2,220,800)	(4,342,340)	-
Other non-current liabilities	<u>7,555,541</u>	<u>(645,437)</u>	-	-
Cash flows used in operating activities	<u>(395,537,623)</u>	<u>(881,333,142)</u>	<u>(33,391,105)</u>	<u>(192,824,993)</u>
Cash paid for interest expenses	(151,768,569)	(97,297,131)	(48,795,595)	(22,963,457)
Cash paid for income tax	<u>(291,783,245)</u>	<u>(317,302,996)</u>	<u>(64,366,526)</u>	<u>(64,022,676)</u>
Net cash flows used in operating activities	<u>(839,089,437)</u>	<u>(1,295,933,269)</u>	<u>(146,553,226)</u>	<u>(279,811,126)</u>
Cash flows from investing activities				
Acquisition of equipment	(518,299,220)	(827,675,751)	(63,899,221)	(38,112,769)
Decrease in accounts payable - purchase of assets	(2,714,523)	-	-	(505,229)
Cash received from disposal of investments in subsidiaries	-	-	-	31,999,500
Cash received from returning investment of associates	-	13,151,602	-	-
Cash received from disposal of other long-term investments	1,456,410,000	18,449,490	27,400,000	18,449,490
Cash paid to purchase additional investments in subsidiaries	-	-	(97,508,898)	(230,181,086)
Cash paid to purchase additional investments in jointly controlled entities	-	-	-	(9,999,800)
Cash paid to purchase additional investments in associates	(22,487,426)	-	-	-
Cash paid to purchase of other long-term investments	(741,500)	(2,209,900)	-	-
Cash received from disposal of equipments	22,011,596	39,876,291	6,432,355	16,322,046
Decrease (increase) in loans to related parties	1,233,865	(4,824,293)	(1,580,957,000)	4,500,000
Dividend received from other long-term investments	34,337,903	49,001,431	5,925,503	19,871,431
Dividend received from subsidiaries and associates	41,501,678	27,050,000	594,314,812	267,427,479
Cash received from non-controlling interests of subsidiaries from investments in subsidiaries	55,951,000	172,790,814	-	-
Interest income	39,711,431	35,760,970	42,581,171	3,814,927
Increase in current investments	<u>(1,509,687,100)</u>	<u>(228,354,951)</u>	<u>(1,875,000,000)</u>	-
Net cash flows from (used in) investing activities	<u>(402,772,296)</u>	<u>(706,984,297)</u>	<u>(2,940,711,278)</u>	<u>83,585,989</u>

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

Statement of cash flows (continued)
GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities
For the year ended 31 December 2013

Cash flows from financing activities		Consolidated financial statements	Separate financial statements	
Increase in bank overdrafts and short-term loans from banks	1,220,246,425	1,854,478,551	1,674,000,000	112,000,000
Cash received from short-term loans from related parties	-	-	1,363,000,000	-
Cash received from long-term loans	142,789,741	235,122,000	-	84,222,000
Repayment of long-term loans	(287,024,163)	(147,418,865)	(280,000,000)	-
Repayment of liabilities under finance lease agreements	(21,185,001)	(26,698,563)	(6,792,060)	(12,719,709)
Dividend paid to non-controlling interests of subsidiaries	(63,944,190)	(84,288,024)	-	-
Proceeds from increase in share capital	1,060,529,890	-	1,060,529,890	-
Net cash flows from financing activities	2,051,412,702	1,831,195,099	3,810,737,830	183,502,291
Increase (decrease) in translation adjustments	(1,339,716)	356,523	-	-
Net increase (decrease) in cash and cash equivalents	808,211,253	(171,365,944)	723,473,326	(12,722,846)
Cash and cash equivalents at beginning of year	844,857,204	1,016,223,148	139,996,047	152,718,893
Cash and cash equivalents at end of year	1,653,068,457	844,857,204	863,469,373	139,996,047
 Supplemental cash flows information:				
Non-cash transactions:				
Assets purchases which payment has yet to be made	-	14,618,139	7,189,160	-
Increase in assets from finance lease agreements	12,378,027	33,114,767	4,718,506	15,103,476
Investment in associate which payment has yet to be made	-	-	5,000,000	-
Disposal of investment in subsidiaries which receipt has yet to be made	-	-	(1,509,994)	-
Investment in subsidiaries which payment has yet to be made	-	-	19,509,500	-

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

1. General information

- 1.1 GMM Grammy Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. GMM Grammy Public Company Limited, its subsidiaries and its jointly controlled entities (together “the Group”) are principally engaged in various entertainment businesses, including music business, media business, broadcasting business, marketing events business, and other entertainment businesses. The registered office of the Company is at 50 Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok.
- 1.2 The National Broadcasting and Telecommunications Commission (“the NBTC”) arranged an auction for 24 frequency licenses for use in the broadcasting of commercial Digital Terrestrial Television (“DTT”) during 26 - 27 December 2013. The frequencies could accommodate a total of 24 digital terrestrial television channels, dividing into 3 Children and Family channels, 7 News channels, 7 Variety in Standard Definition (“Variety-SD”) channels and 7 Variety in High Definition (“Variety-HD”) channels. The Group participated in the auction and won 2 licenses. GMM SD Digital TV Company Limited, a subsidiary, won digital TV spectrum license auction for Variety-SD, and GMM HD Digital TV Company Limited, another subsidiary, won digital TV spectrum license auction for Variety-HD. The subsidiaries were required to make payment for the bid price of Baht 2,290 million and Baht 3,320 million (exclusive of VAT) under the following payment conditions:

- 1.2.1 Payment for the minimum bid price of the license fee amounting to Baht 380 million (Variety-SD) and Baht 1,510 million (Variety-HD), divided into 4 installments and has to be made within 3 years from the date of obtaining the license as specified by the NBTC.
- 1.2.2 For the exceeding amount of the minimum bid price of the license fee, the payment is divided into 6 installments and has to be made within 5 years from the date of obtaining the license as specified by the NBTC.

Furthermore, according to the notification of the NBTC and related laws, the subsidiaries have a duty to pay license and other fees, and deposit an annual due to the Fund of Broadcasting and Telecommunications Research and Development Fund for Public Interest.

On 6 January 2014, the subsidiaries were notified by the NBTC of being winners of the auction. At present, the NBTC is processing the applications for the license, with a 15-year validity period commencing from the date on which the license is awarded.

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 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

- 2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 Percent	2012 Percent
<u>Subsidiaries directly held by the Company</u>				
1. GMM Media Public Company Limited	Production of radio programmes	Thailand	99.92	99.92
2. GMM Holding Company Limited	Holding company	Thailand	100	100
3. GMM Music Publishing International Company Limited	Management of music copyrights	Thailand	100	100
4. GMM Tai Hub Company Limited	Production of films and television programmes	Thailand	51	51
5. Fan TV Company Limited (Held 49 percent by GMM Holding Company Limited, a subsidiary)	Production of satellite television programmes	Thailand	51	51
6. 3-RD Company Limited	Providing customer service via telephone	Thailand	70	70
7. GR Vocal Studio Company Limited	Vocal and music schools	Thailand	100	100
8. GMM CJ O Shopping Company Limited	Wholesale and retail by using advertising media and receiving phone orders	Thailand	51	51
9. MGA Company Limited	Currently non-active	Thailand	100	100
10. Digital Gen Company Limited	Currently non-active	Thailand	100	100
11. Extraorganizer Company Limited	Currently non-active	Thailand	100	100
12. More Music Company Limited	Currently non-active	Thailand	100	100
13. GDC Company Limited	Providing service to games members, distribution of games playing cards	Thailand	100	100
14. GMM Z Trading Company Limited (2012: Held 100 percent by GMM Z Company Limited)	Production and distribution of satellite television receivers	Thailand	100	-
15. GMM SD Digital TV Trading Company Limited	Production of television programmes and digital on-air	Thailand	100	-
16. GMM HD Digital TV Trading Company Limited	Production of television programmes and digital on-air	Thailand	100	-
17. The News TV Company Limited (2012: Held 51 percent by GMM Z Company Limited)	Currently non-active	Thailand	51	-
18. STGMM Company Limited (2012: Held 50 percent by GMM Z Company Limited)	Production of satellite television programmes	Thailand	50	-
19. Digistream Company Limited (Formerly known as "Bang Channel Company Limited" 2012: Held 100 percent by GMM Z Company Limited)	Providing music in streaming	Thailand	100	-
<u>Subsidiaries held by GMM Media Public Company Limited</u>				
1. A-Time Media Company Limited	Sub - lease of radio stations	Thailand	100	100
2. GMM TV Company Limited	Production of television programmes	Thailand	100	100
3. Teen Talk Company Limited	Motion graphic and multimedia service	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 Percent	2012 Percent
4. Bliss Publishing Company Limited	Production and distribution of pocket books	Thailand	100	100
5. Image Publishing Company Limited	Production and distribution of magazine	Thailand	70	70
6. Exact Company Limited	Production of television programmes	Thailand	100	100
7. GMM Inter Publishing Company Limited	Production and distribution of magazine	Thailand	70	70
8. GMM Times Company Limited	Production and distribution of magazine	Thailand	70	70
9. Deetalk Company Limited	Production of television programmes	Thailand	100	100
10. Index Creative Village Public Company Limited	Business events advisor and organizer	Thailand	50	50
11. In Publishing Company Limited	Production and distribution of magazine	Thailand	70	70
12. Radio Concept Company Limited	Currently non-active	Thailand	100	100
<u>Subsidiary held by A-Time Media Company Limited</u>				
1. A Gen Event Agency Company Limited	Business events advisor and organizer	Thailand	70	70
<u>Subsidiary held by GMM TV Company Limited</u>				
1. Me Miti Company Limited	Production of television programmes	Thailand	70	70
<u>Subsidiary held by Image Publishing Company Limited</u>				
1. Image On Air Company Limited	Currently non-active	Thailand	100	100
<u>Subsidiary held by Exact Company Limited</u>				
1. Acts Studio Company Limited (Held 50 percent by Scenario Company Limited, an associate)	Lease of studio	Thailand	50	50
<u>Subsidiaries held by GMM Holding Company Limited</u>				
1. GMM Studio Company Limited	Studio service	Thailand	100	100
2. Grammy Publishing House Company Limited	Distribution of education publication	Thailand	100	100
3. GMM Fitness Club Company Limited	Currently non-active	Thailand	100	100
4. Mifah Company Limited	Currently non-active	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 GMM Tai Hub Company Limited</u>				
1. Luckdee Thaweesuk Company Limited (Formerly known as "Sawasdee Thaweesuk Company Limited")	Design and post production of advertising media and films and public relations for films	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 Percent	2012 Percent
2. GTH On Air Company Limited (Held 30 percent by the Company and held 20 percent by Image Publishing Company Limited, a subsidiary)	Production of satellite television programmes	Thailand	50	50
3. Good Things Happen Company Limited	Provide advertising media, public relations consulting, and organize	Thailand	51	-
<u>Subsidiary held by GTH On Air Company Limited</u>				
1. J K Network Company Limited	E-Commerce Business	Thailand	100	100
<u>Subsidiaries held by GMM Z Trading Company Limited</u>				
1. G S-one Company Limited (2012: Held 50 percent by the Company and 50 percent by GMM Media Public Company Limited, a subsidiary)	Currently non-active	Thailand	100	-
2. GMM Z Company Limited (2012: Held 100 percent by the Company)	Service provider	Thailand	100	-
3. GMM B Company Limited (2012: Held 100 percent by GMM Z Company Limited)	Pay-TV services	Thailand	100	-
<u>Subsidiaries held by GMM Z Company Limited</u>				
1. GMM Digital TV Company Limited (Formerly known as "Green Channel Company Limited")	Deregistered	Thailand	-	100
2. Maxxi TV Company Limited	Deregistered	Thailand	-	100
<u>Subsidiary held by GMM SD Digital TV Trading Company Limited</u>				
1. GMM SD Digital TV Company Limited	Production of television programmes and digital on-air	Thailand	100	-
<u>Subsidiary held by GMM HD Digital TV Trading Company Limited</u>				
1. GMM HD Digital TV Company Limited	Production of television programmes and digital on-air	Thailand	100	-
<u>Subsidiaries held by Index Creative Village Public Company Limited</u>				
1. Event Solutions Company Limited	Provision of equipment for entertainment events	Thailand	100	100
2. Tresbien Company Limited	Decoration and provision of equipment for conferences and ceremonial events	Thailand	100	100
3. Media Vision (1994) Company Limited	Light and sound system installation services for entertainment events	Thailand	51	51

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013 Percent	2012 Percent
4. G Communications Company Limited	Provision of public relations and event services	Thailand	50	50
5. Inspire Image Company Limited	Preparation, installation and removal of advertising boards	Thailand	60	60
6. I Think Ad Company Limited	Advertising and public relations services	Thailand	40	40
7. D-63 Company Limited	Service provider of design screen and stage	Thailand	50	50
8. Index Creative Online Company Limited	Consultancy, design and development services for web sites and flash media	Thailand	70	70
9. Envirosell (Thailand) Company Limited	Provide advisory services, research data analysis and survey of statistic	Thailand	60	60
10. Index and M Company Limited	Business events advisor and organizer	Thailand	50	50
11. Index and V Company Limited	Business events advisor and organizer	Thailand	50	50
12. Joint Venture Index D63 (Held 37 percent by D-63 Company Limited)	Design and Management of Exhibition Building	Thailand	63	-
<u>Subsidiary held by Event Solutions Company Limited</u>				
1. Aspen Index Event Company Limited	Currently non-active	United Arab Emirates	50	50
<u>Jointly controlled entity held by the Company</u>				
1. K Arena Company Limited	Karaoke service and rental	Thailand	50	50
<u>Jointly controlled entities held by Index Creative Village Public Company Limited</u>				
1. Joint Venture ID2	Construction Design and Management of Thai Exhibition Building	Thailand	67	67
2. Joint Venture Index Cityneon	Provider of contractor, Installation, exhibition and display materials for Siriraj Museum	Thailand	50	50
3. Joint Venture Index D103 Maco	Design and Management of exhibition building in Yeosu International Exposition 2012	Thailand	70	70
4. Joint Venture Index D103	Design and Management of exhibition building in Universal Exhibition Milano 2015	Thailand	90	-

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) Jointly controlled entities are fully consolidated applying the proportionate consolidation method as from being the date on which the Company assumed joint control, and continue to be consolidated until the date when such control ceases.
- d) During the year 2013, there were the following changes in the composition of the subsidiaries and jointly controlled entities:

Newly established subsidiaries and joint venture

Investors	Subsidiaries	Nature of business	Percentage of shareholding	Description	Amount
			(%)		(Thousand Baht)
GMM Grammy Public Company Limited	GMM SD Digital TV Trading Company Limited	Production of television programmes and digital on-air	100	999,997 ordinary shares of Baht 100 each (9,997 ordinary shares of Baht 100 each, fully called up and 990,000 ordinary shares, called up 25 percent)	25,750
GMM Grammy Public Company Limited	GMM HD Digital TV Trading Company Limited	Production of television programmes and digital on-air	100	1,999,997 ordinary shares of Baht 100 each (9,997 ordinary shares of Baht 100 each, fully called up and 1,990,000 ordinary shares, called up 25 percent)	50,750
GMM SD Digital TV Trading Company Limited	GMM SD Digital TV Company Limited	Production of television programmes and digital on-air	100	999,997 ordinary shares of Baht 100 each (9,997 ordinary shares of Baht 100 each, fully called up and 990,000 ordinary shares, called up 25 percent)	25,750
GMM HD Digital TV Trading Company Limited	GMM HD Digital TV Company Limited	Production of television programmes and digital on-air	100	1,999,997 ordinary shares of Baht 100 each (9,997 ordinary shares of Baht 100 each, fully called up and 1,990,000 ordinary shares, called up 25 percent)	50,750
Index Creative Village Public Company Limited and D-63 Company Limited, which are the subsidiaries	Joint Venture Index D63	Design and Management of Exhibition Building	100	Index Creative Village Public Company Limited and D-63 Company Limited invested 63% and 37%, respectively.	60
GMM Tai Hub Company Limited	Good Things Happen Company Limited	Provide advertising media, public relations consulting, and organizer	51	25,498 ordinary shares of Baht 100 each	2,550

Newly established jointly controlled entity

Investor	Jointly controlled entity	Nature of business	Percentage of shareholding	Description
			(%)	
Index Creative Village Public Company Limited	Joint Venture Index D103	Design and Management of exhibition building in Universal Exhibition Milano 2015	90	Had not yet call-up investment

Deregistered subsidiaries

Shareholders	Subsidiaries	Percentage of shareholding	Description
		(%)	
GMM Z Company Limited	GMM Digital TV Company Limited (Formerly known as "Green Channel Company Limited")	100	Deregistered with the Ministry of Commerce on 12 December 2013
GMM Z Company Limited	Maxxi TV Company Limited	100	Deregistered with the Ministry of Commerce on 12 December 2013

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

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

3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting year

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Group have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Group had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(b) Accounting standards that will become effective in the future

	<u>Effective date</u>
Accounting Standards:	
TAS 1 (revised 2012)	1 January 2014
TAS 7 (revised 2012)	1 January 2014
TAS 12 (revised 2012)	1 January 2014
TAS 17 (revised 2012)	1 January 2014
TAS 18 (revised 2012)	1 January 2014
TAS 19 (revised 2012)	1 January 2014
TAS 21 (revised 2012)	1 January 2014
TAS 24 (revised 2012)	1 January 2014
TAS 28 (revised 2012)	1 January 2014
TAS 31 (revised 2012)	1 January 2014
TAS 34 (revised 2012)	1 January 2014
TAS 36 (revised 2012)	1 January 2014
TAS 38 (revised 2012)	1 January 2014
Financial Reporting Standards:	
TFRS 2 (revised 2012)	1 January 2014
TFRS 3 (revised 2012)	1 January 2014
TFRS 4	1 January 2016
TFRS 5 (revised 2012)	1 January 2014
TFRS 8 (revised 2012)	1 January 2014
Accounting Standard Interpretations:	
TSIC 15	1 January 2014
TSIC 27	1 January 2014
TSIC 29	1 January 2014
TSIC 32	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1	1 January 2014
TFRIC 4	1 January 2014
TFRIC 5	1 January 2014
TFRIC 7	1 January 2014

TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

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

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Group made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2013		As at 31 December 2012		As at 1 January 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of financial position						
Increase in investments in associates	960	-	847	-	528	-
Increase in deferred tax assets	242,152	109,872	155,562	62,865	118,081	57,144
Increase in deferred tax liabilities	14,506	14,491	80,730	80,544	48,914	48,841
Increase in non-controlling interests of the subsidiaries	39,185	-	21,833	-	9,560	-
Increase in unappropriated retained earnings	203,912	109,872	134,390	62,865	108,976	57,144
Decrease in other components of shareholders' equity	(14,491)	(14,491)	(80,544)	(80,544)	(48,841)	(48,841)

(Unit: Thousand Baht)

	For the year ended 31 December 2013		For the year ended 31 December 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Income statements				
Increase in share of profit from investments in associates	113	-	319	-
Decrease in income tax expenses	(78,522)	(45,600)	(37,368)	(5,722)
Increase in profit attributable to non-controlling interest of the subsidiaries	15,891	-	12,273	-
Increase in profit attributable to equity holders of the Company	62,744	45,600	25,414	5,722
Increase in basic earnings per share (Baht)	0.11	0.08	0.05	0.01
Statements of comprehensive income				
Increase in actuarial gains (losses)	8,239	1,407	-	-
Increase (decrease) in gain (losses) on changes in value of available-for-sale investments	66,053	66,053	(31,703)	(31,703)

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

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

Revenues from services

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

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

- b) Revenues from production of concerts

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

- c) Revenues from production of motion pictures

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

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

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

- d) Revenues from advertising in publishing media

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

- e) Management fee and consultant fee income

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

- f) Artist management income

Artist management income is recognised when services have been rendered.

- g) Revenues from studio service

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

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

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

- i) Revenues from production and service

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

- j) Revenues from Pay-TV service

Revenues from Pay-TV service are recognised base on service period.

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.

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

5.2 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.

5.3 Trade accounts receivable

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

5.4 Inventories

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

5.5 Investments

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

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

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

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

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

5.6 Property, plant and equipment/Depreciation

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

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

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

Depreciation is included in determining income.

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

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

5.7 Intangible assets

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

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

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

- 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). They are recognised as the assets and liabilities under the license contracts when the license contracts period whereby, the cost of rights are known, and rights are under control of the Company. Program rights are amortised on a straight-line basis over the license contract periods or the basis of projected revenues within the license contract periods or 4 years.
- c) Motion picture and cartoon copyrights are carried at cost less accumulated amortisation and impairment losses (if any). They are amortised on the basis of projected revenues within 10 years (for motion picture) and 5 years (for cartoon) from the time they are exhibited.

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

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

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

5.8 Goodwill

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

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

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

5.9 Related party transactions

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

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

5.10 Long-term leases

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

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

5.11 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.

5.12 Impairment of assets

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

An impairment loss is recognised in profit or loss.

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

5.13 Provision for goods returns

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

5.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

5.15 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.

5.16 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.

6. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Impairment of equity investments

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

Property plant and equipment/Depreciation

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

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

Goodwill and intangible assets

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

Program rights and motion picture and cartoon copyrights/Amortisation

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

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.

Litigation

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

7. 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
	2013	2012	
<u>Transactions with jointly controlled entity</u>			
Service income	10	57	(6)
<u>Transactions with associated companies</u>			
Service income	62	22	(2)
Other income	6	6	(5)
Service expenses	409	378	(5)
<u>Transactions with related companies</u>			
Rental and other service expenses	244	201	(1)/(5)/(6)
<u>Transactions with management and directors</u>			
Service expenses	10	9	(3)/(5)

(Unit: Million Baht)

	Separate financial statements		Pricing policy
	2013	2012	
Transactions with subsidiaries			
(eliminated from the consolidated financial statements)			
Service income	420	166	(2)/(4)/(5)
Revenues from copyrights	131	115	(3)
Interest income	35	1	(8)
Other income	22	15	(5)
Service expenses	418	435	(5)
Interest expenses	27	-	(8)
Purchase of inventories	6	26	(4)
Purchase of intangible assets	48	-	(7)
Disposals of intangible assets and other assets	-	377	(7)
Transactions with associated companies			
Purchase of intangible assets	21	-	(5)
Service expenses	9	4	(5)
Transactions with related companies			
Rental and other service expenses	113	102	(1)/(5)/(6)
Transactions with management and directors			
Service expenses	4	5	(3)/(5)

- (1) Contract price with the rental rate as appraised by independent valuer or the contract price
- (2) With reference to prices charged to third parties depending on when the sales were made and the agreement.
- (3) Charge per unit sold with reference to market price
- (4) Cost plus margin
- (5) Mutually agreed price
- (6) Contract price
- (7) Cost price
- (8) At the rate not lower than the rate of fixed deposit or the rate of Money Market Rate (MMR) based on case by case.

As at 31 December 2013 and 2012, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade and other receivables - related parties</u>				
(Note 10)				
Subsidiaries	-	-	1,137,381	929,000
Jointly controlled entities	2,491	7,631	-	-
Associated companies	37,328	14,628	872	441
Related companies (related by common shareholder)	191	750	74	481
Total trade and other receivables - related parties	<u>40,010</u>	<u>23,009</u>	<u>1,138,327</u>	<u>929,922</u>
<u>Trade and other payables - related parties</u>				
(Note 21)				
Subsidiaries	-	-	127,959	202,875
Associated companies	72,697	88,268	710	916
Related companies (related by common shareholder)	13,199	12,483	4,846	4,866
Management and directors	4,724	4,185	3,547	3,394
Total trade and other payables - related parties	<u>90,620</u>	<u>104,936</u>	<u>137,062</u>	<u>212,051</u>

Loans to related parties

As at 31 December 2013 and 2012, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

Loans to related parties	Related by	Consolidated financial statements			
		Balance as at 31 December 2012	Increase during the year	Decrease during the year	Balance as at 31 December 2013
Joint Venture Index D103 Maco	Jointly controlled entity	3,000	-	(3,000)	-
Blue media Communications Company Limited	Associate	2,200	-	(234)	1,966
Max Creative Company Limited	Associate	1,000	-	(1,000)	-
Town Branding Company Limited	Associate	-	5,500	(2,500)	3,000
Total		<u>6,200</u>	<u>5,500</u>	<u>(6,734)</u>	<u>4,966</u>

(Unit: Thousand Baht)

Separate financial statements					
Loans to related parties	Related by	Balance as at 31 December 2012	Increase during the year	Decrease during the year	Balance as at 31 December 2013
GR Vocal Studio Company Limited	Subsidiaries	3,000	1,500	(1,000)	3,500
Fan TV Company Limited	Subsidiaries	7,000	17,330	(18,873)	5,457
G S-one Company Limited	Subsidiaries	4,000	-	-	4,000
GMM Z Company Limited	Subsidiaries	-	167,000	(80,000)	87,000
GMM Z Trading Company Limited	Subsidiaries	-	440,000	-	440,000
GMM B Company Limited	Subsidiaries	-	1,055,000	-	1,055,000
Total		<u>14,000</u>	<u>1,680,830</u>	<u>(99,873)</u>	<u>1,594,957</u>

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 Money Market Rate (MMR) based on case by case.

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

Minimum interest rate charged on loans to associated companies is charged at the rate not lower than the rate of minimum loan rate (MLR).

Loans from related parties

As at 31 December 2013 and 2012, the balance of loans from related companies and the movement are as follows:

(Unit: Thousand Baht)

Separate financial statements					
	Balance as at 31 December 2012	During the year		Balance as at 31 December 2013	
		Increase	Decrease		
<u>Short-term loans from related parties</u>					
Subsidiaries					
MGA Company Limited	-	31,500	-	31,500	
GMM Music Publishing International Company Limited	-	60,000	-	60,000	
GMM Tai Hub Company Limited	-	240,000	-	240,000	
GMM Holding Company Limited	-	128,000	-	128,000	
Digital Gen Company Limited	-	5,500	-	5,500	
GDC Company Limited	-	7,500	-	7,500	
Extraorganizer Company Limited	-	1,000	-	1,000	
GMM Media Public Company Limited	-	872,500	-	872,500	
3-RD Company Limited	-	17,000	-	17,000	
Total	<u>-</u>	<u>1,363,000</u>	<u>-</u>	<u>1,363,000</u>	

Directors and management's benefits

During the year ended 31 December 2013 and 2012, the Group had employee benefit expenses payable of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	77,330	107,134	60,033	90,294
Post-employment benefits	1,291	1,939	1,093	1,641
Total	<u>78,621</u>	<u>109,073</u>	<u>61,126</u>	<u>91,935</u>

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 34.5 to the financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash on hand and at banks	1,128,036	642,426	343,469	139,996
Short-term investments	525,032	202,431	520,000	-
Total	<u>1,653,068</u>	<u>844,857</u>	<u>863,469</u>	<u>139,996</u>

As at 31 December 2013, bank deposits in saving accounts, fixed deposits and highly liquid investments carried interests between 0.50 and 3.10 percent per annum (2012: between 0.75 and 3.25 percent per annum) (the Company only: between 0.50 and 3.10 percent per annum, 2012: between 0.75 and 3.25 percent per annum).

9. Current investments

(Unit: Thousand Baht)

	2013	2012	2013	2012
Fixed Deposit	1,935,218	303,915	1,875,000	-
Investments in trading securities - Fair value	80,526	32,839	-	-
Investments in held-to-maturity debt securities - due within one year	50,000	219,303	-	-
Total	<u>2,065,744</u>	<u>556,057</u>	<u>1,875,000</u>	<u>-</u>

As at 31 December 2013, current investments carried interests between 1.00 and 3.23 percent per annum (2012: between 2.00 and 3.60 percent per annum) (the Company only: between 2.95 and 3.23 percent per annum, 2012: none).

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	14,883	13,402	20,793	15,769
Past due				
Up to 3 months	3,506	1,823	13,814	22,540
3 - 6 months	9,079	535	7,774	43,131
6 - 12 months	7,208	5,101	43	13,871
Over 12 months	2,608	875	62,236	14,352
Total	37,284	21,736	104,660	109,663
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,300,933	1,373,832	367,986	392,633
Past due				
Up to 3 months	603,598	778,948	95,584	215,589
3 - 6 months	44,354	70,826	11,774	28,853
6 - 12 months	59,824	80,948	23,275	29,603
Over 12 months	205,298	238,101	28,440	49,941
Total	2,214,007	2,542,655	527,059	716,619
Less: Allowance for doubtful accounts	(173,716)	(209,409)	(32,459)	(41,516)
Net	2,040,291	2,333,246	494,600	675,103
Total trade receivables - net	2,077,575	2,354,982	599,260	784,766
<u>Other receivables</u>				
Other receivables - related parties	2,243	1,210	871,891	573,091
Other receivables - unrelated parties	39,617	21,242	4,235	6,566
Dividends receivable from subsidiaries and associates	-	-	161,776	247,168
Accrued income - related parties	483	63	-	-
Accrued income - unrelated parties	301,748	404,964	95,442	213,523
Total other receivables	344,091	427,479	1,133,344	1,040,348
Total trade and other receivables - net	2,421,666	2,782,461	1,732,604	1,825,114

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Tape reels, cassette tapes, CDs, VCDs and DVDs	434,199	435,523	(331,944)	(126,072)	102,255	309,451
Motion picture and cartoon production	56,440	37,095	-	-	56,440	37,095
Television programmes and satellite television programmes	125,116	137,743	-	-	125,116	137,743
Work in process	24,521	28,104	-	-	24,521	28,104
Books, teaching aids and magazines	14,538	18,610	(12,731)	(14,198)	1,807	4,412
Satellite television receivers	269,011	498,769	-	-	269,011	498,769
Others	40,621	24,717	(88)	(909)	40,533	23,808
Total	964,446	1,180,561	(344,763)	(141,179)	619,683	1,039,382

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Tape reels, cassette tapes, CDs, VCDs and DVDs	439,577	438,671	(331,944)	(124,037)	107,633	314,634
Television programmes and satellite television programmes	17,987	43,296	-	-	17,987	43,296
Work in process	24,149	27,796	-	-	24,149	27,796
Others	31,222	14,261	-	-	31,222	14,261
Total	512,935	524,024	(331,944)	(124,037)	180,991	399,987

Due to the behavior of the consumer about a tape reels, CDs, VCDs and DVDs declined from the past. Therefore, category of the inventory is obsolete rapidly. During the current year, the management recoded the reduction of cost of inventory to net realisable value more than the prior year amounting to Baht 206 million (the Company only: Baht 208 million).

12. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Input tax refundable	273,588	203,156	518	3,387
Withholding tax deducted at source	117,519	72,649	53,197	36,181
Intangible assets - realise within one year (Note 18)	762,127	185,116	21,292	-
Prepayment of purchase of assets	371,198	19,663	-	9,104
Others	57,144	94,819	16,244	9,235
Total	1,581,576	575,403	91,251	57,907

13. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2013 (Million Baht)	2012 (Million Baht)	2013 (%)	2012 (%)	2013	2012	2013	2012
MGA Company Limited	10.5	10.5	100	100	10,500	10,500	6,000	-
Digital Gen Company Limited	5	5	100	100	5,000	5,000	-	-
GMM Media Public Company Limited	200	200	99.92	99.92	557,474	557,474	440,205	320,149
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	-	8,500
GMM Music Publishing International Company Limited	5	5	100	100	4,999	4,999	14,499	8,999
GMM Tai Hub Company Limited	225	225	51	51	181,050	181,050	15,300	-
Fan TV Company Limited	200	200	51	51	83,777	83,777	-	-
3-RD Company Limited	18	18	70	70	12,733	12,733	21,168	7,056
GR Vocal Studio Company Limited	5	5	100	100	2,525	2,525	-	-
G S-one Company Limited	100	100	50	50	-	50,000	-	-
GMM CJ O Shopping Company Limited	356	356	51	51	181,764	181,764	-	-
GMM Z Company Limited	100	100	100	100	-	100,000	-	-
GDC Company Limited	25.5	25.5	100	100	25,499	25,499	-	-
GMM Z Trading Company Limited	1	1	100	-	1,000	-	-	-
GMM SD Digital TV Trading Company Limited	26	-	100	-	25,750	-	-	-
GMM HD Digital TV Trading Company Limited	51	-	100	-	50,750	-	-	-
The News TV Company Limited	1	1	51	-	510	-	-	-
STGMM Company Limited	40	40	50	-	20,000	-	-	-
Digistream Company Limited	1	1	100	-	1,000	-	-	-
GTH On Air Company Limited	60	40	30	-	17,999	-	-	-
Total					1,284,329	1,317,320	497,172	344,704
Less: Allowance for impairment of investments					(140,363)	(102,364)		
Net					1,143,966	1,214,956		

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

Newly established subsidiaries

Subsidiaries	Nature of business	Percentage of shareholding	Description	Amount
		(%)		(Thousand Baht)
GMM SD Digital TV Trading Company Limited	Production of television programmes and digital on-air	100	999,997 ordinary shares of Baht 100 each (9,997 ordinary shares of Baht 100 each, fully called up and 990,000 ordinary shares, called up 25 percent)	25,750
GMM HD Digital TV Trading Company Limited	Production of television programmes and digital on-air	100	1,999,997 ordinary shares of Baht 100 each (9,997 ordinary shares of Baht 100 each, fully called up and 1,990,000 ordinary shares, called up 25 percent)	50,750
Total				76,500

Purchase of investments in subsidiaries

Subsidiaries	Nature of business	Percentage of shareholding	Description	Amount
		(%)		(Thousand Baht)
GMM Z Trading Company Limited	Production and distribution of satellite television receivers and prepaid card for "GMM Z Pay TV"	100	Purchase of investment from GMM Z Company Limited, a subsidiary, 9,997 ordinary shares of Baht 100 each	1,000
The News TV Company Limited	Currently non-active	51	Purchase of investment from GMM Z Company Limited, a subsidiary, 5,099 ordinary shares of Baht 100 each	510
STGMM Company Limited	Production of satellite television programmes	50	Purchase of investment from GMM Z Company Limited, a subsidiary, 199,998 ordinary shares of Baht 100 each	20,000
Digistream Company Limited	Providing music in streaming	100	Purchase of investment from GMM Z Company Limited, a subsidiary, 9,998 ordinary shares of Baht 100 each	1,000
GTH On Air Company Limited	Production of satellite television programmes	30	Purchase of investment from GMM Z Company Limited, a subsidiary, 179,997 ordinary shares of Baht 100 each	17,999
Total				40,509

Disposal of investments in subsidiaries

Subsidiaries	Nature of business	Percentage of shareholding	Description	Amount
		(%)		(Thousand Baht)
G S-one Company Limited	Currently non-active	50	Disposal of investment to GMM Z Trading Company Limited, a subsidiary, 499,998 ordinary shares of Baht 1 each	500
GMM Z Company Limited	Service Provider	100	Disposal of investment to GMM Z Trading Company Limited, a subsidiary, 999,997 ordinary shares of Baht 1 each	1,000
Total				1,500

14. Investments in joint ventures

14.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies.

Details of these investments are as follows:

(Unit: Thousand Baht)

Jointly controlled entities	Nature of business	Consolidated financial statements			
		Shareholding percentage	Cost	2013	2012
		(%)			
K Arena Company Limited	Karaoke service and rental	50	50	10,000	10,000
Joint Venture ID2	Construction Design and Management of Thai exhibition building	67	67	10,000	10,000
Joint Venture Index Cityneon	Provider of contractor, Installation, exhibition and display materials for Siriraj Museum	50	50	1,000	1,000
Joint Venture Index D103 Maco	Design and Management of exhibition building in Yeosu International Exposition 2012	70	70	-	-
Joint Venture Index D103	Design and Management of exhibition building in Universal Exhibition Milano 2015	90	-	-	-
Total				<u>21,000</u>	<u>21,000</u>

(Unit: Thousand Baht)

Jointly controlled entities	Nature of business	Separate financial statements			
		Shareholding percentage	Cost	2013	2012
		(%)			
K Arena Company Limited	Karaoke service and rental	50	50	10,000	10,000
Total				<u>10,000</u>	<u>10,000</u>

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

Investment in new jointly controlled entity

Investor	Jointly controlled entity	Nature of business	Percentage of shareholding	Description	Amount
			(%)		(Thousand Baht)
Index Creative Village Public Company Limited	Joint Venture Index D103	Design and Management of exhibition building in Universal Exhibition Milano 2015	90	Had not yet call-up investment	-

14.2 Summarised financial information of jointly controlled entities

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

	As at 31 December	
	2013	2012
Current assets	22	41
Non-current assets	7	8
	<hr/> 29	<hr/> 49
Current liabilities	(7)	(26)
	<hr/> 22	<hr/> 23

	For the year ended 31 December	
	2013	2012
Revenue	32	158
Cost of sales and services	(29)	(154)
Selling and administrative expenses	(2)	(2)
Finance cost	<hr/> -	<hr/> (1)
Profit before income tax expenses	1	1
Income tax expenses	<hr/> -	<hr/> (1)
Profit for the year	<hr/> 1	<hr/> -

15. Investments in associates

15.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements						Carrying amounts based on equity method	
			2013 (Million Baht)	2012 (Million Baht)	2013 (%)	2012 (%)	2013	2012		
Associates held by the subsidiaries										
Scenario Company Limited	Production of television programmes and plays	Thailand	70	70	25	25	17,500	17,500	206,145	203,797
Channel [V] Music (Thailand) Company Limited	Ceased the operation	Thailand	85	85	25	25	21,175	21,175	5,374	22,437
Nadao Bangkok Company Limited	Films production and talent agency services	Thailand	2	2	30	30	600	600	2,821	1,757
Blue Media Communications Company Limited	Provision of publishing media design, production and distribution services	Thailand	5	5	40	40	2,000	2,000	958	1,145
Max Creative Company Limited	Provider of Integrated Marketing communication and Imagine advisor and management services	Thailand	5	5	50	50	2,500	2,500	2,051	2,493
Big Event Company Limited	Production of films and television programmes	Thailand	5	-	50	-	2,500	-	1,940	-
Town Branding Company Limited	Media production	Thailand	5	-	20	-	500	-	-	-
Happio Company Limited	Internet communication platform	Thailand	9	-	33	-	3,000	-	3,049	-
Myanmar Index Creative Village Company Limited	Business events advisor and organizer	Myanmar	USD 1.08 million	-	49	-	16,292	-	17,614	-
TVMINDEX Advertising Company Limited	Business events advisor and organizer	Vietnam	VND 2,995 million	-	49	-	2,210	-	610	-
Sawasdeeethaweesuk Company Limited	Design and post production of advertising media and films and public relations for films	Thailand	5	-	25	-	937	-	1,280	-
Associates held by the Company										
Family Know How Company Limited	Production of television programmes and publishing media	Thailand	50	50	50	50	25,000	25,000	59,547	69,846
JSI Channel Company Limited	Ceased the operation	Thailand	10	10	30	30	3,000	3,000	-	-
Lucks (666) Satellite Company Limited (2012: Held by GMM Z Company Limited)	Production of satellite television programmes	Thailand	20	20	25	25	5,000	5,000	-	-
Total							102,214	76,775	301,389	301,475

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Percentage of shareholding	Cost		Allowance for Impairment of investments		Carrying amounts based on cost method - net		
			2013 (%)	2012 (%)	2013	2012	2013	2012	2013	2012
Family Know How Company Limited	Production of television programmes and publishing media	Thailand	50	50	25,000	25,000	-	-	25,000	25,000
JSL Channel Company Limited	Ceased the operation	Thailand	30	30	3,000	3,000	-	-	3,000	3,000
Lucks (666) Satellite Company Limited	Production of satellite television programmes	Thailand	25	-	5,000	-	(5,000)	-	-	-
					33,000	28,000	(5,000)	-	28,000	28,000

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

Investment in new associates

Investor	Associate	Nature of business	Percentage of shareholding	Description	Amount
			(%)		(Thousand Baht)
Index Creative Village Public Company Limited	Big Event Company Limited	Production of films and television programmes	50	25,000 ordinary shares of Baht 100 each	2,500
Index Creative Village Public Company Limited	Town Branding Company Limited	Media production	20	10,000 ordinary shares of Baht 50 each	500
Index Creative Village Public Company Limited	Happio Company Limited	Internet communication platform	33	300,000 ordinary shares of Baht 10 each	3,000
Index and M Company Limited	Myanmar Index Creative Village Company Limited	Business events advisor and organizer	49	USD 529,200	16,292
Index and V Company Limited	TVMINDEX Advertising Company Limited	Business events advisor and organizer	49	VND 1,467 million	2,210
GMM Tai Hub Company Limited	Sawasdeethaweesuk Company Limited	Design and post production of advertising media and films and public relations for films	25	12,499 ordinary shares of Baht 100 each (75 percent paid up)	937
Total					25,439

In September 2013, Channel [V] Music (Thailand) Company Limited and JSL Channel Company Limited deregistered with the Ministry of Commerce. At present, they are in the process of liquidation.

In December 2013, the Company purchased the investment in Lucks (666) Satellite Company Limited from GMM Z Company Limited, a subsidiary, amounting to Baht 5 million.

15.2 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:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Dividend received during the year		
	Share of profit/loss from investments in associates during the year	2013	2012	2013	2012
<u>Associates held by the subsidiaries</u>					
Scenario Company Limited	32,097	60,076	29,750	15,750	
Encore Company Limited	-	(154)	-	-	
Channel [V] Music (Thailand) Company Limited	(17,064)	1,415	-	1,300	
Nadao Bangkok Company Limited	1,063	(99)	-	-	
Blue Media Communications Company Limited	(187)	93	-	-	
Max Creative Company Limited	(441)	1,170	-	-	
Big Event Company Limited	(560)	-	-	-	
Town Branding Company Limited	(500)	-	-	-	
Happio Company Limited	49	-	-	-	
Myanmar Index Creative Village Company Limited	1,322	-	-	-	
TVMINDEX Advertising Company Limited	(1,599)	-	-	-	
Sawasdeeethaweesuk Company Limited	343	-	-	-	
<u>Associates held by the Company</u>					
Family Know How Company Limited	1,453	25,729	11,752	10,000	
JSL Channel Company Limited	-	-	-	-	
Lucks (666) Satellite Company Limited	-	(741)	-	-	
Total	15,976	87,489	41,502	27,050	

15.3 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Profit (loss) for the year ended 31 December	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Scenario Company Limited	70	70	992	985	176	182	845	1,127	127	240
Channel [V] Music (Thailand) Company Limited	85	85	61	100	9	10	53	95	(68)	7
Nadao Bangkok Company Limited	2	2	32	23	23	17	74	47	3	-
Blue Media Communications Company Limited	5	5	14	6	10	3	6	3	1	-
Max Creative Company Limited	5	5	14	22	10	17	-	29	(2)	5
Big Event Company Limited	5	-	4	-	-	-	-	-	(1)	-

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Profit (loss) for the year ended 31 December	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Town Branding Company Limited	5	-	14	-	21	-	10	-	(6)	-
Happio Company Limited	9	-	8	-	1	-	3	-	-	-
Myanmar Index Creative Village Company Limited	33	-	49	-	13	-	52	-	3	-
TVMINDEX Advertising Company Limited	4	-	6	-	8	-	11	-	(3)	-
Sawasdeethaweesuk Company Limited	4	-	8	-	3	-	3	-	1	-
Family Know How Company Limited	50	50	193	187	73	40	192	248	3	59
JSL Channel Company Limited	10	10	-	2	-	10	10	-	8	(1)
Lucks (666) Satellite Company Limited	20	20	17	29	63	37	43	51	(39)	(11)

15.4 Investment in associates with capital deficit

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

(Unit: Million Baht)

Company's name	Unrecognised share of losses			
	Share of losses for the years ended 31 December		Cumulative share of losses up to 31 December	
	2013	2012	2013	2012
JSL Channel Company Limited	(3)	-	-	3
Lucks (666) Satellite Company Limited	6	1	11	5
Town Branding Company Limited	1	-	1	-
Total	4	1	12	8

16. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2013		2012	
	Cost	Fair Value	Cost	Fair Value
<u>Securities available-for-sale</u>				
Unit Trusts in Tisco Fixed - Income Fund	3,197	120	3,197	123
SE-Education Public Company Limited	225,147	228,923	225,147	436,946
Matichon Public Company Limited	-	-	455,499	278,800
The Post Publishing Public Company Limited	-	-	972,572	545,160
OfficeMate Public Company Limited	36,864	108,624	40,064	234,064
Total	265,208	<u>337,667</u>	1,696,479	<u>1,495,093</u>
<u>Add:</u> Unrealised gains on changes in value of investments	72,459		402,725	
<u>Less:</u> Unrealised losses on changes in value of investments of subsidiary	-		(604,111)	
Securities available-for-sale - net	<u>337,667</u>		<u>1,495,093</u>	
<u>Other investments</u>				
Siam Telemarketing Company Limited	3,000		3,000	
Karaoke Center Company Limited	2,399		2,399	
Lives and rich Company Limited	1,000		1,000	
A-Time Traveller Company Limited	400		400	
TVM INDEX Advertising Company Limited	-		2,210	
Total	6,799		9,009	
<u>Less:</u> Allowance for impairment of investments	(4,000)		(4,000)	
Other investments - net	<u>2,799</u>		<u>5,009</u>	
<u>Others</u>				
Government Savings Bank Bond	2,014		2,014	
Total others	2,014		2,014	
Total other long - term investments - net	<u>342,480</u>		<u>1,502,116</u>	

(Unit: Thousand Baht)

	Separate financial statements			
	2013		2012	
	Cost	Fair Value	Cost	Fair Value
<u>Securities available-for-sale</u>				
Unit Trusts in Tisco Fixed - Income fund	3,197	120	3,197	123
SE-Education Public Company Limited	225,147	228,923	225,147	436,946
OfficeMate Public Company Limited	36,864	108,624	40,064	234,064
Total	265,208	<u>337,667</u>	268,408	<u>671,133</u>
Add: Unrealised gains on changes in value of investments	72,459		402,725	
Securities available-for-sale - net	<u>337,667</u>		<u>671,133</u>	
<u>Other investments</u>				
Siam Telemarketing Company Limited	3,000		3,000	
Karaoke Center Company Limited	2,399		2,399	
Total	5,399		5,399	
Less: Allowance for impairment of investment	(3,000)		(3,000)	
Other investments - net	<u>2,399</u>		<u>2,399</u>	
<u>Others</u>				
Government Savings Bank Bond	1,014		1,014	
Total others	1,014		1,014	
Total other long-term investments - net	<u>341,080</u>		<u>674,546</u>	

During the current year, the Company sold the 320,000 ordinary shares comprising its investment in the ordinary shares of OfficeMate Public Company Limited at a price of Baht 85.00 - 86.50 per share, for a total of Baht 27 million. In addition, GMM Media Public Company Limited, a subsidiary, sold the 118,000,000 ordinary shares comprising its investment in the ordinary shares of The Post Publishing Public Company Limited at a price of Baht 8.25 per share, for a total of Baht 973 million and sold the 41,000,000 ordinary shares comprising its investment in the ordinary shares of Matichon Publishing Public Company Limited at a price of Baht 11.11 per share, for a total of Baht 456 million. The differences between net disposal proceeds and the carrying amount of the investment were recognised in profit or loss.

During the current year, the Company and its subsidiary received dividend from other long-term investments amounted to Baht 34 million (the Company only: Baht 6 million). The Company also received a stock dividend of 4.5 million shares with a value of Baht 0.1 per share from SE-Education Public Company Limited.

17. Property, plant and equipment

(Unit: Thousand Baht)

Cost:							
31 December 2012	144,863	782,694	1,229,269	453,985	306,896	245,278	398,211
Additions	11,190	44,966	244,676	58,738	33,196	16,107	121,803
Disposals	-	(69,130)	(33,364)	(48,493)	(20,292)	(20,014)	(1,091)
Transfers in / (out)	-	484,058	3,810	-	2,784	-	(490,652)
31 December 2013	156,053	1,242,588	1,444,391	464,230	322,584	241,371	28,271
Accumulated depreciation:							
31 December 2012	-	424,091	747,938	354,984	231,472	171,474	-
Depreciation for the year	-	89,302	157,950	54,733	25,967	22,290	-
Accumulated depreciation on disposals	-	(58,559)	(26,158)	(45,579)	(17,459)	(17,967)	-
31 December 2013	-	454,834	879,730	364,138	239,980	175,797	-
Net book value:							
31 December 2012	144,863	358,603	481,331	99,001	75,424	73,804	398,211
31 December 2013	156,053	787,754	564,661	100,092	82,604	65,574	28,271
Depreciation for the year							
2012 (Baht 107 million included in cost of sales and services, and the balance in selling and administrative expenses)							1,631,237
2013 (Baht 105 million included in cost of sales and services, and the balance in selling and administrative expenses)							1,785,009
							297,832
							350,242

(Unit: Thousand Baht)

Cost:						
31 December 2011	144,863	718,407	1,051,636	398,199	284,730	231,347
Additions	-	102,234	171,035	78,266	41,072	37,732
Disposals	-	(62,622)	(75,682)	(28,663)	(29,536)	(23,801)
Transfers in/(out)	-	24,675	82,280	6,183	10,630	-
31 December 2012	144,863	782,694	1,229,269	453,985	306,896	245,278
Accumulated depreciation:						
31 December 2011	-	430,439	670,126	329,135	237,222	164,160
Depreciation for the year	-	51,821	140,425	53,948	21,432	30,206
Accumulated depreciation on disposals	-	(58,169)	(62,613)	(28,099)	(27,182)	(22,892)
31 December 2012	-	424,091	747,938	354,984	231,472	171,474
Net book value:						
31 December 2011	144,863	287,968	381,510	69,064	47,508	67,187
31 December 2012	144,863	358,603	481,331	99,001	75,424	73,804
Depreciation for the year						
2011 (Baht 120 million included in cost of sales and services, and the balance in selling and administrative expenses)						
2012 (Baht 107 million included in cost of sales and services, and the balance in selling and administrative expenses)						

(Unit: Thousand Baht)

(Unit: Thousand Baht)

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

As at 31 December 2013, the Group had vehicles and equipment under finance lease agreements with net book values amounting to Baht 61 million (2012: Baht 74 million) (the Company only: Baht 29 million, 2012: Baht 33 million).

As at 31 December 2013, the Group had certain building and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 1,178 million (2012: Baht 1,188 million) (the Company only: Baht 471 million, 2012: Baht 444 million).

Three subsidiaries have mortgaged land with structures thereon with a total net book value as at 31 December 2013 of Baht 800 million (2012: Baht 275 million) as collateral for bank overdraft, short-term and long-term credit facilities granted by commercial banks.

18. Intangible assets

(Unit: Thousand Baht)

Consolidated financial statements					
	Copyrights to musical compositions	Computer software	Program rights	Motion picture and cartoon copyrights, games licenses and other rights	Total
Cost:					
31 December 2012	304,609	258,784	1,298,727	1,535,186	3,397,306
Additions	9,742	36,334	209,565	2,567	258,208
Transferred from inventories - Internal creation	6,503	-	-	125,415	131,918
Written off	-	(3,593)	(39,655)	(12,201)	(55,449)
31 December 2013	<u>320,854</u>	<u>291,525</u>	<u>1,468,637</u>	<u>1,650,967</u>	<u>3,731,983</u>
Accumulated amortisation:					
31 December 2012	118,051	155,844	335,931	1,447,669	2,057,495
Amortisation for the year	185	28,812	201,073	146,624	376,694
Accumulated amortisation on written off	-	(2,853)	(1,233)	(10,557)	(14,643)
31 December 2013	<u>118,236</u>	<u>181,803</u>	<u>535,771</u>	<u>1,583,736</u>	<u>2,419,546</u>
Allowance for impairment loss on assets:					
31 December 2012	-	-	-	20,132	20,132
31 December 2013	-	-	-	20,132	20,132
Net book value:					
31 December 2012	<u>186,558</u>	<u>102,940</u>	<u>962,796</u>	<u>67,385</u>	<u>1,319,679</u>
31 December 2013	<u>202,618</u>	<u>109,722</u>	<u>932,866</u>	<u>47,099</u>	<u>1,292,305</u>
Amortisation for the year					
2012 (Baht 458 million included in cost of sales and services, and the balance in selling and administrative expenses)					<u>508,288</u>
2013 (Baht 153 million included in cost of sales and services, and the balance in selling and administrative expenses)					<u>376,694</u>

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

Separate financial statements					
	Copyrights to musical compositions	Computer software	Program rights	Motion picture and cartoon copyrights, games licenses and other rights	Total
Cost:					
31 December 2012	348,805	146,850	321,409	368,590	1,185,654
Additions	13,861	18,979	69,942	19	102,801
Transferred from inventories -					
Internal creation	6,503	-	-	27,465	33,968
Written off	-	(188)	-	(7,500)	(7,688)
31 December 2013	<u>369,169</u>	<u>165,641</u>	<u>391,351</u>	<u>388,574</u>	<u>1,314,735</u>
Accumulated amortisation:					
31 December 2012	130,516	87,527	317,931	330,160	866,134
Amortisation for the year	385	12,812	20,225	28,414	61,836
Accumulated amortisation on written off	-	(181)	-	(7,500)	(7,681)
31 December 2013	<u>130,901</u>	<u>100,158</u>	<u>338,156</u>	<u>351,074</u>	<u>920,289</u>
Allowance for impairment loss on assets:					
31 December 2012	-	-	-	4,264	4,264
31 December 2013	-	-	-	4,264	4,264
Net book value:					
31 December 2012	<u>218,289</u>	<u>59,323</u>	<u>3,478</u>	<u>34,166</u>	<u>315,256</u>
31 December 2013	<u>238,268</u>	<u>65,483</u>	<u>53,195</u>	<u>33,236</u>	<u>390,182</u>
Amortisation for the year					
2012 (Baht 358 million included in cost of sales and services, and the balance in selling and administrative expenses)					372,732
2013 (Baht 49 million included in cost of sales and services, and the balance in selling and administrative expenses)					61,836

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Intangible assets	1,292,305	1,319,679	390,182	315,256
Less: realise within one year (Note 12)	(762,127)	(185,116)	(21,292)	-
Intangible assets - net of realise within one year	<u>530,178</u>	<u>1,134,563</u>	<u>368,890</u>	<u>315,256</u>

As at 31 December 2013, the Group had certain computer software items have been fully amortised but are still in use. The gross carrying amount (before deducting accumulated amortisation) of those assets amounted to approximately Baht 65 million (2012: Baht 64 million) (the Company only: Baht 32 million, 2012: Baht 27 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.

19. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Deposit	203,615	142,174	109,529	56,012
Deposit for digital TV spectrum license auction	189,000	-	-	-
Leasehold right - net	-	2,779	-	-
Prepaid expenses	28,707	100,483	3,701	-
Others	118,502	103,272	41,333	51,554
Total	539,824	348,708	154,563	107,566

20. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate	Consolidated financial statements		Separate financial statements	
	(percent per annum)	2013	2012	2013	2012
Bank overdrafts	MOR - MOR+2%	8,539	29,980	-	-
Short-term loans from banks	3.08 - 6.38	4,275,000	2,900,998	2,000,000	326,000
Trust receipts	MMR	45,898	178,212	-	-
Total		4,329,437	3,109,190	2,000,000	326,000

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

The short-term loans from banks and trust receipts of four subsidiaries are guaranteed by the Company and co-investor, and contain certain covenants and restrictions. These relate to, among other things, the maintenance of their financial ratios.

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - related parties	85,896	100,751	129,494	208,657
Trade payables - unrelated parties	1,274,683	1,389,161	220,442	242,108
Accrued cost - related parties	4,724	4,185	7,568	3,394
Accrued cost - unrelated parties	489,172	401,507	212,671	177,467
Other payables for purchase of assets - unrelated parties	19,837	22,552	7,693	504
Accrued expenses	421,572	428,885	99,932	93,582
Accrued commission	225,875	199,543	-	-
Total trade and other payables	2,521,759	2,546,584	677,800	725,712

The balance of trade payables - unrelated parties consisted accounts payable - purchase of program rights from many overseas companies. As at 31 December 2013, the Group had trade payables - unrelated parties, not yet due within one year, amounting to Baht 54 million (2012: Baht 287 million) (the Company only: none, 2012: none).

22. Long - term loans

The outstanding balances as of 31 December 2013 and 2012 consisted of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
22.1 A Baht loan amounting to Baht 35 million. Principal and interest are to be paid in 120 monthly installments commencing February 2008, with interest charged at the minimum loan rate (MLR) minus interest rate 1.50 percentage per annum for the first 24 installments and the minimum loan rate (MLR) minus interest rate 0.50 percentage per annum after the 24 th installment.	-	16,894	-	-
22.2 A Baht loan amounting to Baht 12 million. Principal and interest are to be paid in 84 monthly installments commencing March 2010, with interest charged at the minimum loan rate (MLR) minus interest rate 1.00 percentage per annum.	-	7,656	-	-
22.3 A Baht loan amounting to Baht 9 million. Principal and interest are to be paid in 24 monthly installments commencing August 2012, with interest charged at the minimum loan rate (MLR) minus interest rate 1.50 percentage per annum.	-	4,684	-	-
22.4 A Baht loan amounting to Baht 280 million (2012: Baht 145 million). Principal and interest are to be paid in monthly installments commencing January 2014, within 9 years from the month of the first drawdown. The interest charged at the Minimum Loan Rate (MLR) minus 0.5 - 2.0 percent per annum.	280,000	145,000	-	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
22.5 A Baht loan amounting to Baht 280 million. Principal and interest are to be paid in 2 years installments commencing the first month of drawdown under agreement, with interest charged at the minimum loan rate (MLR) minus interest rate 1.75 percentage per annum.	-	280,000	-	280,000
22.6 A Baht loan amounting to Baht 30 million. Principal and interest are to be paid in 84 monthly installments commencing January 2014, with interest charged at the minimum loan rate (MLR).	30,000	-	-	-
Total	310,000	454,234	-	280,000
<u>Less:</u> Current portion due within one year	(28,848)	(301,348)	-	(280,000)
Long-term loans , net of current portion	281,152	152,886	-	-

The long-term loans in Note 22.4 and 22.6 are guaranteed by directors of the subsidiaries and secured by the mortgage of land and structures thereon of the subsidiaries. These guarantees are effective so long as the underlying obligations have not been discharged by the subsidiaries. The loan agreements contain certain covenants and restrictions. These relate to, among other things, the maintenance of their financial ratios.

23. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Liabilities under finance lease agreements	67,493	76,779	38,863	40,453
<u>Less:</u> Deferred interest expenses	(8,215)	(8,694)	(5,062)	(4,579)
Total	59,278	68,085	33,801	35,874
<u>Less:</u> Current portion due within one year	(18,721)	(22,784)	(9,993)	(11,555)
Liabilities finance lease agreements - net of current portion	40,557	45,301	23,808	24,319

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

As at 31 December 2013 and 2012, future minimum lease payments required under the finance lease agreements are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2013			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	22	45	-	67
Deferred interest expenses	(3)	(5)	-	(8)
Present value of future minimum lease payments	19	40	-	59

(Unit: Million Baht)

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

(Unit: Million Baht)

Separate financial statements As at 31 December 2013				
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	12	27	-	39
Deferred interest expenses	(2)	(3)	-	(5)
Present value of future minimum lease payments	10	24	-	34

(Unit: Million Baht)

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

24. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Undue output tax	202,084	233,671	99,558	87,794
Provision for sales returns	140,124	32,036	27,591	28,127
Others	94,989	170,792	9,455	14,919
Total	437,197	436,499	136,604	130,840

25. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Defined benefit obligation at beginning of year	260,840	232,055	119,257	108,498
Current service cost	30,334	22,391	15,155	6,981
Interest cost	9,212	8,615	5,496	3,778
Benefits paid during the year	(6,545)	(2,221)	(4,342)	-
Actuarial loss	41,197	-	7,034	-
Provisions for long-term employee benefits at end of year	335,038	260,840	142,600	119,257

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	30,334	22,391	15,155	6,981
Interest cost	9,212	8,615	5,496	3,778
Total expense recognized in profit or loss	39,546	31,006	20,651	10,759
Line items under which such expenses are included in profit or loss				
Cost of sales and services	479	447	27	54
Selling and administrative expenses	39,067	30,559	20,624	10,705

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2013 (% per annum)	2012 (% per annum)	2013 (% per annum)	2012 (% per annum)
Discount rate	3.75	4.50	3.75	4.50
Future salary increase rate (depending on age and job position of employee)	5.00 - 6.00	4.00 - 6.00	5.00	4.00
Inflation rate (for other fixed income)	0.00 for the first 3 years and 2.50 afterward	0.00 for the first 3 years and 2.50 afterward	0.00 for the first 3 years and 2.50 afterward	0.00 for the first 3 years and 2.50 afterward

26. Share Capital

On 9 August 2013, the Extraordinary General Meeting of the Company's Shareholders no. 1/2556 passed resolutions on the following matters.

- a) Approval was given to decrease the Company's registered share capital from Baht 530.56 million (530.56 million ordinary shares of Baht 1 each) to Baht 530.26 million (530.26 million ordinary shares of Baht 1 each), by canceling 291,153 registered shares that had yet to be allocated.
- b) Approval was given to increase the Company's registered share capital from Baht 530.26 million (530.26 million ordinary shares of Baht 1 each) to Baht 636.32 million (636.32 million ordinary shares of Baht 1 each) for support the issuance of new shares to existing shareholders (Rights Offering) according to Pro rata basis of shares.

In September 2013, the Company offered newly issued ordinary shares to their shareholding percentage (Rights Offering) in the ratio of 5 existing ordinary shares to 1 new ordinary share, at an offer price of Baht 10 each. The shares were sold and total proceeds from the share issuance were Baht 1,061 million, with a share premium of Baht 954 million. The Company registered the resulting change in its paid-up capital with the Ministry of Commerce on 11 September 2013.

27. 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.

28. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Salary and wages and other employee benefits	2,597,615	2,350,417	844,728	776,732
Depreciation	350,242	297,832	52,142	62,794
Amortisation	376,694	508,288	61,836	372,732
Rental expenses from operating agreements	1,077,787	1,115,420	112,785	108,699
Raw materials and consumables used	14,031	6,090	8,128	5,979
Changes in inventories of finished goods and work in progress	216,115	(66,300)	11,089	116,820

29. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Current income tax :				
Current income tax charge	(169,733)	(221,637)	(11,169)	(27,842)
Deferred tax :				
Relating to origination and reversal of temporary differences	78,522	37,368	45,600	5,722
Income tax expense reported in the income statement	(91,211)	(184,269)	34,431	(22,120)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Deferred tax relating to actuarial losses	8,239	-	1,407	-
Deferred tax relating to gain (loss) on change in value of available-for-sale investments	66,053	(31,703)	66,053	(31,703)
	<u>74,292</u>	<u>(31,703)</u>	<u>67,460</u>	<u>(31,703)</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Accounting profit (loss) before tax	<u>(1,129,941)</u>	<u>(64,702)</u>	<u>219,772</u>	<u>408,626</u>
Applicable tax rate of the Company	20%	23%	20%	23%
Accounting profit (loss) before tax multiplied by applicable tax rate	(225,988)	(14,881)	43,954	93,984
Effects of changes in the applicable tax rates	-	5,464	-	858
Effects about tax losses	336,410	203,635	-	-
Effects of preparing the consolidated financial statements	(39,600)	-	-	-
Share of profit from investments in associates	(3,195)	(20,122)	-	-
Difference in tax rate in group companies	379	886	-	-
Effects of :				
Promotional privileges (Note 30)	(8,310)	(5,330)	-	-
Dividends received are excluded from taxable profit	(1,641)	(7,920)	(102,970)	(86,152)
Non-deductible expenses	34,456	27,085	16,241	24,218
Additional expense deductions allowed	(1,300)	(4,668)	(256)	(1,017)
Others	-	120	8,600	(9,771)
Total	<u>23,205</u>	<u>9,287</u>	<u>(78,385)</u>	<u>(72,722)</u>
Income tax expenses reported in the income statement	<u>91,211</u>	<u>184,269</u>	<u>(34,431)</u>	<u>22,120</u>

The tax rates enacted at the end of the reporting period of the Company and its subsidiaries is 0% to 20% (2012: 0% to 23%).

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

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
	(Restated)			(Restated)		
Deferred tax assets						
Allowance for doubtful accounts	17,303	19,068	19,587	6,823	8,969	10,670
Allowance for diminution in value of inventories	66,884	25,178	20,405	66,296	24,419	19,711
Allowance for asset impairment	534	534	534	-	-	-
Accumulated depreciation - Plant and equipment	217	234	251	-	-	-
Accumulated amortisation - Computer software	3,798	-	-	2,715	-	-
Provision for long-term employee benefits	66,857	52,087	45,918	28,520	23,851	21,700
Provision for sales returns	5,641	6,028	5,313	5,518	5,626	5,063
Unused tax loss	80,918	52,433	26,073	-	-	-
Total	242,152	155,562	118,081	109,872	62,865	57,144
Deferred tax liabilities						
Unrealised gain from changes in value of investments						
- Current investments	15	186	73	-	-	-
- Securities available-for-sale	14,491	80,544	48,841	14,491	80,544	48,841
Total	14,506	80,730	48,914	14,491	80,544	48,841

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a Royal Decree. The Company has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

As at 31 December 2013 the Group has deductible temporary differences and unused tax losses totaling Baht 526 million (2012: Baht 228 million) (the Company only: none, 2012: none), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

30. Promotional privileges

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

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

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

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

(Unit: Thousand Baht)

	Promoted operation		Non - promoted operation		Total	
	2013	2012	2013	2012	2013	2012
Revenues from lease of studio	84,069	53,330	67	119	84,136	53,449

31. Earnings per share

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

Basic earnings per share are calculated below.

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Profit (loss) attributable to equity holders of the Parent (Thousand Baht)	(1,282,710)	(322,063)	254,203	386,505
Weighted average number of ordinary shares (Thousand shares)	564,607	530,265	564,607	530,265
Basic earnings per share (Baht/share)	(2.27)	(0.61)	0.45	0.73

32. 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 is organised into business units based on its businesses and have four principal reportable segments i.e. music business, media business (radio, television, motion pictures and publishing), broadcasting business and marketing events business. These operations are mainly carried on in 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.

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the year ended 31 December 2013 and 2012, respectively.

	(Unit: Million Baht)						Total				
	Music		Media		Broadcasting		Marketing events		Others	Elimination of inter-segment revenues	Total
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Revenue from external customers	3,084	3,575	3,915	3,565	1,563	2,101	1,174	1,782	886	412	-
Inter-segment revenues	204	216	390	550	684	1,001	217	435	342	128	(1,837)
Total revenues	3,288	3,791	4,305	4,115	2,247	3,102	1,391	2,217	1,228	540	(2,330)
Segment operating income (loss)	1,052	1,380	1,622	1,625	(245)	(130)	337	447	596	203	(528)
Interest income											(152)
Other income											285
Selling and servicing expenses											333
Administrative expenses											(1,007)
Share of profit from investments in associates											49
Finance cost											36
Income tax expenses											(875)
Losses for the year											(2,863)
Property plant and equipment											(3,216)
Intangible assets											16
Other assets											87
Total assets										12,604	11,465

Major customers

For the year 2013 and 2012, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

33. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees and the Group contribute to the fund monthly at the rate of 3 and 5 percent of basic salary. The fund, which is managed by SCB Asset Management Company Limited and Finansa Asset Management Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Group contributed Baht 45 million (2012: Baht 40 million) to the fund and Baht 18 million for the Company only (2012: Baht 16 million).

34. Commitments and contingent liabilities

34.1 Investing commitments

As at 31 December 2013, the Group has uncalled portions of investments in two associates registered in Thailand, totaling Baht 18 million and in two associates registered in foreign, totaling US dollars 1 million and VND 4,910 million (2012: Baht 18 million), and of which Baht 530 million are from investments of the Company only in six subsidiaries registered in Thailand (2012: Baht 306 million).

34.2 Capital commitments

- a) As at 31 December 2013, the Group had capital commitment in relation to the program rights with a company and foreign companies during year 2014 to 2018 of approximately Baht 32 million and US dollars 104 million, respectively. (2012: with a foreign company and a foreign federation of approximately US dollars 43,500 and Euro 2 million, respectively).
- b) As at 31 December 2013, the Group had capital commitment of approximately Baht 80 million, relating to the purchase of land, the construction of a studio and the installment of system in master control room (2012: Baht 104 million).
- c) As at 31 December 2013, the Group had capital commitment of approximately Baht 5,421 million, relating to the license fee as mentioned in Note 1.2 to the financial statements.

34.3 Operating lease commitments

- a) The Group has entered into several lease agreements with third parties and two related parties in respect of the lease of air time for programme broadcasting and advertising placement at certain radio and television stations, the lease of office building and shop space, theatre lease, equipment leases and the provision of related services and market research and survey services. Under certain agreements, payments are to be made based on a percentage of sales, before deducting expenses, as stipulated in the individual agreement, and the 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 financial statements		Separate financial statements	
	2013	2012	2013	2012
Payable within :				
1 year	719	684	112	52
2 to 5 year	330	163	149	6
Thereafter	148	158	-	-

- b) A subsidiary has entered into an agreement with a foreign company to lease broadcast equipment. Under this agreement, a subsidiary is obliged to pay a rental totaling US dollars 1 million ending in 2014 (2012: US dollars 1 million of the Company only).

34.4 Long-term service commitments

- a) The Company and its subsidiaries have entered into agreements with producers and singers to provide certain services to the Company and its subsidiaries under which the Company and its subsidiaries are to pay compensation at fixed rates based on the volume of sales generated as a result of the provision of these services, once sales exceed minimum quantity guarantees set out in the agreements.
- b) A subsidiary has entered into an agreement with a company granting it the right to use a karaoke computer program for a period of 50 years. The subsidiary has to pay a fee to that company at a rate of three percent of the wholesale price, after deducting discounts, whenever the subsidiary is able to sell such program. The subsidiary and that company have to comply with various conditions stipulated in the agreement.

- c) Under the agreements with two foreign companies in relation to the use of its trademark and copyright in the production and distribution of a magazine, which the expiry dates are in 2012 and 2020, a subsidiary is obliged to pay royalty fee calculated at a certain percentage of its net turnover but not less than the minimum amount stipulated in the agreements and to pay the copyright fee on an annual basis at the amount as stipulated in the agreements. The subsidiary is thereby required to comply with conditions stipulated in the agreements.
- d) Under the agreements with two companies licensing to broadcast to the public, a subsidiary is committed to pay a royalty fee at a percentage of its revenues from sales of advertising, before deducting expenses for a period of 1 year, ending in the year 2014, as specified in the agreements.
- e) The Company and its subsidiaries have entered into agreements with seven companies and two foreign companies, who are to provide satellite transmission services for periods of 1 to 10 years, ending in 2014 to 2023. The Company and its subsidiaries are obliged to pay transmission service fees and other expenses incurred in relation to such services, as stipulated in the agreements, totaling Baht 270 million and US dollars 132 million (2012: Baht 500 million and US dollars 17 million) and are thereby required to comply with conditions stipulated in the agreements.

34.5 Guarantees

- a) As at 31 December 2013, the Company has provided guarantees to bank for credit facilities granted to four subsidiaries amounting to Baht 2,120 million (2012: a subsidiary amounting to Baht 20 million). Generally, the Company's guarantee is binding for as long as the underlying obligations have not yet been discharged by such companies.
- b) As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 190 million and US dollars 84 million issued by banks on behalf of the Group and Baht 7 million of the Company only in respect of certain performance bonds as required in the normal course of business (2012: Baht 248 million and Baht 8 million of the Company only). These included letters of guarantee amounting to Baht 184 million (2012: Baht 239 million) to guarantee contractual performance, Baht 6 million (2012: Baht 9 million) to guarantee electricity use, among others and US dollars 84 million (2012: none) to guarantee payments on program rights.
- c) As at 31 December 2013, a subsidiary had letter of credit issued by a commercial bank to guarantee the payment for goods amounting to Baht 33 million.

34.6 Litigation

- a) A subsidiary was sued as jointly responsible for infringement of the copyright to musical works, with initial damages of Baht 50 million claimed together with Baht 100,000 per month for future damages as from the date of litigation (26 November 2010) until infringement of the copyright ceases. The plaintiff also requested interest at a rate of 7.5 percent per annum on the principal until settlement is complete. On 23 April 2012, the Central Intellectual Property and International Trade Court dismissed the case, and the plaintiff is currently appealing.
- b) The Company and a subsidiary were sued for amounts of USD 5 million and Baht 2 million in the grounds that they were jointly responsible for infringement of a licensing agreement. On 30 September 2013, the Central Intellectual Property and International Trade Court dismissed the case. The case was finally judged and there is no appeal from any party.

35. Financial instruments

35.1 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 are 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.

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 2013							
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	1,128	-	-	525	-	1,653	Note 8
Current investments	1,985	-	-	81	-	2,066	Note 9
Trade and other receivables	-	-	-	-	2,422	2,422	-
Loans to related parties	-	-	-	5	-	5	Note 7
	3,113	-	-	611	2,422	6,146	
Financial liabilities							
Bank overdraft and short-term loans	4,275	-	-	54	-	4,329	Note 20
Trade and other payables	-	-	-	-	2,522	2,522	-
Long-term loans	-	-	-	310	-	310	Note 22
Liabilities under finance lease agreements	19	40	-	-	-	59	3.43-8.15
	4,294	40	-	364	2,522	7,220	

(Unit: Million Baht)

Consolidated financial statements As at 31 December 2012							
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	643	-	-	202	-	845	Note 8
Current investments	523	-	-	33	-	556	Note 9
Trade and other receivables	-	-	-	-	2,782	2,782	-
Loans to related parties	-	-	-	6	-	6	Note 7
	1,166	-	-	241	2,782	4,189	
Financial liabilities							
Bank overdraft and short-term loans	2,901	-	-	208	-	3,109	Note 20
Trade and other payables	-	-	-	-	2,547	2,547	-
Long-term loans	-	-	-	454	-	454	Note 22
Liabilities under finance lease agreements	23	45	-	-	-	68	3.43-8.15
	2,924	45	-	662	2,547	6,178	

(Unit: Million Baht)

Separate financial statements As at 31 December 2013							
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	343	-	-	520	-	863	Note 8
Current investments	1,875	-	-	-	-	1,875	Note 9
Trade and other receivables	-	-	-	-	1,733	1,733	-
Loans to related parties	-	-	-	1,595	-	1,595	Note 7
	<u>2,218</u>	<u>-</u>	<u>-</u>	<u>2,115</u>	<u>1,733</u>	<u>6,066</u>	
Financial liabilities							
Bank overdraft and short-term loans	2,000	-	-	-	-	2,000	Note 20
Trade and other payables	-	-	-	-	678	678	-
Short-term loans from related parties	-	-	-	1,363	-	1,363	Note 7
Liabilities under finance lease agreements	10	24	-	-	-	34	6.00-7.50
	<u>2,010</u>	<u>24</u>	<u>-</u>	<u>1,363</u>	<u>678</u>	<u>4,075</u>	

(Unit: Million Baht)

Separate financial statements As at 31 December 2012							
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	-	-	-	140	-	140	Note 8
Trade and other receivables	-	-	-	-	1,825	1,825	-
Loans to related parties	-	-	-	14	-	14	Note 7
	<u>-</u>	<u>-</u>	<u>-</u>	<u>154</u>	<u>1,825</u>	<u>1,979</u>	
Financial liabilities							
Bank overdraft and short-term loans	326	-	-	-	-	326	Note 20
Trade and other payables	-	-	-	-	726	726	-
Liabilities under finance lease agreements	12	24	-	-	-	36	6.00-7.50
	<u>338</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>726</u>	<u>1,088</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.

35.2 Fair values of financial instruments

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

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

36. 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 2013, the Group's debt-to-equity ratio was 2.17:1 (2012: 1.92:1) and the Company's was 1.04:1 (2012: 0.55:1).

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2014.

Sub-Committee Report

Audit Committee Report

GMM Grammy Public Company Limited and Its Subsidiaries

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

In 2013, the Committee had performed according to the Audit Committee Charter which complies with the relevant rules and regulations set forth by the Stock Exchange of Thailand and the Good Corporate Governance policy. The Committee conducted 4 meetings, the summary of attendance of the Audit Committee members is as follows :

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

The Committee activities could be summarized as follows:

1. Reviewed the quarterly and the annual financial statements for the year 2013 regarding the disclosure of significant information, rendered by the Internal Audit Department, the External Auditors and the Management, to ensure the accuracy, reliability and adequacy.
2. Reviewed the efficiency and the adequacy of the GMM Grammy Group’s internal control system in cooperation with the Internal Audit Department, the External Auditors and the Management.
3. Reviewed that the Company abided by the SEC and SET rules and regulations, other related laws, the Company’s good corporate governance and Code of Ethics Policies, through coordination with Management and Internal Audit Department.
4. Considered and recommended the appointment of external auditors and their audit fee. For the year 2014, 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 Miss Siraporn Ouaanunkun or Mr. Termphong Opanaphan or Mr. Khitsada Lerdwana, Certified Public Accountant (Thailand) No. 3844, 4501 and 4958 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 2014. The appointment of the External Auditor for the year 2014 was approved by the Board of Directors and will be proposed to the Shareholders for their further approval. For the year 2013, the Committee conducted 1 meeting with External Auditor.
5. Reviewed related transactions or conflict of interest issues to ensure that transactions were reasonable and fair in accordance with the rules or announcements of the SET and the disclosures were correct and complete.

6. Reviewed and acknowledged internal audit results quarterly, followed up management actions and progresses on the internal and external audit findings and recommendations, approved the internal audit plan for the year 2014. In addition, the Committee reviewed the independence of the Internal Audit and concurred to the performance evaluation of the Internal Audit staffs and their remunerations which were assessed and proposed by Group Chief Executive Officer.
7. Annually reviewed and updated the Charter of Audit Committee and Internal Audit, to ensure that the Charters still suit with the Company's business environment.
8. Conducted the Audit Committee self assessment on its composition, qualification, activities in compliance to the audit Committee Charter, training, authority and the independence. For the year 2013, the Committee concluded that the Committee has adequately completed its duty as assigned and reported the assessment results along with the Committee's activities to the Board of Directors Meetings on February 28, 2014.
9. Reviewed that the Company abided by the Good Corporate Governance and Code of Ethics Policies, reviewed and updated the policy with the Management and internal auditor to suit with the Company's business environment before rendering it to the Board of Directors for approval.

As the result of the above obligations, the Committee agreed that in general, the internal control system of the company was adequate and appropriate for the connected transactions associated with the major shareholders, directors, management or other related persons. In addition, there was adequate and appropriate control system to the business operations of the Company. 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.



(Dr. Naris Chaiyasoont)
Chairman of the Audit Committee
February 28, 2014

Risk Management Committee

GMM Grammy Public Company Limited.

The Risk Management Committee was established by the Board of Directors resolution with duties to promote the set-up of an enterprise-wide risk management system and to embed a GMM GRAMMY Group (“the Group”) culture. This is to provide reasonable assurance among all stakeholders that the Group’s strategic operations are geared towards effective and efficient achievement of corporate goals and objectives. As of December 31, 2013, the Committee was comprised of 11 members who are the Board of Directors and top executives with relevant knowledge, competence and experience that beneficial to the group risk management. The Director of the Corporate Risk Management and Internal Control Department serves as the secretary to the Committee.

The Committee performs duties as designated by the Board of Directors, within the purview of power and responsibility as defined in the Risk Management Committee Charter. During the year 2013, the Committee held three meetings with the following results:

1. Acknowledged the significant risks of the corporate and each businesses group, also approved the related risk responses for the year 2013.
2. Carefully supervised the progress and performance of the risk management systems to see whether they are sufficient and appropriate for the nature of the Company’s businesses.
3. Reviewed the Group Risk Management Policy and Framework.
4. Reported regularly to the Board of Directors on the significant risks and their responses.
5. Performed Risk Management Committee Self Assessment for the year 2013
6. Proposed the necessary appointment on the Committee and related person for the achievement of corporate objectives.

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



(Ms. Boosaba Daorueng)
Chairman of Risk Management Committee
February 28, 2014

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee, GMM Grammy Public Company Limited (the Committee), as of December 31, 2013, comprised 3 directors (2 being independent directors), with Mr. Dej Bulsuk being Chairman of the Nomination and Remuneration Committee, Dr. Naris Chaiyasoot and Mr. Paiboon Damrongchaitham, members of the Nomination and Remuneration Committee.

During the year 2013, the Committee in performing roles in accordance with its charter and the scope of authority held 3 meetings (with full attendance in each of the meetings) 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, Mr. Chai Nasylvanta, Mr. Dej Bulsuk, Mr. Weerawong Chittmittrapap and Ms. Boosaba Daorueng.

To enhance and support the Company's good corporate governance policy, the Company welcomed minor shareholders' proposal for qualified candidates to be appointed as the Company's directors through the Company Secretary, Investor Relations Unit, or the Company's website from September 14, 2012 to January 15, 2013. During the period, no shareholder nominated any candidate for consideration. Considering the appropriateness and maximum benefits to the Company, the Committee was of the opinion that the retiring directors had full qualifications as stipulated by the Public Limited Companies Act B.E. 2535 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. 1/2013 on February 28, 2013 the nomination of the 4 retiring directors for appointment as the Company's directors for another term before submitting to the 2013 Annual General Meeting of Shareholders held on April 26, 2013 for approval.

- (2) Nomination of a person with qualifications for the Company's directorship to replace the director who resigned by considering and proposing to the Board of Directors' Meeting No. 2/2013 on March 20, 2013 to appoint of Dr. Naris Chaiyasoot as the Company's independent director, Chairman of the Audit Committee and member of the Nomination and Remuneration Committee, replacing Mr. Chai Nasylvanta, who had resigned.
- (3) Determination of director remuneration that was gratuities for the year 2013 together with allocation criteria for submission to the Board of Directors to propose at the 2013 Annual General Meeting of Shareholders held on April 26, 2013 for approval.
- (4) Determination of the Audit Committee's remuneration as annual compensation for the year 2013 together with allocation criteria for submission to the Board of Directors for approval and submission to the 2013 Annual General Meeting of Shareholders held on April 26, 2013 for acknowledgment.

The remuneration of directors and the Audit Committee's 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 Thai Institute of Directors (IOD)'s Report of the Survey on Remuneration of Directors and Management of Listed Companies, for suitability and transparency.

- (5) Assessment of the performances of the Group Chief Executive Officer (Group CEO), Ms. Boosaba Daorueng, for the year 2013. The 3 members of the Committee deemed it appropriate to rate the Group CEO's performances in 2013 as "Excellent" or 92.3% (within the range of 90% - 95%), and reported the assessment result to the Board of Directors' Meeting No. 1/2014 for approval.
- (6) Determination of a self - assessment form for the Nomination and Remuneration Committee, Corporate Governance and Ethics Committee and Audit Committee to use for self assessment in 2013.
- (7) Determination of a self - assessment form for the Company's director (individual) to use for directors' self - assessment in 2013 before submission to the Board of Directors for approval. Items (6) and (7) were undertaken in accordance with the Board of Directors' resolution to have the Company's committees and each director assess their performance based on the new criteria under the Thai Institute of Directors (IOD)'s Survey of Thai Listed Companies' Corporate Governance.
- (8) Review and approval of the criteria/policy/process in the nomination and appointment of the Company's directors for clarity and compliance with IOD's criteria on the nomination and appointment of directors (as per details in item "Corporate Governance" given in the 2013 Information Disclosure Form (Form 56-1) of the Company)
- (9) Determination of the Board Skill Matrix for use as a tool in determining director's qualifications and guidelines in considering the qualifications or skills the Board requires or lacks, so as to increase the efficiency of the Company's director nomination process, in accordance with IOD's guidelines on good corporate governance.
- (10) The Committee has conducted self-performance assessment for the year 2013 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 3.89.

The Committee reported its performance to the Board of Directors for acknowledgement on a regular basis. Throughout the year 2013, the Committee performed its duties with utmost ability, caution, prudence, transparency and independence, for the best benefit of the Company, shareholders and other stakeholders.



(Mr. Dej Bulsuk)

Chairman of the Nomination and Remuneration Committee

February 28, 2014

GMM Grammy Public Company Limited

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 support efficient and transparent management in order to build reliability and confidence to shareholders, investors, and all stakeholders. The company is engaged in the development and promotion of education, environmental and social which will lead to stability, progress, and sustainable growth of the company.

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

The Board of Directors has set to have the policies on corporate governance and ethics and code of conduct formulated since 2005, with the review, revision, and improvement thereof being made to suit the circumstances, comply with additional guidelines issued by regulatory agencies, and meet international standards, for the Board of Directors to consider on a regular basis. Currently the manual considered as operating guidelines is **Corporate Governance and Ethics Manual** (5th revision), effective August 14, 2013 onwards.

In 2013, the Corporate Governance and Ethics Committee has continued to promote and support the Company for a good corporate governance to be comparable to international standards, so the **Corporate Governance and Ethics Manual** had been revised so as to be in compliance with the Stock Exchange of Thailand, Thai Institute of Directors, and ASEAN Corporate Governance Scorecard.

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

1. For evaluation of corporate governance reports of Thai listed companies by the Thai Institute of Directors (IOD), the Company was rated "Very Good" in 2006, 2008, 2009, and 2010, (in 2007, there was no survey on corporate governance of listed companies) and "Excellent (5 Stars)" for three consecutive years, in 2011, 2012, and 2013.
2. For the evaluation of AGM Checklist quality by the Thai Investors Association, the Company was rated "Very Good" in 2008, 2010, 2011, and 2013 and "Very Good: Should be a Role Model," in 2009 and 2012, scoring fully 100 points.
3. For the evaluation of corporate governance in ASEAN countries by ASEAN Capital Markets Forum (ACMF), the Company was 1 of 50 listed companies in Thailand that have been evaluated with highest score in good corporate governance.
4. The CG Committee has conducted self-performance assessment 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 3.71.

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.



(Mr. Weerawong Chittmittrapap)

Chairman of the Corporate Governance and Ethics Committee

February 28, 2014

Corporate Governance

Corporate Governance Policy

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

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

In 2013, the Board of Directors assigned the Corporate Governance and Business Ethics Committee to review the policies and the Corporate Governance and Business Ethics Manual for improvement in accordance with the IOD's Survey of Thai Listed Companies' Corporate Governance, where criteria have been revised to comply with the assessment criteria of ASEAN CG Scorecard Project.

The Board of Directors, at its Meeting No. 7/2013 on August 14, 2013, reviewed and approved the "5th version of the Corporate Governance and Business Ethics Manual" with major revisions as follows:

1. Changing "Vision and Duty" to "Vision and Mission" and the Board of Directors required that the Company's vision and mission be reviewed at least every 5 years, so as to determine and adjust the Company's business targets and directions to suit the situation as appropriate.
2. Determination of guidelines on the nomination and appointment of directors by taking into consideration the appropriateness of the Board of Directors' composition, qualifications, abilities and diversity including consideration of the recruitment, selection and nomination of qualified persons for directorship in case of retirement and/or a vacancy and/or an additional post in directorship, where necessary skills required in the Board of Directors were considered by using the Board Skill Matrix as a tool, in accordance with the Company's new criteria on the nomination and appointment of directors.
3. Setting an additional policy on a quorum of the Board of Directors' meeting that in passing a resolution, at least 2/3 of the total number of directors must be presented. This has been a practice of the Company throughout, although in the past it had not been determined as a policy.
4. Setting additional practices for directors and management (based on the definitions given by the SEC and SET), to report their share trading at least 1 day before the trading day in accordance with the share trading report form, including relevant information, to the Company Secretary for further submission to the Board of Directors, as appropriate.

5. Extending the Board of Directors' annual performance assessment to cover both individual director's performance and the Board of Directors' performance, formerly covering only the Board's performance.
6. Extending the annual performance assessment to cover sub-committees, formerly covering only the Audit Committee.
7. Extending policies and practices for the treatment of creditors in regard to guarantee conditions, fund management and default cases.

In addition, the Company has disclosed information, in both Thai and English, in its website as follows:

1. The Company Group's structures
2. Direct and indirect shareholding of directors, major shareholders and high-level executives
3. Policies on the Board of Directors' composition and service years of each director
4. The Company's Articles of Association
5. The Company's Memorandum of Association
6. Charter of Group Executive Committee and charter of the 4 sub-committees, namely, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance and Ethics Committee
7. Employee's Ethics (Employee's Code of Conduct)
8. Investor Relation's Ethics

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 goals 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.

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

In 2013, there was neither complaint nor query submitted via auditcommittee@gmmgrammy.com., nor action in a manner that violated or failed to comply with applicable laws, rules and regulations of SET and SEC.

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 (<http://www.gmmclick.gm>) and the Company's website (<http://www.gmmgrammy.com>). Directors, executives, and employees will accordingly be aware of and abide by the principles of corporate governance and business ethics in performing their duties with accountability, transparency, integrity, prudence, and ethics towards oneself, the organization, the shareholders, and other stakeholders. Activities are to be held to enhance knowledge, understanding, and conscience in performing duties responsibly, cautiously and honestly under the corporate governance principles and business ethics of the Company.

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 2013**

According to the Corporate Governance Report of Thai Listed Companies prepared by the Thai Institute of Directors with support of the Stock Exchange of Thailand (SET) and the Office of Securities and Exchange Commission (SEC), the result of the corporate governance report evaluation of the Company remained at the level of "excellent: 5 stars." with 92.73 points as in 2012 and 2011, while the average score of all the 526 listed companies under the survey was 78 points.

- **Quality of Annual General Meeting of Shareholders 2013**

According to the evaluation of the quality of annual general meetings of shareholders (AGM checklist) of listed companies carried out by the Thai Investors Association, the result of the quality evaluation of the Company's 2013 Annual General Meeting of Shareholders was rated "superb" with 98.75 points, while the average score of all the 475 listed companies under the survey was 90.81 points, The results of the quality evaluation of the Company's annual general meetings of shareholders in 2011 and 2012, were rated "superb," and "excellent" respectively.

- **ASEAN CG Scorecard Country Reports and Assessment 2012-2013**

ASEAN Capital Markets Forum (ACMF), with support of Asian Development Bank (ADB) in cooperation with corporate governance experts in each country, assessed corporate governance of listed companies in 6 participating countries, namely, Indonesia, Malaysia, the Philippines, Singapore, Vietnam and Thailand, as a pilot project for the application of ASEAN CG Scorecard in ASEAN countries.

According to ASEAN CG Scorecard Country Reports and Assessment 2012-2013 for Thailand, the Company's CG score ranked among the top 50 listed companies of Thailand.

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

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

2) The Company announces the timeframe for acceptance of matters via SET's channel and the Company's website at least three months prior to the last day of the fiscal year and also send the criteria to submit queries in advance, attached to the Notice of Annual General Meeting of shareholders.

3) The Company shows details of qualifications of persons entitled to make proposal, relevant conditions, and consideration procedure, and provides convenience to shareholders by allowing them to download a form via the Company's website on the menu "Corporate Governance", item "Shareholders Information." Shareholders can send the form unofficially to the Company Secretary via electronic mail or fax before submitting the original version which has been completely filled out and supporting documents to the Company Secretary. The Company Secretary will propose the matters proposed by the shareholders to the Board of Directors for consideration. In case of nomination of directors, the Company Secretary will submit candidates to the Nomination and Remuneration Committee to consider qualifications and propose to the Board of Directors for consideration and propose to the shareholders' meeting for vote.

4) In case the Board of Directors approves the proposed matters and names as considered appropriate, the Company will add such matters and names to the invitation notice by indicating that the matters and names have been proposed by the shareholders together with opinions of the Board of Directors. In case the proposed matters and names are disapproved, the Board of Directors will make announcement together with clarification thereon through SET's channel and the Company's website on the menu "Corporate Governance", item "Shareholders Information." and notify the shareholders again at the shareholders' meeting.

In 2013, the Company allowed the shareholders to propose in advance matters deemed significant for addition in the agenda of the Company's 2013 Annual General Meeting of Shareholders and to nominate persons who have knowledge, expertise, and qualifications for election as directors. Shareholders can make proposal from September 14, 2012 until January 16, 2013 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.

Chapter 1 Rights of Shareholders

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

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

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

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

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

- 1) Shareholders who hold the Company's shares not less than 3% of the issued and fully paid-up shares are allowed to propose agenda items for the annual general meeting of shareholders and make nominations of directors, as well as to send queries relating to the Company prior to the Annual General Meeting of Shareholders (AGM).

3. **Rights to attend the shareholders' meetings**

The Board of Directors supports organizing of the shareholders' meetings which take into account the rights and equitability of shareholders for the attendance of meetings according to the laws and good corporate governance principles. The annual general meeting of shareholders is set to be held once a year

within 4 months from the last day of the fiscal year (The Company's last day of the fiscal year is December 31 of each year). In case where there are urgent matters for special meetings to discuss issues that affect or relate to the shareholders' benefits or are related to regulations, laws that require urgent approval from the shareholders, there will be a call for an extraordinary meeting of shareholders case by case. The Company's guidelines are as follows:

- 1) Before the date of the shareholders' meeting
 - Presentation and Information Delivery to Shareholders. The Company has appointed Thailand Securities Depository Co., Ltd. (TSD) as its securities registrar to send the meeting invitation notice, documents, and other information which is important and necessary for decision-making to shareholders (in English in case of foreign shareholders) at least 21 days prior to the meeting. In addition, the Company has disseminated the invitation notice and all relevant information (excluding annual report) on its website 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 three consecutive days at least 7 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 The 3 types of proxy forms with instructions thereof delivered with stamp duty provided free of charge for convenience in sending the valid proxy form with supporting documents in advance to the Company Secretary prior to the meeting day for the Company's staff to examine the documents before the proxy's arrival.
 - Staff and technology 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 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 2013 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.

At the 2013 Annual General Meeting of Shareholders held on April 26, 2013, the Board of Directors nominated 4 independent directors to be proxy holders

and there were 24 shareholders holding a total of 8,362,054 shares appointing Independent Director to attend the meeting and vote on their behalf. The Company has opened registration for 2 hours before the Meeting.

- 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 2013, the Company organized the annual general meeting of shareholders on April 26, 2013 at 2.00 pm at the Grand Meeting Room, 21st Floor, 50 GMM Grammy Place, Sukhumvit 21 Road (Asoke), Klongtoeineua, Wattana, Bangkok. A total of 10 directors attended the meeting, comprising Chairman of the Board, Vice Chairman of the Board, and Chairmen of Sub-committees, together with top management and representative from Legal Department And auditors, where there were 2 directors absent due to abroad business trip. 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.

Besides, the Company in 2013 held an extraordinary general meeting of shareholders, aiming mainly to increase the Company's registered capital by issuing and offering new ordinary shares to the Company's existing shareholders according to the number of shares held at the proportion of 5 existing ordinary shares to 1 new ordinary share. The meeting was held in accordance with laws, the Company's Articles of Association and the principles of good corporate governance, with the shareholders approving every agenda item as proposed.

At the annual general meeting and the extraordinary 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 SET by the next business day by identifying approval, disapproval, and abstention votes on each agenda item, and prepare meeting minutes in both Thai and English and submit them to SET and relevant agencies within 14 days from the date of the meeting, as well as disseminate the meeting minutes on the Company's website 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.

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

1) Appointment of directors

- The Board of Directors gives opportunity to shareholders

to appoint directors individually. The Nomination and Remuneration Committee will nominate persons to be appointed as directors at the meeting and attach the summarized profile of each director to be nominated as well as information which is beneficial to the shareholders for consideration.

- According to the Articles of Association of the Company, at every shareholders' meeting, 1/3 of the total directors shall vacate their office whereby those who remain in the office the longest shall retire by rotation. If the number of directors is not a multiple of 3, the number of directors closest to 1/3 shall vacate their office. The retiring director is eligible for re-election. The Board of Directors assigns the Nomination and Remuneration Committee to set guidelines for appointment of directors for shareholders as follows:

1. 1 share held is equivalent to 1 vote.
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.
3. Persons who receive the highest number of votes respectively shall be appointed as directors in the number of directors that have to be elected.

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

2) Removal of directors

Removal of any director from the position before the end of the term shall be in accordance with laws and regulations of the Company with the votes of at least 3/4 of the number of shareholders who attend the meeting and have the right to vote constituting the combined shares of not less than half of the shares held by the shareholders who attend the meeting and have the right to vote.

3) Determination of remuneration for directors

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

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

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

The Board of Directors prescribes that the appointment of auditors and determination of audit fees is subject to approval

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

6. Rights to profit sharing

The Board of Directors requires that appropriation of profit to shareholders in form of dividend shall be approved by shareholders at every annual general meeting of shareholders.

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

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

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

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

- The Stock Exchange of Thailand channel
- The Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) of the Company
- Website Company : <http://www.gmmgrammy.com>
- Office of Corporate Secretary : cs@gmmgrammy.com
- Investor Relations : ir@gmmgrammy.com
- Analyst meeting
- Analyst Site Visit
- Shareholder Site Visit
- Press conference/Press Release
- Activities held by the Stock Exchange of Thailand, etc.

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

Chapter 2 Equitable Treatment of Shareholders

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

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

8. The Board of Directors arranges for use of ballots and qualified vote processing program on every agenda item which requires vote casting for transparency and inspection can be made in case debates occur later on. Also, an inspector is prepared for counting of votes and the vote results and resolutions of the meeting shall be disclosed clearly in the meeting minutes.
9. The Board of Directors sets a policy of prevention of conflicts of interest and insider trading to seek interest for oneself or others in undue manner in the 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 breaches or does not comply with guidelines of SET and SEC.
10. In case of undertaking related party transactions which are required to be disclosed or to seek approval from shareholders according to requirements of the SET, prior to undertaking of the transaction, the Company has disclosed details such as name and relation of related parties, policy of determination of value of the transaction, rationale, as well as opinions on the transaction of the Audit Committee and the Board of Directors to shareholders clearly that the related party transactions are fairly undertaken at market prices and based on normal business practices.
11. The Board of Directors requires directors and executives (according to definitions of SEC and SET) to comply with Section 89 of the Securities and Exchange Act by reporting their interest and their related persons' (including whenever there is change to information) by assigning the Company Secretary to report interest information (including changes) to the meeting of the Board of Directors for acknowledgement every 6 months to consider transactions of the Company which may have conflicts of interest with the Company. Directors and executives who have any related interest shall not attend the meeting to express opinions and have no rights to make a resolution of such matter.
12. The Board of Directors requires directors and executives (according to definitions of the SEC and SET) to report on dealing of the company's securities at least 1 day before executing the transaction through Office of Corporate Secretary

Connected Transactions

The Board of Directors is aware of the importance of conducting its business with transparency and with due consideration of its stakeholders. As such, the corporate governance policy of the Company has clearly specified that all connected transactions of the Company and subsidiaries must be, at the minimum, approved by the management of the Company. If entering into any connected

transactions which fall under the criteria stipulated by the SET regarding disclosure of information and acts of listed companies on connected transactions and/or if entering into transactions of acquisition or disposal of assets of listed companies, the Company shall perform pursuant to the SET criteria and regulations requiring that such transactions are subject to endorsement and/or approval by the management and/or the Board of Directors' meeting and/or the shareholders' meeting, as the case may be, on which related parties will not be entitled to vote.

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

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

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

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

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

In 2013, the Company did nothing in violation of or against the requirements of the SEC and SET, whether insider trading, connected transactions or asset trading.

Chapter 3 Consideration of the Roles of Stakeholders

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

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.
1. Treating employees with respect for their honour, dignity, and human rights.
2. Appointing, transferring, and giving prizes as well as punishing 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 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. Complying with agreements and conditions mutually agreed upon strictly and in case of non-compliance with any conditions, including obligation and liabilities, notify customers immediately to jointly seek solutions on a rationality basis.
2. Maintaining an appropriate capital structure in order to support the business operation and creditor confidence.
3. Not giving cooperation to or supporting any persons or organizations which conduct illegal business or are a threat to the society and national security.
4. 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 punishing 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 underprivileged 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 2013, 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 2013 the Company and its affiliates have taken legal action against 848 piracy cases composing of 482 lawsuits settlement, 210 prosecution pending cases and 156 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 regulations, as well as complying with the SET's regulations, with transaction price and conditions executed on an arm's length basis.

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

Chapter 4 Information Disclosure and Transparency

The Board of Directors supervises the Company to communicate and disclose important information relating to the Company, either financial or non-financial information, shareholding and management structure sufficiently, accurately, completely, transparently, reliably,

thoroughly, and in a timely manner, and in line with the guidelines or criteria set by the SEC and the SET, as well as relevant laws, standards, and best practices on business operations and disclosure of financial information, through various channels and Investor Relations which are accessible conveniently and equitably. The Company's key guidelines are as follows:

1. Provision of communication and data distribution channels

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

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

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

2) The Company's website

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

In 2013, the company disclosed additional informations such as group structure, direct and indirect shareholding of directors, major shareholders and executives, policy of the board composition, number of years as a member of Board of Directors, Articles of Association, and Memorandum of Association, charter of 5 sub-committees (Group Executive Committee, Nomination and Remuneration

Committee, Risk Management Committee, and Corporate Governance and Ethics Committee, Employee's Code of Conducts and Code of Ethics of Investor Relations.

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

3) Investor relations

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

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

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

Investor Relations Department

GMM Grammy Plc, 50 GMM Grammy Place, 41th Floor, Sukhumvit 21 Rd (Asoke), Klongtoeineua, Wattana, Bangkok 10110

Tel. (662) 669 8071 / (662) 669 9952

Fax. (662) 669 9737

E-mail Address: ir@gmmgrammy.com

In 2013, the Company organized and joined various activities to present information to analysts and investors as follows:

1. Organized analyst meeting (or Opportunity Day) 4 times in every quarter to give analysts the opportunity to meet with the management of the Company.

2. Welcomed institutional analysts and investors in the country and overseas as well as retail investors who visited the Company to enquire about its operating results
3. Made press release whenever the Company had investment activities or important business activities.
4. Participated in domestic and abroad roadshows providing the Company's information and overall industrial condition to the domestic and foreign institutional investors for 4 times and 4 times, respectively.
5. Welcomed analysts and shareholders under the site visit program called "Open the door to GRAMMY", where analysts and shareholder are invited to visit the Company for 3 times and its subsidiaries in the form of a lecture and a real work place observation for better understanding and clear clear vision of the GRAMMY Group businesses such as broadcasting stations, studioes, radio stations etc. This program was attractive and the anaysts were interested to participate very much.
6. Gave information and answered questions of investors and the press who contacted by E-mail, telephone and fax as the above.

4) Office of Corporate Secretary

The Board of Directors has set up Office of Corporate Secretary to be responsible for the Company's high-level meetings, such as the Board of Directors' meeting, 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), Klongtoineua, Wattana, Bangkok 10110
 Tel. (662) 669 9807 / (662) 669 9946
 Fax. (662) 669 8137

E-mail Address: cs@gmmgrammy.com

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

The Board of Directors arranges for disclosure of information of the Board of Directors and Sub-committees through various channels such as structure and composition of the Board of Directors and Sub-committees, roles and responsibilities, terms of position, number of meeting and meeting attendance of the Board members and each member of Sub-committees,

remuneration for directors, Board committees and executives and report on performance of duties of the Board of Directors and each Sub-committee.

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

1) Report of the Board of Directors

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

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

In 2013, the Company submitted quarterly and yearly financial statements and reports by the timeline and pursuant to the criteria of SET, and no instruction has been made by Office of the SEC for the Company to rectify the financial statements.

2) Report of Sub-Committees

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

4. Connected Transactions and Conflict of Interest Prevention

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

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

The Board of Directors has stipulated that all transactions prone to a conflict of interest and all material connected transactions, with details regarding the conflicted persons, nature of relationship, type of the transactions, conditions

for the transactions, pricing policy, transaction value, rationale and necessity of the transactions, and opinion rendered by the Audit Committee and/or the Board of Directors, must be revealed in the Company's annual registration statement (Form 56-1) and annual report, as presented under section, "Connected Transactions".

In 2013, the Company did not breach or fail to comply with the rules on connected transactions stipulated by SET and the SEC.

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

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

- Report of securities dealing in the company at least 1 day before executing the transaction.
- Report of securities holding in the Company (Form 59-1) for first submission within 30 days after being appointed as director/management;
- Report of changes in securities holding in the Company (Form 59-2) to be prepared whenever the above mentioned persons buy, sell, transfer or accept a transfer of the Company's securities and to be submitted within 3 business days from the date of such transaction.

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

The Company Secretary has the duty to submit a summary report on the said securities holding and changes in securities holding in the Company to the Board of Directors' meeting for acknowledgement and to disclose it in the Company's annual registration statement (Form 56-1) and annual report. (as described under section, "Management Structure")

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

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

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

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

1) Remuneration for the directors and sub-committee members

The Board of Directors has assigned the Nomination and Remuneration Committee to formulate rules and policy on determination of remuneration for members of the Board of Directors and sub-committees and submit them to the Board of Directors and/or the shareholders' meeting for approval, as the case may be. The said policy is outlined based on an assessment of compensation level that is commensurate with respective duties and responsibilities and comparable with that of peers, as well as benefits expected from each director. In addition, in order to determine appropriate compensation. Apart from participating in the annual director remuneration survey project conducted by the Thai Institute of Directors by proposing the survey's results to the Nomination and Remuneration Committee for use in the consideration of director remuneration, the Company used the information on remuneration of directors and executives of SET's listed companies in consideration of such matter.

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

Directors' remuneration

Remuneration for the directors in 2013, as approved by the shareholders' meeting, was comprised of annual bonus which was paid into 2 portions as follows:

1) Meeting Allowance (paid based on number of meetings attended by each director):

Unit: Baht/person/meeting

Position	Meeting allowance
Chairman of the Board	13,000
Independent Director	13,000
Director	3,000

2) Annual Bonus (annual payment): Criteria for payment was the same as that in 2012, following resolution passed by the shareholders' meeting, as follows:

- The annual Bonus for the Board of Directors in 2013 was set amounting to not more than 6,000,000 baht, net of meeting allowance paid for that

year, the remainder annual bonus was paid upon meeting attendance of each director.

- The annual bonus (after deducting meeting allowance) is allocated based on the number of meetings attended by each director. The payment for Chairman of the Board is doubled for the number of the Board meetings he attends.

Remuneration for members of Sub-Committees

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

Unit: Baht/Year

Position	Meeting allowance
Chairman of the Audit Committee	200,000
Member of the Audit Committee (per person)	150,000

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

2) Management's remuneration

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

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

Chapter 5 Responsibilities of the Board of Directors

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

Board Composition

- 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 1 of whom must be experienced in accounting and finance field.

- Of the total number of board members, at least 1/3 and no fewer than 3 persons must be independent directors.
- 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:

- Meeting the qualifications and not possessing the prohibited characteristics prescribed in the Public Limited Companies Act B.E. 2535 or other related laws, as well as the regulations of SET and SEC and the Company's Articles of Association.
- Being an expert with knowledge, capability and experience that are beneficial to the Company's operation.
- Having a leadership skill, vision and independent decision-making ability to ensure the maximum benefit to the Company and the shareholders.
- 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.
- Performing duties with integrity, honesty, ethics and adherence to laws, good corporate governance principles, and code of business conduct.

Qualifications of Independent Directors

The Board of Directors determines qualifications of the independent directors in alignment and compliance with regulations SEC and SET, as described under section, "Selection and Appointment of Directors and Management"

Term of Office

Directors shall hold the term of office as stipulated in the Public Limited Companies Act B.E. 2535 and the Company's Articles of Association, which reads "*At each annual general meeting of shareholders, 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 office of 3 years and may be re-appointed as deemed fit by the Board of Directors. As for the Group Executive Committee, its members have no term of office as the Committee's structure composes of executives in the defined positions.

New Director Orientation

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

1. The Board of Directors has stipulated that all incoming directors must attend an orientation program. The Company Secretary is assigned to provide them with documents and information relevant to the directors' duties such as Directors 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. The Company Secretary is instructed to facilitate the new directors' company visit and lecture program to create their better understanding about the Company's business operation.

Director and Management Development

1 Training for directors and sub-committee members

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

As of December 31, 2013, the Board of Directors and sub- committees attending courses organized by IOD and by other institutions, as tabulated below:

Name of Director	Title	Coursed organized by IOD									Courses organized by other institutes
		FSD	CDC	DAP	DCP	DCP Refresher	ACP	FGP	FND	SFE	
Mr. Paiboon Damrongchaitham	Chairman of the Board Member of the NRC	-	-	-	-	-	-	-	-	-	Broadcasting Executive Forum (BCF), Class 1/2013 NBTC
Dr.Naris Chaiyasoot	Chairman of the Audit Committee Member of the NRC Independent Director	-	3/2551	32/2548	82/2549	-	-	-	19/2548	-	
Mr. Dej Bulsuk	Chairman of the NRC Member of the Audit Committee Independent Director	-		23/2547	-	-	-	-	-	-	
Mr. Weerawong Chittmittrapap	Chairman of the CG Member of the Audit Committee Independent Director	-		-	0/2543	-	-	-	-	-	Leader Program Class 12/2011 Capital Market Academy
Mrs. Suvabha Charoenying	Member of the Audit Committee Member of the CG Independent Director	-		-	1/2543	1/2548	35/2554	2555	1/2546	6/2553	1. Thammasat Leadership Program Class 1 Thammasat University 2. Certified Financial Planner 1/2009 Thai Financial Planners Association 3. TLCA Executive Development Program 2/2551 Thai Listed Companies Association 4. Leader Program Class 1/2005 Capital Market Academy 5. Certificate in Families Business 2004 Harvard Business School
Mr. Kreungkarn Kanjanapokin	Director	2551		30/2547	-	-	-	-	-	-	
Ms. Suwimon Chungjotikapit	Director	-		-	12/2544	-	-	-	-	-	

FSD = Financial Statement for Directors / CDC = Chartered Director Class / DAP = Director Accreditation Program / DCP = Director Certification Program / ACP = Audit Committee Program

FGP = Financial Institution Governance Program / FND = Finance of Non-Finance Director / SFE = Successful Formulation & Execution of Strategy

2 Training for Company Secretary

As of December 31, 2013, Miss Patcharat Patcharaput, Head of Office of Corporate Secretary and Company Secretary, attended six training courses organized by IOD:

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

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

Board of Directors' Meetings

The Board of Directors Announced the board meeting schedule in advance for 1 entire year, the directors and the relevant parties. Requires that a regular meeting be arranged at least once every quarter (four times a year), with a special session meeting allowed to be convened as deemed necessary. Agenda items are also pre-determined and are clearly divided into categories such as issues for information, issues for approval and issues for consideration.

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

In 2013, to promote the Board of Directors' performance of duties, 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 present to form a quorum at the time of the Board passing a resolution.

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

In 2013, the Board of Directors held 4 regular meetings and 6 special session meetings, making 10 meetings in total. All board members attended the meetings consistently, with average attendance of 92.88 % of total number of board meetings held in that year, higher than the average attendance in 2012 which was 92.71 %. The individual directors' attendance appears under Section, "Management Structure".

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

In 2013, there were not any crucial management issues arising and requiring non-executive directors, independent directors and members of the Audit Committee to hold a meeting to discuss the matters. Nonetheless, in 2013, the Audit Committee members, held 1 meeting with the external auditor without the presence of the management.

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. The latest revision was approved at the Board of Directors' Meeting on May 11, 2012 and published as the Corporate Authorization Index No.1/2012 for information and action by parties concerned.

The Corporate Authorization Index of the Company and its subsidiaries, being divided into 10 categories, namely, (1) General Administration, (2) Human Resources Management, (3) Investments, (4) Finance, (5) Sale, Marketing and Trade Receivables, (6) Production and Purchase of Products, (7) Authorization on the Use of Copyrighted Works/Rights Transfer (8) Fixed Assets and Durable Goods, (9) Expenses, and (10) Related Party Transactions. The Company has a policy to be reviewed regularly.

Independence of Board of Directors and Management

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

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

2 Balance of power

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

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

As of December 31, 2013, the Board of Directors was composed of 11 qualified members, as follows:

- *Executive directors* 7 persons
- *Non-executive independent directors* 4 persons
(Representing 36.36% of total directors)

Directorship in Other Listed Companies

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

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

- 1) Each director is allowed to hold directorship in other listed companies not more than five listed companies, inclusive of the Company, to ensure the directors' efficiency and sufficient allocation of time to serve on the Company's Board of Directors.
- 2) Directors should avoid holding directorship in any other listed company that could create a conflict of interest with the Company and in performing their duty as the Company's director.

2. Directorship in other listed company directorship held by Chief Executive Officer and Top Management

The Board of Directors 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 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 five rankings: 4 = Excellent, 3 = Very Good, 2 = Good, 1 = Unfavourable, 0 = Needs Improvement.

The ranking results of Board self-assessment, broken down into six categories, for 2013 were as shown below:

Assessment Category (Board Assessment)	2013 Average Score
1. Structure and qualifications of the Board of Directors	3.85
2. Roles and responsibilities of the Board of Directors	3.71
3. Board of Directors' meetings	3.88
4. Performance as a director	3.74
5. Relationship with the management team	3.96
6. Director's personal development and development of the management	3.83

The Board of Directors' annual 2013 self-assessment summary is as follows:

Structure and qualifications of the Board of Directors

The number of directors on the Board was appropriate for the nature of the Company's business. The Board comprised individuals who are knowledgeable, competent and experienced, and understand the business well. The number of board members who were non-executive or independent directors was appropriate to allow the effectiveness of the Board. The nomination process was fair and transparent. The Board was supported by sub-committees, namely, the Audit Committee, Group Executive Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate

Governance and Ethics Committee that have clearly-delineated roles and responsibilities. The members of those sub-committee qualified to perform the duties assigned and/or defined by the Charters.

Roles and responsibilities of the Board of Directors

The Board of Directors participated in the setting of vision, mission, strategy and goals, and consistently monitored and followed up on the Company's performance. The scope of authority in operating and financial decision process were clearly set out, emphasizing the importance of accurate financial reports, adequacy of information disclosure, avoidance of conflicts of interest and assurance that all transactions were conducted on an arm's length basis, being implemented under a given process with most beneficial to the Company, as clearly defined in the Corporate Authorization Index. Directors with vested interests were prohibited from voting on connected transactions. Moreover, the Board of Directors monitored and ensured that internal control and risk management systems were adequately put in place and appropriate for the Company's nature of business, the preparation of financial statements was in accordance with general accepted accounting standards, and encouraged the Company to continuously abide by the SET and SEC's rules and regulations, as well as the Good Corporate Governance Policy and the Business Ethics and Code of Conduct Manual of GRAMMY Group. Regarding internal management, the criteria for evaluating the performance of the top management (Group Chief Executive Officer) was clearly specified, and the remuneration was paid upon the result of the evaluation.

Board of Directors' meetings

The board meeting schedule was pre-determined for an entire year, thus allowing the director to properly allocate their time to attend the meeting. The meeting frequency and duration were considered appropriate. For each meeting, the directors were supplied with complete and sufficient information for their decision-making and were allowed to freely discussed and expressed positive opinions without any party's interference.

Performance as a director

The directors' meeting participation was consistent and satisfactory between the level of "Good" to "Very Good". Their expression of opinions was independent, unbiased and useful to the Company's operation, while respecting different opinions without any conflict among them.

Relationship with the management team

The Board of Directors had cordial relations with the management and did not interfere with them while performing their duty. At the same time, the Board regularly followed up on the management's performance. In addition, the Board participated in determining appropriate solution in the case that the management's performance was not in line with the business plan and budget.

Director's personal development and development of the Management

All directors well understood their roles and duties, had adequate knowledge and comprehension of the Company's business, and always kept abreast of crucial news and information related to or having an impact on the Company's business. All directors are supported through training courses or seminars, as well as, plans to educate new directors in order to have a concrete understanding of the business of the Company so as to be ready to perform their duties effectively.

In 2013, the Board of Directors resolved to conduct a director's self-assessment in addition to the Board assessment to follow the new principals of good corporate governance of IOD. The director self-assessment is divided into five rankings: 4 = Excellent, 3 = Very Good, 2 = Good, 1 = Unfavourable, 0 = Needs Improvement.

The ranking results of director self-assessment, broken down into five categories, for 2013 were as shown below:

Assessment Category (Board Assessment)	2013 Average Score
1. Qualifications, knowledge, ability	3.63
2. Independence	3.77
3. Performance as a director	3.73
4. Attention to duty and responsibility	3.67
5. Director's personal development	3.50

2. The Sub-committees' Self-assessment

In 2013, 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 2013, 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 line 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.1/2014 on February 28, 2014. The Sub-Committees assessment is divided into five rankings: 4 = Excellent, 3 = Very Good, 2 = Good, 1 = Unfavourable, 0 = Needs Improvement

Results of the Audit Committee's self-assessment

Assessment Category	2013 Average Score
1. Structure and qualifications of the member	4.00
2. Term of the position	4.00
3. Scope of responsibility	3.93
4. Power to perform the duty	4.00
5. Meetings	3.96

Results of the Risk Management Committee's self-assessment

Assessment Category	2013 Average Score
1. Structure and qualification of the member	3.63
2. Role, duty and responsibility	3.70
3. Meetings	3.92
4. Performance on duty	3.88
5. Personal development	3.25

Results of the Corporate Governance and Ethics Committee's self-assessment

Assessment Category	2013 Average Score
1. Structure and qualification of the member	3.63
2. Role, duty and responsibility	3.70
3. Meetings	3.92
4. Performance on duty	3.88
5. Personal development	3.25

Results of the Nomination and Remuneration Committee's self-assessment

Assessment Category	2013 Average Score
1. Structure and qualification of the member	4.00
2. Role, duty and responsibility	3.87
2.1 Director nomination / top executive performance assessment	3.89
2.2 Determination of Remuneration	
3. Meetings	4.00
4. Performance on duty	3.75
5. Personal development	3.83

3. Group Chief Executive Officer's Assessment

The Board of Directors has assigned the Nomination and Remuneration Committee to evaluate the performance of the top executive in the organization's structure (Group CEO) on a yearly basis, for use as a guide in determining the top executive's remuneration and submit the result of the evaluation to a meeting of the Board of Directors for acknowledgement and approval.

In 2012, the Nomination and Remuneration Committee agreed to improve the evaluation form of the performance of Group CEO to suit the current situation, based on the evaluation form of the performance of the top executive of the Corporate Governance Center, The Stock Exchange of Thailand.

The Group Chief Executive Officer assessment is divided into five rankings: 4 = Performed excellently, 3 = Performed very well, 2 = Performed reasonably, 1 = Performed partially, 0 = Not yet performed.

The overall assessment, with total scores of 100%, can be classified into five levels:

More than 95% = Excellent

90% - 95% = Very Good

80% - 89% = Good

70% - 79% = Fair

Below 70% = Needs Improvement

In 2013, the Nomination and Remuneration Committee reported to the Board of Directors' meeting No. 1/2014, held on February 28, 2014, that "From the overall assessment of Miss Boosaba Daorueng, the Group Chief Executive Officer for 2013 by the three-member Nomination and Remuneration Committee, the Group Chief Executive Officer was rated "Very Good", or equivalent to the average score of 92.30%"

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, term of office, scope of power, duty and responsibility, reporting and meetings. The charter of each committee will be reviewed from time to time to ensure its appropriateness and is posted on the Company's Website. There are 4 sub-committees as follows:

1. Audit Committee

The Audit Committee's composition and qualifications fully conform to the SET and SEC's guidelines. It is composed of no fewer than three independent directors, at least one of whom has knowledge and understanding or experience in accounting or finance field sufficient for reviewing a financial statement. The committee members have tenure of three years and may be re-appointed as deemed fit by the Board of Directors.

The Audit Committee holds or calls a meeting as deemed appropriate at least once every quarter (four times a year). The meeting agenda is clearly pre-determined. Relevant documents are delivered in advance to the committee members and other attendees to allow them sufficient time to consider the issues or request additional information. The agenda covers all matters as assigned by the Board of Directors and as required by laws and/or regulations of the regulator bodies.

The Audit Committee performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the Audit Committee Charter, which is in conformity with the scope of main activities prescribed by the regulator bodies. The Company has a policy to disseminate the Company's Audit Committee Charter through the GRAMMY Group's Intranet to ensure it is communicated to all people across the organization.

As of December 31, 2013, the Audit Committee comprised 4 independent directors who possessed qualifications as required by SET and SEC. In 2012, the Audit Committee held a total of 4 normal meetings. Members of the committee, appointment term, and their attendance at the meeting are as follows

Name	Title	Term	Meeting Attendance (Times)
1. Dr. Naris Chaiyasoot ^{\1-2}	Chairman	Jun 10, 2013 - Jun 9, 2016	3/3
2. Mr. Dej Bulsuk ^{\1}	Member	Jun 10, 2010 - Jun 9, 2016	4/4
3. Mr. Weerawong Chittmittrapap ^{\1}	Member	Jun 10, 2012 - Jun 9, 2015	4/4
4. Ms. Suvabha Charoenying ^{\2}	Member	Apr 27, 2012 - Apr 26, 2015	4/4
Mr. Wichai Santadanuwat	Secretary	-	4/4
Mr. Chai Nasylvanta	Chairman	Ended on February 28, 2013	1/1

Note: Additional information and changes during the year 2013

\1 The Board of Directors' Meeting No.5/2013 held on July 3, 2013 appointed Dr. Naris Chaiyasoot, Mr.Dej Bulsuk, and Mr.Weerawong Chittmittrapap as members of the Audit Committee for another term (Mr. Naris Chaiyasoot was appointed Chairman of the Audit Committee to replace the resigned director, Mr. Chai Nasylvanta, according to the Board of Directors' Meeting No.2/2013, effective March 20, 2013 of which his term was due on June 9, 2013).

\2 Dr. Naris Chaiyasoot and Ms. Suvabha Charoenying 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 SEC and SET rules and regulations, and other regulations and laws related to the Company's businesses.
5. Selecting and propose the Company's auditors and determine their compensation.
6. Evaluating connected transactions so they comply with the law and regulations stipulated by SET, and that the transactions are reasonable and benefit the Company.
7. Supervising the Internal Audit Unit policies and operations so that they are aligned with the Internal Audit Charter, by evaluating the independence of its audits, the scope of work and audit schedules.
8. Evaluating and appoint, transfer, and terminate the head of Internal Audit Department, as well as assess the performance of the head of Internal Audit Department and approve compensation for the Internal Audit Department, as initially appraised by the Group Chief Executive Officer.
9. Reviewing both the external and internal audit and recommendations conducted by the external Auditor and the Internal Audit Department, as well as monitor the management team to ensure that recommendations have been sufficiently followed and effective action has been taken within an appropriate timeframe.

10. The Audit Committee can request that any member of the management or any employee to report or present information, attend meetings or deliver documents as deemed relevant and necessary.

11. The Audit Committee can request assistance from external advisors or experts related to the Audit, at the Company's expense, in accordance with the Company's Articles of Association, as necessary.

12. Considering and amending the Audit Committee Charter at least once a year or as necessary, so it is up-to-date and appropriate to the Company's environment, and to present the results to the Board of Directors for approval.

13. Preparing an Audit Committee's Report, attached in the Company's annual report, signed by the Chairman of the Audit Committee.

14. Executing other tasks as assigned by the Board of Directors, as agreed to by the Audit Committee.

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, 2013, the Nomination and Remuneration Committee's 3 reputable members comprised 1 Director and 2 Independent Directors. In 2013, the Nomination and Remuneration Committee Meeting met a total of 3 times. Members of the committee and their attendance at the meeting are as follows:

Name	Title	Term	Meeting Attendance (Times)
1. Mr. Dej	Bulsuk	Chairman	Jul 14, 2011 - Jul 13, 2014
2. Dr. Naris	Chaiyasoot ¹	Member	Mar 20, 2013 - Jul 13, 2014
3. Mr. Paiboon	Damrongchaitham	Member	Jul 14, 2011 - Jul 13, 2014
Mr. Chai	Nasylvanta	Member	Ended on Feb 28, 2013
Mrs. Jiraporn	Rungsritthong	Secretary	-

Note: Additional information and changes during the year 2013

\1 Dr. Naris Chaiyasoot was appointed a member to the Nomination and Remuneration Committee according to the resolution passed at the Board of Directors meeting No.2/2013 effective as of March 20, 2013 in replacing Mr. Chai Nasylvanta.

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 or became vacant, including newly appointed director.
3. Executing other tasks related to nominations as assigned by the Board of Directors.
4. Evaluating the performance of Group Chief Executive Officer and reporting to the Board of Directors for their consent.

Remuneration

1. Preparing guidelines and policies in determining the Board of Directors and other committees' remuneration, and proposing it to the Board of Directors and/or Shareholders Meeting for approval as appropriate.
2. Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors each year, by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the

benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.

3. Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders Meeting.
4. Reporting policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.
5. Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors.

3 Risk Management Committee

The Risk Management Committee is composed of at least three members appointed from the Company's directors and top executives with relevant knowledge, competence and experience that enable achievement of objectives. The 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. The details are presented in the title "Risk Management Policy and Framework".

As of December 31, 2013, the Risk Management Committee comprised 11 members whose terms last 3 years according to the Corporate Governance and Business Ethics Manual of the Company. In 2013, there were 3 meetings. Members of the committee and their attendance at the meeting are as follows:

Name		Title	Term	Meeting Attendance (Times)
1. Ms. Boosaba	Daorueng	Chairman	Jul 13, 2011 - Jul 12, 2014	3/3
2. Mrs. Saithip	Montrikul Na Ayudhaya	Member	Jul 13, 2011 - Jul 12, 2014	2/3
3. Mr. Krij	Thomas	Member	Jul 13, 2011 - Jul 12, 2014	2/3
4. Mr. Sataporn	Panichraksapong	Member	Jul 13, 2011 - Jul 12, 2014	1/3
5. Mr. Kanchit	Kawachat ¹	Member	Jun 7, 2013 - Jul 12, 2014	2/2
6. Mr. Premon	Pinskul	Member	Jul 13, 2011 - Jul 12, 2014	3/3
7. Mrs. Jiraporn	Rungsrithong	Member	Aug 10, 2012 - Jul 12, 2014	3/3
8. Mr. Suwat	Damrongchaitham	Member	Jul 13, 2011 - Jul 12, 2014	1/3
9. Mr. Dew	Woratangtagoon	Member	Jul 13, 2011 - Jul 12, 2014	2/3
10. Ms. Chitralada	Hengyotmark	Member	Dec 9, 2011 - Jul 12, 2014	3/3
11. Mr. Fahmai	Damrongchaitham	Member	Dec 9, 2011 - Jul 12, 2014	1/3
Ms. Sunetra	Saengratanaakul ²	Secretary	Effective as of February 21, 2013	3/3
Mr. Thana	Thienachariya ³	Member	Ended on Jan 31, 2013	0/0

Note: Additional information and changes during the year 2013

\1 Mr. Kanchit Kawachat was appointed as member of Risk Management Committee by the resolution of the Board of Directors' Meeting No. 7/2013, held on August 14, 2013.

\2 Ms. Sunetra Saengratanaakul was appointed Secretary of the CG & Ethics Committee according to the resolution passed at the Nomination and Remuneration Committee Meeting No.1/2013 , effective as of February 21, 2013 in replacing M.L. Kornkasiwat Kasemsri who resigned from the office.

\3 Mr. Thana Thienachariya Tantiwanich resigned from the Committee member, effective on February 1, 2013.

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 two 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, 2013, the CG&Ethics Committee had 4 qualified members, comprising 2 independent directors and 2 directors from management team) with a 3-year term according to the Company's Corporate Governance and Business Ethics Manual. There were a total of 2 meetings in 2013, held on July 23 and November 8, 2013 respectively. Members of the committee and their attendance are as follows.

Name	Title	Term	Meeting Attendance (Times)
1. Mr. Weerawong Chittmittrapap	Chairman	Apr 2, 2012 - Apr 1, 2015	2/2
2. Ms. Suvabha Charoencying	Member	Apr 2, 2012 - Apr 1, 2015	2/2
3. Mr. Krij Thomas	Member	Apr 2, 2012 - Apr 1, 2015	2/2
4. Mr. Sataporn Panichraksapong	Member	Apr 2, 2012 - Apr 1, 2015	2/2
Ms. Patcharat Patcharaput	Secretary	Effective as of February 21, 2013	2/2

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.

Selection and Appointment of Directors and Management

(1) Independent Director

Definition of Independent Director

At the Board of Directors Meeting No.7/2011, the Board acknowledged and gave consent for the disclosure of revised qualifications of Independent Directors to match the requirements stipulated by SEC and SET. The Company's

Independent Directors are qualified and independent as required, in the following ways:

1. Holding shares of not exceeding 1% of total voting shares of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, including shares held by related parties.
2. Not being or have not ever been an executive director, employee, staff, corporate advisor receiving a regular salary, or a controlling person of the Company, its parent company, its subsidiaries, its associated companies, its same-level subsidiaries, its major shareholders, or its controlling persons unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director. Such prohibitions exclude government officer or advisor to any government agency who is major shareholder or controlling person of the Company.
3. Not being a person related by blood or by law in terms of father, mother, spouse, sibling and child, including spouse of the children, of other directors, management, major shareholders, controlling persons, or persons to be nominated as directors, management or controlling persons of the Company or its subsidiaries.
4. Not being or have not ever been an auditor of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, and is not a significant shareholder, a controlling person, or a partner of an audit firm which employs auditors of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons unless the foregoing relationship has ended for more than 2 years prior to being appointed as Independent Director.

5. Not being or have not had a business relationship with the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, in the manner that may interfere with his/her independent judgement, or is not or has not ever been a significant shareholder or a controlling person of any person having business relationship with the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons unless the foregoing relationship has ended for more than 2 years prior to being appointed as Independent Director. The term “business relationship” aforementioned includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the Company or 20 million baht or more, whichever is lower.
6. Not being or have not ever been any professional advisor including legal or financial advisor who receives an annual service fee exceeding 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.

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

7. Not being a director representing Board member of the Company’s, its major shareholders, or a shareholder who is related to the Company’s major shareholders.
8. Does not own/run any business similar to or material competing with the Company or its subsidiaries, or not being a significant partner in any partnership, executive director, employee, staff, advisor receiving regular salary, or holds more than 1% of total voting shares of the company similar to or material competing with the Company or its subsidiaries.
9. Have no any other 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.

Recruiting independent directors using the same criteria as the criteria and procedure for nomination of directors.

(2) Selection and Appointment of Directors and Management

(2.1) Selection and Appointment of Directors

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

Policy and criteria for the Company’s nomination of directors

The Nomination and Remuneration Committee has a duty to nominate suitable persons with qualifications required by the Company, laws and regulating agencies to be appointed as directors replacing directors who retire by rotation or for other reasons, by considering persons with knowledge and experiences in various areas such as accounting, finance, management, strategy, law and investment; including those with skills or expertise corresponding with the Company’s business nature, especially leadership, courage to express opinions, decision making with information and reasons, morality and ethics, unblemished records; for the Board of Directors to have diverse and strong structures, being able to lead the Company to achieve business objectives under management with good corporate governance of international standards.

Director nomination and appointment procedures

In nominating or selecting directors, the Nomination and Remuneration Committee follows the procedures as follows:

1. Considering the suitability of the number, composition and structural diversity of the Board of Directors, based on the Company’s nature and size of business, with the Board Skill Matrix being prepared for determining the qualifications of a director to be nominated and the qualification or skills required by or inadequate in the Board of Directors.
2. Selecting directors from internal executives and outsiders who have the required qualifications, including persons on the list in the IOD Chartered Director database.
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 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.
 - 4.3 Persons who receive the highest number of votes respectively shall be appointed as directors in the number of directors that have to be elected.

In case persons who have been elected in the following order have equal votes which will make the number of directors elected exceeds the number required, the Chairman of the meeting shall have a second vote.
5. Appointing directors in accordance with the Company's Articles of Association.

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

(2.2) Selection and appointment of Management

Human Resource Unit will recruit and select qualified individuals with knowledge, experience and understanding of business and propose to authorized persons for consideration.

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

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

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, Corporate Management Meeting, Corporate Strategy Meeting, Executive Committee Meeting of each business line and Executive Committee Meeting of associate companies, 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 (including their spouse and minor children) with knowledge and understanding about reporting of their securities holding and changes in securities holding in the Company to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535, whereby they must also provide such report to the Company Secretary for further notification to concerned parties. They must also be informed of punishment clauses for any violation or non-compliance with the said regulation.
2. The directors, members of Group Executive Committee and management (as defined by SEC and SET), including their respective related persons according to Section 59 of the Securities and Exchange Act, have the duty to report their holding of the Company's securities at the first chance of their being appointed to assume such position and upon any later change in their said securities holding. The Company Secretary is to submit a summary report on the said securities holding and changes in securities holding in the Company to the Board of Directors' meeting quarterly for acknowledgement.
3. The Company will inform, in writing or electronic mail (e-mail), the directors, management and employees who have access to crucial insider information that could affect trading prices of the Company's securities of their being prohibited from trading the Company's securities during a 1 month period prior to announcement of the Company's working results (the period specified for such announcement is 45 days from the end of quarter and 60 days from the end of accounting period) or disclosure of such information to the public.
4. Under the CG policy, the directors and executives (as defined by the SEC and the SET.) shall report their stock trading to Office of Corporate Secretary, at least 1 day prior to the transaction date, in order to gather all information and inform the Board of Directors.
5. 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.
6. 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.
7. In cases where external parties are involved in special projects dealing with information undisclosed to the public and is in the negotiation stage, such projects fall into the scope of insider information as it may affect the price of the Company's securities. These external parties must sign a confidentiality agreement with the Company until the information is disclosed to SET and SEC.
8. 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.
9. 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.
10. 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 2013, 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 2013, the Group appointed EY Office Limited (Formerly known as "Ernst & Young Office Limited") and Pro Trinity Ltd. as the Group's external auditors with auditing fees, amounting to 10,323,000 baht with a breakdown as follows:

- Auditing fees for EY Office Limited (Formerly known as "Ernst & Young Office Limited"), amounting to 10,210,000 baht
- Auditing fees for Pro Trinity Ltd., amounting to 113,000 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

As the Board of Directors has intentions to operate business under the principles of good corporate governance, the Corporate Governance and Business Ethics Manual was revised and improved for the 5th time in 2013 and published in the Group's websites and the Company's website and in the Corporate Governance Report of Thai Listed Companies by the Thai Institute of Directors (IOD), where the Company was rated "Excellent (5 stars)" for 3 consecutive years. The Board of Directors is committed to improving the Group's corporate governance with a belief that the Group's adherence to the system and process of good corporate governance will contribute to the Group's sustainable growth and prosperity.

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 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 stipulated that there be an assessment of the adequacy of the Company's and its subsidiaries' internal control system and a reporting of the assessment results to the Board of Directors' meeting on a yearly basis. The assessment results are also to be disclosed in the Company's annual registration statement (Form 56-1) and annual report.

All Board of Directors members and the Management, had collaboratively evaluated the sufficiency of internal control during 2013. The Board of Directors Meeting on February 28, 2014 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 :

"The overall internal control system of the Company's and its subsidiaries, is adequate and appropriate internal control system regarding transactions with major shareholders, directors, management or those involved with such persons. For internal control in other items, the Board of Directors and the Audit Committee opined that the Company's internal control is adequate and appropriate to the business operations of the Company as well. The Audit Committee and the Management share the same aspect for the importance of good corporate governance, internal control and continuing risk management in order to encourage the Company to have good corporate governance, sufficient and appropriate internal control in accordance with business operations, acceptable risk management, correct and reliable accounting system and financial reports, and compliance with laws as well as regulations related to business operations of the Company".

NOTE: Details of the Head of Internal Audit and Head of Compliance appear in "Details of the Head of Internal Audit and Head of Compliance of the Company as at December 31, 2013".

Connected Transactions

1. Parties which may have conflicts of interest that have entered into connected transactions with the Company and its subsidiaries

In 2013, GMM Grammy Public Company Limited (“the Company”) and its subsidiaries entered into connected transactions with the Company and connected persons where conflicts of interest may have occurred. These included both transactions which were the normal course of business by the Company and subsidiaries, and transactions which were not. Business groups that conducted connected transactions are divided into 3 categories as follows:

A) The Group

The Group 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 2013)
GMM Grammy Public Company Limited	Fully-integrate entertainment businesses, including music business, digital business, media business, movie business, event management business, etc.	-
<u>Subsidiaries Directly held by the Company</u>		
GMM Media Public Company Limited	Produces radio programmes	99.92 %
GMM Holdings Company Limited	Invests in other companies	100 %
GMM Music Publishing International Company Limited	Manages music copyrights	100 %
GMM Thai Hub Company Limited	Produces and distributes movies and television programmes	51 %
Fan TV Company Limited (Another 49% is held by GMM Holdings, a subsidiary)	Karaoke service provider and production of satellite television programmes	51 %
3-RD Company Limited	Provides customer service via telephone	70 %
GR Vocal Studio Company Limited	Music Academy	100 %
GMM CJ O Shopping Company Limited	Wholesale and retail of goods, by taking orders by phones	51 %
GDC Company Limited	Provides service to games members, distributes games playing cards	100 %
GMM Z Trading Company Limited (2012: 100% is held by GMM Z Company Limited)	Provides and distributes of satellite television receivers	100 %
GMM SD Digital TV Trading Company Limited	Sales of advertising minute	100 %
GMM HD Digital TV Trading Company Limited	Sales of advertising minute	100 %
STGMM Company Limited (2012: 50% is held by GMM Z Company Limited)	Produces satellite television programmes	50 %
Digistream Company Limited (Formerly known as “Bang Channel Company Limited” 2012: 100% is held by GMM Z Company Limited)	Provides streaming service under the name of “KK BOX” and platform management	100 %
MGA Company Limited	Currently inactive	100 %
Digital Gen Company Limited	Currently inactive	100 %

Details of the Group are as follows: (continued)

Company	Business Type	% Holding by the Company (As at 31 December 2013)
Extraorganizer Company Limited	Currently inactive	100 %
More Music Company Limited	Currently inactive	100 %
The News TV Company Limited (2012: 51% is held by GMM Z company Limited)	Currently inactive	51 %
<u>Jointly controlled entities and held by the Company</u>		
K Arena Company Limited	Karaoke service and rental	50 %
<u>Subsidiaries held by GMM Media Public Company Limited</u>		
A - Time Media Company Limited	Subleases radio stations	100 %
GMM TV Company Limited	Produces television programmes	100 %
Teen Talk Company Limited	Provides visual effect or multimedia service	100 %
Bliss Publishing Company Limited	Produces and distributes books	100 %
Image Publishing Company Limited	Produces and distributes magazines	70 %
Exact Company Limited	Produces television programmes	100 %
GMM Inter Publishing Company Limited	Produces and distributes magazines	70 %
GMM Times Company Limited	Produces and distributes magazines	70 %
Deetalk Company Limited	Produces television programmes	100 %
Index Creative Village Public Company Limited	Organizers Events for all forms of marketing	50%
In Publishing Company Limited	Produces and distributes magazines	70 %
Radio Concept Company Limited	Currently inactive	100 %
<u>Subsidiaries held by GMM Holding Company Limited</u>		
GMM Studio Company Limited	Provides studio related services	100 %
Grammy Publishing House Company Limited	Distributes educational publications and media	100 %
GMM Fitness Club Company Limited	Currently inactive	100 %
Mifa Company Limited	Currently inactive	100 %
GMM Digital Domain Company Limited	Currently inactive	100 %
Magic Film Company Limited	Currently inactive	90.91 %
Global Music and Media (China) Limited	Currently inactive	100 %
<u>Subsidiary held by GMM Digital Domain Company Limited</u>		
Digital Arms Company Limited	Currently inactive	100 %
<u>Subsidiaries held by GMM Tai Hub Company Limited</u>		
Rakdee Thaweesuk Company Limited (Formerly known as "Sawasdee Thaweesuk Company Limited")	Designs productions, coordinate with media, advertisers and movies; PR service for movies	100 %

Details of the Group are as follows: (continued)

Company	Business Type	% Holding by the Company (As at 31 December 2013)
GTH On Air Company Limited (Another 30% is held by the Company and another 20% is held by Image Publishing, a subsidiary)	Produces satellite television programmes	50 %
Good Thing Happen Company Limited	Provides advertising media, public relations consulting, and organizer	51 %
Subsidiary held by GTH On Air Company Limited		
J K Network Company Limited	E-Commerce Business	100 %
Subsidiary held by GMM Z Trading Company Limited		
G S-one Company Limited (2012: 50% is held by the Company and another 50% is held by GMM Media Public Company Limited, a subsidiary)	Currently inactive	100 %
GMM Z Company Limited (2012: 100% is held by the Company)	Produces and distributes of satellite television receivers	100 %
GMM B Company Limited (2012: 100% is held by GMM Z Company Limited)	Pay-TV service	100 %
Subsidiary held by GMM Z Company Limited		
GMM Digital TV Company Limited (Formerly known as “Green Channel Company Limited”)	Liquidation	100 %
Maxxi TV Company Limited	Liquidation	100 %
Subsidiary held by GMM SD Digital TV Trading Company Limited		
GMM SD Digital TV Company Limited	Produces television programmes and digital on-air in the broadcasting of commercial Digital Terrestrial Television, Variety-Standard Definition	100 %
Subsidiary held by GMM HD Digital TV Trading Company Limited		
GMM HD Digital TV Company Limited	Produces television programmes and digital on-air in the broadcasting of commercial Digital Terrestrial Television, Variety-High Definition	100 %
Subsidiary held by A - Time Media Company Limited	Advises and Organizes business events	
A Gen Event Agency Company Limited	Business events advisor and organizer	70 %
Subsidiary held by GMM TV Company Limited		
Me Miti Company Limited	Produces of television programmes	70 %
Subsidiary held by Image Publishing Company Limited		
Image On Air Company Limited	Currently inactive	100%

Details of the Group are as follows: (continued)

Company	Business Type	% Holding by the Company (As at 31 December 2013)
Subsidiary held by Exact Company Limited		
Acts Studio Company Limited (Another 50% is held by Scenario Company Limited, an associate)	Leases studio	50 %
Subsidiaries held by Index Creative Village Public Company Limited		
Event Solutions Company Limited	Provides equipment for entertainment at events	100 %
Tresbien Company Limited	Personal event organizer - decorations and equipment for all types of events	100 %
Media Vision (1994) Company Limited	Color, lights, sound systems equipment rentals	51 %
G Communications Company Limited	Public relations and organizer for all types of exhibitions	50 %
Inspire Image Company Limited	Designs, produces and removes posters and media that supports sales	60 %
I Think Ad Company Limited	Consultant for creative advertising and public relations	40 %
D-63 Company Limited	Designs and sets up stage backdrops	50 %
Index Creative Online Company Limited	Consultant and designer, producer and adjusts Websites/Flash Media	70 %
Envirosell (Thailand) Company Limited	Consults, arranges seminars, and provides research and statistics	60 %
Index and M Company Limited	Advises and organizers business events	50 %
Index and V Company Limited	Advises and organizers business events	50 %
Joint Venture Index D 63 (Another 37% is held by D-63 Company Limited)	Designs, constructs, and manages exhibition halls	63 %
Subsidiary held by Event Solutions Company Limited		
Aspen Index Event Company Limited (Based in United Arab Emirates)	Currently inactive	50 %
Jointly controlled entities and held by Index Creative Village Public Company Limited		
Joint Venture ID 2	Designs, constructs and manages exhibition halls in Thailand OR Thai-style exhibition halls	67 %
Joint Venture Index City Neon	Recruits contractor for exhibition at Siriraj Hospital	50 %
Joint Venture Index D 103 Maco	Designs, constructs, and manages exhibition halls at Yeosu International Exposition 2012	70 %
Joint Venture Index D 103	Designs, constructs, and manages exhibition halls at Universal Exhibition Milano 2015	90 %

B) Associated Companies

Company	Business Type	% Holding by the Company (As at 31 December 2012)
<u>Associated company held by the Company</u>		
Family Know-how Company Limited	Produces television programmes and publishing media	50 %
JSL Channel Company Limited	Currently inactive	30 %
Lucks (666) Satellite Co., Ltd. (2012: held by GMM Z Company Limited)	Produces satellite television programmes	25%
<u>Associated companies held by GMM Media</u>		
<u>Public Company Limited</u>		
Scenario Company Limited	Produces television programmes and plays	25 %
Channel (V) Music (Thailand) Company Limited	Currently inactive	25 %
<u>Associated company held by GMM Tai Hub Company Limited</u>		
Na Dao Bangkok Company Limited	Produces movies and casts actors	30 %
Sawasdee Thaweesuk Company Limited	Produces and edits movies, advertising programmes and drama.	25 %
<u>Subsidiaries held by Index Creative Village</u>		
<u>Public Company Limited</u>		
Blue Media Communications Company Limited	Designs, produces and distributes print media and other media	40 %
Max Creative Company Limited	Consults and manages on branding and integrated	50 %
Big Event Company Limited	Produces movies and television programmes	50 %
Town Branding Company Limited	Media production, design and consulting	20 %
Happio Company Limited	Internet communication platform	33 %
Myanmar Index Creative Village Company Limited (Based in Republic of the Union of Myanmar)	Provision of service and organization of activities in Republic of the Union of Myanmar	49 %
TVMINDEX Advertising Company Limited (Based in Socialist Republic Of Vietnam)	Provision of service and organization of activities in Socialist Republic Of Vietnam	49 %

C) Related Companies through Common Directors

Company	Type of Business	Relationship
Hou Yuu Company Limited	Japanese restaurant	<ul style="list-style-type: none"> - Mr. Paiboon Damrongchaitham, a Director of the Company, is also a Director with signing authority at Hou Yuu Company Limited - Mr. Paiboon Damrongchaitham, the major shareholder of the Company, is a major shareholder (52.60%) of Hou Yuu Company Limited - Ms. Suwimon Chungjotikapisit, a Director of the Company, is also an authorized director of Hou Yuu Company Limited.
Geurt Fah Company Limited	Property rental and related services	<ul style="list-style-type: none"> - Mr. Paiboon Damrongchaitham, a Director of the Company, is also a Director with signing authority at Geurt Fah Company Limited - Mr. Paiboon Damrongchaitham, a major shareholder of the Company and shareholder of many subsidiaries, is the largest shareholder of Geurt Fah Company Limited with 99.99% holdings - Ms. Suwimon Chungjotikapisit, a Director of the Company, is also an authorized director of Geurt Fah Company Limited
Jaktranubhab Limited Partnership	Property rental and other on-site services	Mr. Kamron Pramoj na Ayutthaya is a shareholder and Director of the Company's subsidiary as a member of the management team of Jaktranubhab Limited Partnership
Methee 1 Company Limited	Produces and directs theatrical plays on radio, television. Produces magnetic picture and sound recordings.	Mr. Takonkiet Viravan, is an authorized director of the Company's subsidiary and a major shareholder of Methee 1 Company Limited. (99.95%)
Weerawong, Chinnawat, and Piangpanor Company Limited	Provides legal advice	Mr. Weerawong Chittmittrapap, an independent Director of the Company, is a director of this company.

2. Characteristics of Connected Transactions

The Company creates and produces music, distributes music products including digital formats, organizes concerts, manages its artists, and satellite television business. Many of the Company's subsidiaries operate a variety of media businesses to support the core business. Therefore, there are many connected transactions between the Company and its subsidiaries, as well as with the Group, associated companies and related companies with common directors.

Connected transactions can be divided into 2 major categories, as follows:

- Transactions which are the normal course of business consists of revenue from the sale of music products and copyrights, production and distribution of motion pictures, advertising fees, public relations and sales promotions, profit sharing from CDs VCDs DVDs sales, studio rental services fees, artist management fees, production fees, rental of radio stations, concert production services fees and event organization fees.
- Transactions which are not the normal course of business such as rental of office space, loans to subsidiaries, shared administrative management fees, professional fees, and purchase of assets which are not related to the Company's normal course of business.

Connected transactions between the Group and Related Companies with Common Directors, which are the normal course of business

Parties that may have conflicts of interest	Parties that may have conflicts of interest 1) Hou Yuu Company Limited (operates a Japanese restaurant)	Relationship shown in 1. C)
	2) Geurt Fah Company Limited (Property rental and related services)	Relationship shown in 1. C)
	3) Methee 1 Company Limited (Produces and directs stage plays, and produces magnetic sound and picture recordings)	Relationship shown in 1. C)
	4) Weerawong, Chinnawat, and Piangpanor Company Limited (Provides legal advice)	Relationship shown in 1. C)
Types of Transaction	Service related expenses for the Company consists of: 1) Food expenses for entertainment and meetings 2) Utilities, parking fees and parking space 3) Creative agency, director 4) Legal advice	
Total Consideration mutual	84.47 million baht, with reference to a market price and based contract agreement, and agreement. (divided into the Company's service expenses of 27.55 million baht and subsidiaries' service expenses of 56.92 million baht).	
Outstanding Accounts Payables	As at 31 December 2013, the amount is 10.17 million baht. (Company's accounts payable of 4.85 million baht and subsidiaries' accounts payable of 5.32 million baht).	
Opinion of the Audit Committee	Referring to the executives and management of the Company that has reviewed the other expenses upon market price and creative hiring under contract agreement which refers to market price, including the hiring of a consultant and legal advisor, by considering the scope, difficulty of the task, and experience of the service providers and agreed that the prices are determined by market rates and the contract prices are according to the normal course of business. The Audit Committee has the opinion that such price setting is likely to be appropriate and reasonable, as agreed by the management.	

Connected transactions between the Group and Associated Companies, which are the normal course of business

Parties that may have conflicts of interest	1) Scenario Company Limited (Produces television programmes and theatrical productions)	Relationship shown in 1. B)
	2) Big Event Company Limited (Produces movies and Television programmes)	Relationship shown in 1. B)
	3) Channel (V) Music (Thailand) Company Limited (Currently inactive)	Relationship shown in 1. B)
	4) Blue Media Communications Company Limited (Design, Produces, and sale of books and other media)	Relationship shown in 1. B)
	5) Na Dao Bangkok Company Limited (Produces movies on commission and provides marketing services)	Relationship shown in 1. B)
	6) Family Knowhow Company Limited (Produces television programmes and publications)	Relationship shown in 1. B)
	7) Lucks (666) Satellite Company Limited (Produces satellite television programmes)	Relationship shown in 1. B)
	8) Max Creative Company Limited (Consulting and managing on branding and integrated Marketing Communication)	Relationship shown in 1. B)
	9) Town Branding Company Limited (Media production, design and consulting)	Relationship shown in 1. B)
	10) Happio Company Limited (Internet communication platform)	Relationship shown in 1. B)
	11) Sawasdee Thaweesuk Company Limited (Design and post production of advertising media and movies and public relations for movies)	Relationship shown in 1. B)
	12) 12) Myanmar Index Creative Village Company Limited (Provision of service and organization of activities)	Relationship shown in 1. B)
Types of Transaction	Revenue from:	
	1) Selling products.	
	2) Producing television programmes that generate revenue from advertisement sales.	
	3) Producing satellite television programmes that generate revenue from channel management.	
	4) Organizing concerts and staging theatrical performances.	
	5) Copyright fees.	
	6) Artist management.	
	7) Studio rental, event organization.	
	8) Management and advisory fee.	
	9) Production, equipment service, and other services.	
	10) Interest.	
	11) Other revenue.	

Connected transactions between the Group and Associated Companies, which are the normal course of business (Continued)

Total Consideration	In the amount of 70.08 million baht, the price is based on mutual agreement, (Revenue belonging to the Company is 4.01 million baht and 66.07 million baht goes to its subsidiaries.)
Outstanding Accounts Receivable	As of December 31, 2013, the amount is 37.33 million baht (The Company is a trade creditor owed 0.87 million baht while its subsidiaries owed 36.46 million baht.)
Opinion of the Audit Committee	Revenues derived from advertisements in producing television programmes, the price is based on mutual agreement which is according to the normal course of business. The Audit Committee has the opinion that such price setting is reasonable and fair.
Types of Transaction	<p>Service fees, consisting of:</p> <ol style="list-style-type: none"> 1) Cost of advertisement spots on television and sponsorship fees. 2) Share of copyrights from the sale of television programmes such as dramas and drama soundtracks on CDs VCDs and DVDs. 3) Media cost and time rental for program production. 4) Soap opera production cost, event organization and property rental. 5) Operating costs in sourcing artists. 6) Fees for program hosts.
Total Consideration	The amount is 408.62 million baht. The price depends on negotiations between the service recipient and service provider. (The Company's cost of services is 29.70 million baht and 378.92 million baht to its subsidiaries).
Account payables and other payables	As of December 31, 2013, 72.70 million baht (These companies are trade creditors of the Company and its subsidiaries at 0.71 million baht and 71.99 million baht).
Opinion of the Audit Committee	The service expenses are based on mutual agreement; the Audit Committee has the opinion that such price setting is reasonable and fair.

Connected transactions between the Group and Related Companies with Common Directors

Parties that may have conflicts of interest	Directors in the Company and its subsidiaries who are skilled in composing music, serving as program hosts, directing and writing scripts.
Types of Transaction	The Group paid copyright fees, program host fees, director's fees and screenwriter's fees to these Directors.
Total Consideration	Amount of 1.12 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 (All Company's expense.)
Trade payables and other payables	As of December 31, 2013, 1.02 million baht (The Company owed this entire amount)
Opinion of the Audit Committee	The composing songs and providing other services by the Company's Directors who possess extensive expertise and experience in the business has benefited the Company. Therefore, fees to compose music and other services depends on many factors such as the scope and complexity of the work, creativity, reputation and experience of the service provider. The Company has taken these factors into consideration in setting the preliminary price, but the final price depends on negotiations between the customer and service provider. The Audit Committee has the opinion that setting prices by taking into consideration the scope and level of difficulty of the work, and the creativity, the price setting 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"> 1. Mr. Paiboon Damrongchaitham is a director of the Company and is also a Director at Geurt Fah Company Limited 2. Mr. Paiboon Damrongchaitham who is a major shareholder of the Company and holds shares in many subsidiaries, is also a major shareholder of Geurt Fah Company Limited 3. Ms. Suwimon Chungjotikapisit, a Director of the Company, is also an authorized director of Hou Yuu Company Limsited.
Characteristic of connected transaction :	The Group rents a 43-storey office building, located at 50 Asoke Road (Sukhumvit Soi 21), Klongtoeinuea, Wattana, Bangkok from Geurt Fah Company Limited
Size of rented space :	Approximately 33,600 sq.m. on floors 2-3, 5-6, 9-14, and 16-43, accounting for 82% of total rental space.
Contract tenure :	3 years (from 1 May 2013 to 30 April 2016), where the lessee can renew the lease another 3 times, for a period of 3 years each time.
Rental and service rates :	Increased by 15% from original rental and service rate of 397 baht per sq.m. per month to 456 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 2013	166.17 million baht (The rental and service fees from the Company in the amount of 87.37 million baht and subsidiaries in the amount of 78.80 million baht).
Total consideration :	Approximately 579.8 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 456 - 503 baht per sq.m. per month is reasonable and fair. This rate is in the range of market rental rates, which currently runs between 450 - 650 baht per sq.m. per month, according to an appraisal report by Siam Appraisal and Services Company Limited, an independent appraiser on the SEC's approved list.
Lessee :	Image Publishing Company Limited
Lessor (Company or persons which may have conflict of interest):	Jaktranubhab Limited Partnership
Relationship :	<p>As lessee : Mr. Kamron Pramoj na Ayutthaya is a director and member of the management team of the Company's subsidiary.</p> <p>As lessor : Mr. Kamron Pramoj na Ayutthaya is the managing partner of Jaktranubhab Limited Partnership.</p>
Characteristic of connected transaction :	Image Publishing Company Limited rents an office building located at 217/7 Sukhumvit 63 (Ekamai), Sukhumvit Road, Wattana, Bangkok from Jaktranubhab Limited Partnership.

Connected transactions that are not the normal course of business between the Group and Related Companies with Common Directors (continued)

Size of rented space :	Approximately 1,440 square meters
Contract tenure :	3 years (from January 1, 2012 - December 31, 2014) with plans to adjust rent at the end of the third year.
Rental and service rate :	300 baht per sq.m. or 432,000 baht per month.
Price setting policy :	Conventional conditions according to market rates
Rent paid by the Group to Jaktranubhab Limited Partnership in 2013 :	5.18 million baht. (Entire amount is for the Company's subsidiary's rent and services)
Total consideration :	15.55 million baht for the 3 year period (excluding VAT and other related taxes).
Opinion of the Audit Committee :	The Audit Committee has the opinion that the rental rate of 300 baht per sqm per month which Image Publishing Company Limited paid to Jaktranubhab Limited Partnership is reasonable. Such a rate is comparable with average office rental rates in the vicinity.



Corporate Social Responsibilities (CSR)

Corporate Social Responsibilities (CSR)

Policy

Vision

To be a leader in creating and producing of all forms of entertainment, in tandem with all types of media and technological developments, to provide a great quality of life and unlimited happiness.

Mission

Engage in the continuous creation of excellent and innovative work

Encourage a learning organization

Enrich people so they are passionate and skillful in their work and enjoy a better quality of life

Endorse social responsibilities and activities

Long Term Goal

To sustainably be the number one entertainment company in Thailand.

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 long term goal to create sustainable business growth. details of the policies and regulations 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

Operations and Report Preparation

The Group operates business with responsibility to community, society and environment for sustainability of the Group and social as a part of in-process operation by taking into account all stakeholder groups under the selection of CSR activities which are in line with the business, in other word, the Group is doing business for profit together with social responsibility to create sustainable business growth as the long term goal of the Company.

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, 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, 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 groups of stakeholders to express their opinions for improvement of the Company's business operations at various occasions, such as annual general meetings of shareholders, business visit, press conferences, analysts' meetings, etc.
- 1.4 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.
- 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.



- 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. Anticorruption

The Company's Board of Directors adheres to transparent business operations under legal frameworks, principle of ethics, and good corporate governance guidelines, supporting anticorruption 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 anticorruption 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 at 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 2013, there were no reports or cases of fraudulent activities involving the Company and/or affiliated companies.

Besides, the Company promoted the provision of knowledge on this matter among employees by organizing a seminar on "Prevention and Guidelines on Resolving Fraudulent Action in the Organization." and sent employees to attend anticorruption training courses organized by various institutions in order to study, review, and develop the Company's disclosure of anticorruption information, as follows :

- "Communications and procedures in formulating anticorruption policies by listed companies," organized by Thai Listed Companies Association in cooperation with the SEC.
- Thailand's 4th National Conference on Collective Action Against Corruption under the course "Working Models for Governance in Corporate Operations and Infrastructure Projects," organized by Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in cooperation with Thailand Development Research Institute (TDRI), Thai Institute of Directors Association (Thai IOD), Center for International Private Enterprise (CIPE), and the SET.

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 Ref: Respect of Human Right Law and Practice. This could well signify the Board's commitment to conducting business in compliance with laws, while embracing human rights which are the basic rights ensuring that all human beings are born free and equal in dignity and rights without discrimination against birth, race, nationality, color, gender, religion, age, language, physical and health condition, personal status, economic and social status, social value, education or political opinion. The Board also promotes employees' awareness of their rights, duties and responsibilities to society and other fellows. In the past year, the Company treated all stakeholders equitably without discrimination, 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.
- At 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 and in 2013 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 of special health examinations with discount prices for members of the employees' families.
- 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; financial assistance in case of 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 future, by inviting experts from financial institutions to lecture on investment in interesting funds especially investment with tax benefits such as long-term equity funds (LTF), retirement mutual funds (RMF).
- 4.5 Arrangement of 30 in-house training courses (219 hours) and dispatched its employees to attend 55 external courses (768 hours) conducted by various institutions, focusing on managerial, professional and team-working skill development.
- 4.6 Encouraging employees to participate in an array of activities regularly arranged by the Group such as social, environmental and energy conservation activities, blood donation and always playing games to win free tickets for concerts, movies and theatrical performances.



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 for investigation and submission to the Company's Board of Directors.

Besides, the Company has provided other assistance to the employees for special cases, 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 at workplace as Ethics on Workplace Safety and Sanitation to provide a safe and hygienic working atmosphere for management and employees. Employee well-being is a part of the Company's mission which is to "promote employees' job satisfaction and skill and better quality of life."

In 2013, the Company took measures to ensure safety as follows:

- 1) Appointment of a Workplace Welfare Committee with duties to give advices, consultations and recommendations to the employer on welfare useful for employees and to inspect, control, and supervise the welfare provided by the employer to the employees, with the office term of two years.
- 2) Appointment of a Safety, Occupational Health and Environment Committee to ensure that the Company's safety operations are correct, up to standards and comply with laws related, with operations and improvement continuously and systematically for the safety of employees, contractors, and outsiders in the Company, with the office term of two years.
- 3) The Company hired SGS (Thailand) Co., Ltd., expert on system inspection, testing and certification to test dust in the office; six samples of air examination on the 5th floor were randomly taken and the result of the dust test was found "not dangerous" as follows :
 - Particulate matter with the size smaller than 10 microns (10,000 microns = 1 cm) can pass to deep parts of the human's respiratory system such as air vesicles, where the standard value must be less than $150 \mu\text{g}/\text{m}^3$, but the average measured value was $22.67 \mu\text{g}/\text{m}^3$.
 - The amount of total dust of all sizes, including the one mentioned above and dust of larger sizes, can make the floor unclean. The standard amount of dust must be lower than $15 \text{ mg}/\text{m}^3$, while the average amount of the tested dust was $0.626 \text{ mg}/\text{m}^3$.
- 4) Improvement of air ventilation systems in fire aisles to release polluted air by:
 - 4.1 Installation of roof fans at the deck floor over the fire aisle, with an interlock system in case of emergency when the system must stop for air to be sucked into the fire aisle.
 - 4.2 Installation of gravity damper at the fire exit door of the 10th floor for fresh air from outside and air leak protection system at the fire exit door of every floor.
- 5) The Company has organized training courses on fire drill and first aid for staff who trapped in the building on a yearly basis both at GMM Grammy Place Building and Distribution Center.



6) Organized training on occupational health in the workplace at Distribution Center, such as first aid by invited speakers from Kluaynamthai Hospital on February 28, 2013.



With commitment to the safety and health of employees, the Company in 2013 did not have any injury or illness as a result of work.

5. Responsibility to customers and consumers



The Board of Directors is committed to the creation and production of media and entertainment of all forms to bring about satisfaction for customers continuously, with channels of distribution provided 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.

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 shortfalls, not meeting 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 change or return of goods, depending on the characteristics of goods distribution. Following are examples of the changes or returns of goods in the past by the Company.

- Returns of concert tickets, for example, the tickets for “Nantida The Show Must Go On” concert and “Sarm Yake Pak Wan Episode 3” concert by A Time Media Co., Ltd. were returned for postponing the shows due to political unrests; the audiences were informed in advance through various channels that they were allowed to follow the shows according to new schedules with the original tickets and at original seats. For those who were not convenient to follow on the shows under new schedules, they were allowed to return the tickets at the main counter of Thaiticketmajor, at any of its 13 branches or Call Center (662) 262 3456.
- Set-top boxes of GMM Z Trading Co., Ltd. can be changed within warranty conditions (one year), 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 sales 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 or return of defective or obsolete magazines of GMM Inter Publishing company limited, the stores can be made through the Distribution Agent within three months after the date of delivery.
- 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 the change of color or size is made at the request of the customer, the delivery cost shall be borne by the customer. The customer may return goods by arranging for a pickup at the customer’s residence, return by parcel post, or return to the Company’s warehouse. Call (662) 817 9988 or e-mail care@gcj.co.th for more details, please

5.2 Considering the importance of the safety of employees, the Company takes measures to deal with risk from activities. For example, for concert shows, the Company has plans in place and rehearses them 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.

5.3 The Group has a data base of customers by group in giving discounts, privileges or organizing 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.

5.4 With diverse businesses and customer databases, the Group has set up a call center to provide services in giving 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 channels of communications such as e-mail and post, as may be deemed convenient to the customer.

5.5 With commitment to the development of goods and services, taking into consideration not only profits but also responsibility to society and environment, the Group has therefore created work or activities for society. i.e., operate business for the Company’s profit and generate benefits for society (CSR in process), such as

- 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) and “Phra Racha Phu Songtham” (The Virtuous King).
- Songs to create willpower in leading life from the past until the present time, 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)
- Animated cartoon Byrdland...Land of Miracles, Episode “Following the King’s Footsteps,” encouraging children and viewers to learn and appreciate His Majesty the King’s efforts and intelligence in solving problems for Thai people, in 26 chapters, such as, Royal Rain, Chaipattana Aerator, Monkey’s Cheek, Soil Aggravation, Self-sufficiency Paths, etc.

- Animated cartoon Byrdland..Land of Miracles: Season 3, Special episode “Promoting the Value of Thai Culture,” that promotes awareness of being Thai by inserting Thai values, cultures and arts, as well as the traditions of each region of Thailand.
- To Be Number One Project, the project encouraging Thai youth to spend their free time usefully, keeping themselves away from drugs.

5.6 The Group is committed to developing goods and services of all categories, aiming to access every customer and bring about customer satisfaction by offering quality goods and services, on a continued basis, while instilling awareness of responsibility to society and environment under various projects, such as, Green Fan Club’s Activity “Free Crabs ...Plant Trees” for the environment, and projects promoting good quality of life, where the Group cooperates with the public and private sectors, foundations, etc., to support activities useful to society, such as World Aids Campaign, blood donations, artists’ beloved items auction for World Red Cross, eye donation campaign, financial assistance to needy patients, project for the development of buildings and provision of medical equipment for needy patients of Ramathibodi Hospital etc.

6. Environment Conservation

Considering the importance of environment protection, especially energy conservation, the Board of Directors promotes the project for building personnel on energy conservation for the improvement of the energy use efficiency in the future or BEAT 2010 (Building Energy Awards of Thailand 2010), 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. The Board also creates activities useful to 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.



Training was organized to provide knowledge and instill awareness on employees under topic “New GMM Attends to Energy” on September 23, 2013.

Besides, the Company organized activities to instill environment awareness among customers, such as Green Fan Club’s activity “Free Crabs...Plant Trees” for environment, in a Bangkok-Hua Hin rally to free crabs and plant trees for the environment, led by DJ Oy, DJ An, DJ Fiat, DJ Ket, DJ Baem, with artist Phichika Watcharawali joining in planting trees and releasing young crabs to the nature.



7. Community and social development

In the past, GMM Grammy Group had important roles on social responsibility and environment, with key persons in various areas taking part in activities as operators, organizers or supporters, aiming to enable communities to be self dependent, help each other, have good quality of life, and live together with happiness continuously. In 2013, the Group’s major projects on community and social responsibility were as follows :

Project in honor of His Majesty the King

The Company in cooperation with the Ministry of Culture by the Office of Contemporary Arts and Culture and Silpakorn University's Faculty of Music organized a project to create a contemporary moral song, named "Phra Racha Phu Song Tham (The Virtuous King), in honor of His Majesty the King on the occasion of His Majesty the King's Birth Anniversary on December 5, 2013, with Bird-Thongchai McIntyre being the vocalist. The project aimed to encourage people to do good, think good, including youth, to be exposed to Buddhist teachings by using this song as the media.



Project promoting Thai culture values on children and youth

The Company is committed to the creation of work for the happiness of youth along with the promotion of knowledge and morality through 3D cartoon animation TV series on a continued basis. In 2013, the presentation was Byrdland...Land of Miracles: Season 3, special episode "Promoting the Value of Thai Culture," that promotes the awareness of being Thai by inserting Thai values, cultures and arts, as well as the traditions of each region of Thailand. it was presented in the form of an adventure with Byrdland cartoons, where the audience can acquire knowledge, amusement and good impressions, such as Thai houses of the 4 regions, Thai puppet shows, silk fabric, basketry, etc



Blood Donation Project

The Company has regularly held a ‘blood donation’ activity to offer a chance to the Company’s employees, organizations and communities nearby, and interested persons, to join this great giving activity four times a year since 2005. In 2013, the Company organized the ‘blood donation’ activity on February, May, August, and November. Total number of blood donors was 608.

In addition, Green Wave 106.5 FM has publicized for the public and private sectors regularly to invite listeners to donate blood when a great amount of blood is required, such as an unrest situation, accident or disaster, natural disaster, etc.



“Just Say No” Project

“Just Say No” is a project to campaign against drugs that the Company has played a leading role continuously. With awareness of drug problems that can pose serious threats to society and national security, the Company has implemented various campaign projects such as “Just Say No”, “World No Smoking Day”, “World Anti-Drug”, “No Alcohol Day,” etc.



To Be Number One Project

The Company participated in “To Be Number One” Project in the anti-drug campaign project initiated by Mental Health Department, Ministry of Public Health, by sending artists to join in concert shows with students, members of To Be Number One club to display anti-drug power in 2012, marking the 11th anniversary of To Be Number One Project.



Besides, the Group's artists serve as role models of good people in society and are engaged in charitable activities for society in various areas, winning honor awards or being recognized as campaign leaders and role models in society. In 2013, a large number of the Company's artists won honor awards, such as

- Bird-Thongchai McIntyre, the Company's artist and Ter-Chantawit Thanaseewee, artist of GTH Co., Ltd. (an affiliated company), winning honor award "Phra Kinnari" Somdej Phra Yan Sangvorn, Supreme Patriarch, Good People, Good Society, Following His Majesty the King's Footsteps, organized by Broadcaster and Journalist's Assembly of Thailand. The assembly selected people with achievements in career and family life and contributions to society and the country in various forms, deserving to be role models of good people, good thinking and good society, following His Majesty the King's footsteps.
- Gan-Naphat Injaiau, winning national outstanding youth award on media for children and youth in social problems protection. The Office of Promotion and Protection of Children, Youth, the Elderly and Vulnerable Groups, the Ministry of Social Development and Human Security selected people with good behavior, abilities, contributions, performance relating to the transfer of information, entertainment and values, resulting in knowledge, understanding and right attitudes about children, youth and families.
- Toomtam-Yuttana Puangklang and Dome Jaruwat Cheawaram, winning award "Child with High Gratitude to Mother" on the occasion of National Mother Day 2013, organized by National Council on Social Welfare of Thailand under Royal Patronage.

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 on 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 project as follows :

1. The Ministry of Energy's BEAT Awards 2010 on innovation and creation of mass awareness on energy conservation on March 8, 2012.
2. 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.

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 :

- 1) Process in the assessment of fraud risk
- 2) Supervision and control practices to prevent and monitor fraud risk, and
- 3) Guidelines on monitoring and evaluation of compliance with guidelines on the prevention of corruption involvement.

The guidelines have been considered by the Audit Committee and approved by the Board of Directors on February 28, 2014, constituting part of the Company's Good Corporate Governance and Business Ethics Manual, which can be summarized 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 follow :

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 resolving 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 person in a position of authority.

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 on 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 of the audit 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 anticorruption measures are implemented effectively, including monitoring, reviewing and improving anticorruption 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 facts found from the investigation or complaints that there is 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 and Head of Compliance

As of December 31, 2013

Mr. Wichai Santadanuwat (38 years)

Head of Internal Audit¹

Education

- Master of Business Administration (MBA), Bangkok University
- Bachelor of Accounting, Bangkok University

Seminar Accomplishment :

The Thai Institute of Directors (IOD) :

- Handling Conflict of Interest:What the Board Should do? (2008)

The Institute of Certified Accountants and Auditors of Thailand (ICAAAT) :

1. Fundamental SAP R3 Auditing (2007)
2. Risk Assessment for Better Audit Planning (2007)
3. Introductory to Computer Assisted in Auditing (2003)
4. Introductory to Computer Assisted in Auditing (2003)

Thai Listed Companies Association (TLCA) :

- Risk Management Conference (2009)

Other Institutes :

1. IT Audit for Non IT Audit, NSTDA Academy (2012)
2. Cyber Defense Initiative Conference (CDIC), ACIS Professional Center (2009)
3. Risk Management, Price Waterhouse Coopers (2004)
4. New COSO Enterprise Risk Management, Price Waterhouse Coopers (2004)

Number of Share Holding (%) (as of 31/12/13)

-None-

Relationship among Executives

-None-

Experience during the past 5 years

Jan 2007 - Present	Internal Audit Director/Secretary of the Audit Committee GMM Grammy Plc.
Jan 2005 - Dec 2006	Internal Audit Department Manager GMM Grammy Plc.
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 Pcl.
Jun 1996 - Mar 1997	Internal Audit Staff Bara winsor Co.,Ltd.

Ms.Patcharat Patcharaput (44 years)

Head of Compliance²

Education

- Bachelor of Arts (Japanese), Chulalongkorn University
- Master of Public Administration, Thammasat University

Seminar Accomplishment :

The Thai Institute of Directors (IOD) :

1. Director Certification Program (CAP), Class 168/2013
2. Company Reporting Program (CRP), Class 3/2012
3. Director Certification Program Refresher Course (2008)
4. Company Secretary Program (CSP), Class 9/2005
5. Director Accreditation Program (DAP), Class 46/2005
6. Board Reporting (2001)

Thai Investors Association :

- Investors' Right Protection Volunteer Program (2013)

Number of Share Holding (%) (as of 31/12/13)

-None-

Relationship among Executives

-None-

Experience during the past 5 years

Jul 2013 - Present Secretary to the Corporate Governance and Ethics Committee
GMM Grammy Plc.

Jun 2012 - Present	Company Secretary / Manger, Office of Corporate Secretary GMM Grammy Plc.
Nov 2011 - Jun 2012	Manager, Office of Corporate Secretary GMM Grammy Plc.
2011 - Oct 2011	Manager, Marketing Communication Division TT&T Plc.
2005 - 2010	Manager, Corporate Secretary Office / Assistant Secretary to the Audit Committee TT&T Plc.
2005 - 2007	Director TT&T Savings Cooperative TT&T Plc.
2000 - 2004	Senior Officer, Corporate Affairs / Assistant Secretary to the Audit Committee TT&T Plc.
1996 - 2000	Executive Secretary to the President (Assistant Manager Level) TT&T Plc.
1991 - 1996	Executive Secretary to the Managing Director Thai Engineering Products Co., Ltd. (Siam Cement Group)

Remarks:

^{1/} Duties and Responsibilities according to the Audit Committee's Charter regarding Head of Internal Audit

1. Selecting and proposing the Company's auditors and determine their compensation.
2. Supervising the Internal Audit Department policies and operations so that they are aligned with the approved Internal Audit Charter, by evaluating the independence of its audits, the scope of work and audit schedules.
3. Evaluating, appointing, transferring, and terminating the Head of Internal Audit Department, as well as assessing the performance of the Head of Internal Audit Department and approving compensation for the Internal Audit Department.
4. 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.

^{2/} 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 Association 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 PCL ("The Company")
Head Office	: 50 GMM Grammy Place, Sukhumvit 21 Road (Asoke), Klongtoineua, Wattana, Bangkok 10110
Business	: Entertainment and media
Company Registration	: PCL. 0107537000955
Telephone	: (662) 669 9000
Facsimile	: (662) 669 9009
Company Homepage	: www.gmmgrammy.com
Authorized capital	: 636,317,936 baht consisting of 636,317,936 common shares with a par value of 1 baht each (as December 31 2013)
Authorized & Paid-up capital	: 636,317,936 baht consisting of 636,317,936 common shares with a par value of 1 baht each (as December 31 2013)

Companies in which GMM Grammy holds more than 10% of their shares

GMM GRAMMY PUBLIC COMPANY LIMITED, AND ITS SUBSIDIARIES

Company	Business Type	Issued Shares	
		Type	Number
Parent company			
GMM Grammy Plc.	Fully-integrate entertainment businesses, including music and digital business, showbiz business, motion pictures business, television programmes business, satellite television programmes business, digital TV business, radio programmes business, event advisor and organizer business, publishing media business and other entertainment businesses	Common Shares	636,317,936
Subsidiaries			
1 GMM Music Publishing International Co., Ltd.	Manage music copyrights	Common Shares	50,000
2 Fan TV Co., Ltd.	Karaoke service provider and production of satellite television programmes	Common Shares	2,000,000
3 K Arena Co., Ltd.	Karaoke business	Common Shares	200,000
4 J K Network Co., Ltd.	E-Commerce business	Common Shares	100,000
5 GMM Tai Hub Co., Ltd.	Production of movies and television programmes	Common Shares	30,000,000
6 Luckdee Thaweesuk Co., Ltd. (Formerly known as "Sawasdee Thaweesuk")	Design and post production of advertising media and movies and public relations for movies	Common Shares	10,000
7 Good Things Happen Co., Ltd.	Providing advertising media, public relations consulting, and organizer	Common Shares	50,000
8 GMM Studio Co., Ltd.	Studio service	Common Shares	500,000
9 Teen Talk Co., Ltd.	Rental TV program production equipment, motion graphic and multimedia service	Common Shares	400,000
10 Acts Studio Co., Ltd.	Lease of studio	Common Shares	4,050,000
11 GR Vocal Studio Co., Ltd.	Vocal and musical schools	Common Shares	50,000
12 3-RD Co., Ltd.	Providing call center outsourcing service, design marketing strategy and creating electronic media via internet	Common Shares	180,000
13 GMM Holding Co., Ltd.	Invest in other businesses	Common Shares	2,500,000
14 GMM Media Plc.	Responsible for marketing and distribution channel management and production of radio programmes including production of television programmes and satellite television	Common Shares	200,255,500
15 A-Time Media Co., Ltd.	Subleasing of radio stations	Common Shares	10,000
16 Exact Co., Ltd.	Responsible for marketing and distribution channel management and production of television programmes including production of television programmes and satellite television	Common Shares	600,000
17 GMM TV Co., Ltd.	Responsible for marketing and distribution channel management and production of television programmes including production of television programmes and satellite television	Common Shares	200,000
18 Deetalk Co., Ltd.	Marketing, distribution channels and television programmes production	Common Shares	10,000
19 GTH on Air Co., Ltd.	Production of satellite television programmes	Common Shares	600,000
20 GMM Z Co., Ltd.	Production and distribution of satellite television receivers	Common Shares	1,000,000
21 GMM B Co., Ltd.	Pay-TV service	Common Shares	10,000
22 GMM Z Trading Co., Ltd.	Production and distribution of satellite television receivers	Common Shares	10,000
23 GDC Co., Ltd.	Providing service to games members, distribution of games playing cards	Common Shares	500,000
24 STGMM Co., Ltd.	Production of satellite television programmes	Common Shares	400,000

Company	Business Type	Issued Shares	
		Type	Number
25 Me Miti Co., Ltd.	Production of television programmes	Common Shares	60,000
26 GMM SD Digital TV Co., Ltd.	Production of television programmes and digital on-air in the broadcasting of commercial Digital Terrestrial Television, Variety-Standard Definition	Common Shares	1,000,000
27 GMM SD Digital TV Trading Co., Ltd.	Sale of advertising minute	Common Shares	1,000,000
28 GMM HD Digital TV Co., Ltd.	Production of television programmes and digital on-air in the broadcasting of commercial Digital Terrestrial Television, Variety-High Definition	Common Shares	2,000,000
29 GMM HD Digital TV Trading Co., Ltd.	Sale of advertising minute	Common Shares	2,000,000
30 GMM CJ O Shopping Co., Ltd.	Home shopping business through various media channels. Including the establishment of distribution center and receiving phone orders	Common Shares	5,400,000
31 Image Publishing Co., Ltd.	Marketing, distribution channels and magazines production	Common Shares	1,000,000
32 GMM Inter Publishing Co., Ltd.	Marketing, distribution channels and magazines production	Common Shares	100,000
33 GMM Times Co., Ltd.	Marketing, distribution channels and magazines production	Common Shares	3,100,000
34 Bliss Publishing Co., Ltd.	Prodution and distriution of pocket books	Common Shares	425,000
35 In Publishing Co., Ltd.	Responsible for marketing and distribution channel management production and distriution of magazine	Common Shares	500,000
36 Index Creative Village Plc.	Business events advisor and organizer	Common Shares	172,000,000
37 Media Vision (1994) Co., Ltd.	Light and sound system installation services for entertainment events	Common Shares	408,910
38 Event Solutions Co., Ltd.	Provision of equipment for entertainment events	Common Shares	330,000
39 Tresbien Co., Ltd.	Decoration and provision of equipment for conferences and ceremonial events	Common Shares	120,000
40 G Communications Co., Ltd.	Provision of public relations and event services	Common Shares	50,000
41 Inspire Image Co., Ltd.	Responsible for creative design printing/billboard and marketing promotion	Common Shares	60,000
42 I Think Ad Co., Ltd.	Responsible for advertising creation and public relations consulting	Common Shares	50,000
43 D-63 Co., Ltd.	Service provider of design screen and stage	Common Shares	50,000
44 Index Creative Online Co., Ltd.	Design and development of computer programme and internet, design and production website, domain name registration	Common Shares	50,000
45 A Gen Event Agency Co., Ltd.	Business events advisor and organizer	Common Shares	30,000
46 Envirosell (Thailand) Co., Ltd.	Seminar, consultancy services, observational research specialized and statistical survey	Common Shares	80,000
47 Index and V Co., Ltd.	Provision of service and organization of activities in The Socialist Republic of Vietnam	Common Shares	120,000
48 Index and M Co., Ltd.	Provision of service and organization of activities in The Republic of the Union of Myanmar	Common Shares	300,000
49 Digistream Co., Ltd. (Formerly known as "Bang Channel")	Music streaming service provider under the name of "KK BOX" and platform management	Common Shares	10,000
50 Grammy Publishing House Co., Ltd.	Distribution of education publication	Common Shares	1,650,000
51 MGA Co., Ltd.	Currently non-active	Common Shares	1,200,000
52 More Music Co., Ltd.	Currently non-active	Common Shares	160,000
53 GMM Digital Domain Co., Ltd.	Currently non-active	Common Shares	500,000
54 Digital Arms Co., Ltd.	Currently non-active	Common Shares	7,000,000
55 Digital Gen Co., Ltd.	Currently non-active	Common Shares	50,000

Company	Business Type	Issued Shares	
		Type	Number
56 Global Music and Media (China) Limited	Currently non-active	Common Shares	1,507,500
57 Extraorganizer Co., Ltd.	Currently non-active	Common Shares	10,000
58 Magic Film Co., Ltd.	Currently non-active	Common Shares	22,000
59 Radio Concept Co., Ltd.	Currently non-active	Common Shares	200,000
60 G S-one Co., Ltd.	Currently non-active	Common Shares	1,000,000
61 Image On Air Co., Ltd.	Currently non-active	Common Shares	100,000
62 The News TV Co., Ltd.	Currently non-active	Common Shares	10,000
63 Mifah Co., Ltd.	Currently non-active	Common Shares	450,000
64 GMM Fitness Club Co., Ltd.	Currently non-active	Common Shares	4,000,000
65 Aspen Index Event Co., Ltd.	Currently non-active	Common Shares	800
66 GMM Digital TV Co., Ltd. (Formerly known as "Green Channel")	Deregistered, liquidation is being in process	Common Shares	10,000
67 Maxxi TV Co., Ltd.	Deregistered, liquidation is being in process	Common Shares	10,000
Associated companies			
1 Scenario Co., Ltd.	Marketing, distribution channels and television programmes production	Common Shares	14,000,000
2 Channel (V) Music (Thailand) Co., Ltd.	Deregistered, liquidation is being in process	Common Shares	1,100,000
3 Blue Media Communication Co,Ltd.	Designs, produces and distributes publishing related media and products	Common Shares	50,000
4 Nadao Bangkok Co., Ltd.	Produces movies, conducts artist management and provides advisories for the movie industry	Common Shares	20,000
5 Sawasdee Thaweesuk Co., Ltd.	Design and post production of advertising media and movies and public relations for movies	Common Shares	50,000
6 Family Know-how Co., Ltd.	Production of television programmes and publishing media	Common Shares	2,500,000
7 Lucks (666) Satellite Co., Ltd.	Production of television programmes and satellite television	Common Shares	200,000
8 JSL Channel Co., Ltd.	Deregistered, liquidation is being in process	Common Shares	1,000,000
9 Max Creative Co., Ltd.	Consulting and managing on branding and integrated marketing communication	Common Shares	50,000
10 Big Event Co., Ltd.	Production of movies and television programmes	Common Shares	50,000
11 Town Branding Co., Ltd.	Media production, design and consulting	Common Shares	50,000
12 Happio Co., Ltd.	Internet communication platform	Common Shares	900,000
13 TVMINDEX Advertising Co., Ltd.	Provision of service and organization of activities in Socialist Republic Of Vietnam	Common Shares	VND 13,020 Million
14 Myanmar Index Creative Village Co., Ltd.	Provision of service and organization of activities in Republic of the Union of Myanmar	Common Shares	3,000,000
Other companies			
1 Karaoke Center Co., Ltd.	Produces and sells singing equipments	Common Shares	120,000
2 A-Time Traveller Co., Ltd.	Responsible for domestic and international trip service	Common Shares	20,000
3 SE-Education Plc.	Produces, distributes and sells books, publications, periodicals and pocket books	Common Shares	391,944,418

1. GMM Grammy Plc., subsidiaries and associated companies have registered office at 50 GMM Grammy Place, Sukumvit 21 Rd. (Asoke), Khlongtoeinuea, Wattana, Bangkok except the following companies

1.1 JK Network Co., Ltd.	Office : 105 Soi Sukhumvit 39, Sukhumvit Rd., Klongtonnuea, Wattana, Bangkok
1.2 GMM Tai Hub Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnuea, Wattana, Bangkok
1.3 Luckdee Thaweesuk Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnuea, Wattana, Bangkok
1.4 Good Things Happen Co., Ltd.	Office : 222/331 Soi Ruammit-pattana Yaek 5, Tarang, Bang Khen, Bangkok
1.5 Acts Studio Co., Ltd.	Office : 9/9 Moo 1, Bang khu wat, Mueng Pathumthani, Pathumthani
1.6 3-RD Co., Ltd	Office : 222, 14 th - 16 th Fl., Woravit Building, Sipraya, Bangrak, Bangkok
1.7 GTH on Air Co., Ltd.	Office : 105 Soi Sukhumvit 39, Sukhumvit Rd., Klongtonnuea, Wattana, Bangkok
1.8 GMM CJ O Shopping Co., Ltd.	Office : 46/7 Rungrojthanakul Building (Building A), Floor 8 - 9, Ratchadaphisek Rd., Huaykwang, Bangkok
1.9 Image Publishing Co., Ltd.	Office : 217/7 Soi Sukhumvit 63 (Akamai), Sukhumvit Rd., Klongton, Wattana, Bangkok
1.10 Index Creative Village Plc.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.11 Media Vision (1994) Co., Ltd.	Office : 999, 999/9 Moo 2, Bangkhen, Mueng nonthaburi, Nonthaburi
1.12 Event Solutions Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.13 Aspen Index Event Co., Ltd.	Office : P.O. Box 21994, Dubai, United Arab Emirates
1.14 Tresbien Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.15 G Communications Co., Ltd.	Office : 99/415 Soi Suan Luang, Kanlapaphruek Rd., Bang Kho, Chom Thong, Bangkok
1.16 Inspire Image Co., Ltd.	Office : 957/28-30 Sukhumvit Soi 71 Klongtonnuea, Wattana, Bangkok
1.17 I Think Ad. Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.18 D-63 Co., Ltd.	Office : 555 Soi Ladprow 107 Ladprow Rd., Klongjan, Bangkapi, Bangkok
1.19 Index Creative Online Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.20 A Gen Event Agency Co., Ltd.	Office : 1755/4 Soi Ladprow 94 (Panjamitr), Plub-Pla, Wangthonglang, Bangkok
1.21 Envirosell (Thailand) Co., Ltd.	Office : 957/28-30 Sukhumvit Soi 71 Klongtonnuea, Wattana, Bangkok
1.22 Index and V Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.23 Index and M Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.24 MGA Co., Ltd.	Office : 38 Chawanich Building Soi Sukhumvit 69 (Saleenimitr), Sukhumvit Rd., North Prakanong, Wattana, Bangkok
1.25 Global Music and Media (China) Limited	Office : 6 th Floor, Sunning Plaza, 10 Hysan Avenue, Causeway Bay, Hong Kong
1.26 Image On Air Co., Ltd.	Office : 217/7 Soi Sukhumvit 63 (Akamai), Sukhumvit Rd., Klongton, Wattana, Bangkok
1.27 Channel (V) Music (Thailand) Co., Ltd.	Office : 989 6 th Fl. Siam Discovery, Unit No. 608-609 Rama 1 Rd., Pathumwan, Bangkok
1.28 Blue Media Communication Co.,Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.29 Nadao Bangkok Co., Ltd.	Office : 92/14 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnuea, Wattana, Bangkok
1.30 Sawasdee Thaweesuk Co., Ltd.	Office : 92/44 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnuea, Wattana, Bangkok
1.31 Family Know How Co., Ltd.	Office : 62 Ratchadaphisek Rd., Khlongtoei, Bangkok
1.32 Lucks (666) Satellite Co., Ltd.	Office : 1417 Soi Ladprow 94 (Panjamitr), Plub-Pla, Wangthonglang, Bangkok

1.33 JSL Channel Co., Ltd.	Office : 154 Soi Ladprow 107 (Deesomchok) Ladprow Rd., Klong-Jan, Bangkapi, Bangkok
1.34 Max Creative Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.35 Big Event Co., Ltd.	Office : 957/28-30 Sukhumvit 71 Rd., Klongtonnuea, Wattana, Bangkok
1.36 Town Branding Co., Ltd.	Office : 545 Soi Pridi Bhanomyong 42, Sukhumvit 71 Rd., North Prakanong, Wattana, Bangkok
1.37 Happio Co., Ltd.	Office : 139 Sethiwan Tower, Pan Rd., Silom, Bangrak, Bangkok
1.38 TVMINDEX Advertising Co., Ltd.	Office : 12 Nguyen Thi Minh Khai, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam
1.39 Myanmar Index Creative Village Co., Ltd.	Office : Room No.(1402-1403), Olympic Tower (1), Corner of Maha Bandoola road, Bo Aung Kyaw street, Kyauktada Township, Yangon, Republic of the Union of Myanmar

2. The registered office of the other companies are follows;

2.1 Karaoke Center Co., Ltd.	Office : 21/38-39 Moo. 2 Soi Vipavadee 60, Luk Si, Bangkok
2.2 A-Time Traveller Co., Ltd.	Office : 50 GMM Grammy Place, Sukumvit 21 Rd.(Asoke), Klongtoeinuea, Wattana, Bangkok
2.3 SE-Education Plc.	Office : Nation Tower, Floor 19, 1858/87-90, Bangna-Trad Rd., Bang Na, Bangkok

Other Reference Persons

Share Register	<p>Thailand Securities Depository Co.,Ltd. 62 The Stock Exchange of Thailand Building, 4, 6 - 7th Floor, Rajadapisek Rd., Klongtoey, Bangkok 10110 Tel (662) 229-2800 Fax (662) 359-1259</p>
Auditor	<p>EY Office Limited (Formerly known as “Ernst & Young Office Limited”) 193/136-137 Lake Rajada Office Complex, 33rd Floor, New Rajadapisek Rd., Bangkok 10110 Tel (662) 264-0777, (662) 661-9190, Fax (662) 264-0789-90, (662) 661-9192</p>
Legal Advisor	<p>BAKER & MCKENZIE Co.,Ltd 990 Abdulrahim Place, 22nd - 25th Floors, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel (662) 636-2000 Fax (662) 636-2111 Weerawong Chinnavat and Peangpanor 540 Floor Mercury Tower, 22nd Floors, Plearnjit Road Lumpini, Pathumwan Bangkok 10330 Tel (662) 264-8000 Fax (662) 657-2222</p>



G-M
GRAMMY

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