



Annual Report 2016
GMM Grammy Public Company Limited

GMM
GRAMMY



*With deepest sorrow and condolences
on the passing of our beloved
King Bhumibol Adulyadej*

The Board of Directors, Management and Staff

GMM Grammy Public Company Limited

CONTENTS



14

Message from Chairman
and Group Chief
Executive Officer

16

Securities and Shareholders
Information

18

Management Structure

32

Board of Directors

48

Financial Highlights

50

Policy and Business
Overview

51

Vision, Mission and
Long Term Goal

51

Major change and
development

54

Shareholding Structure

56

Revenue Structure

71

Risk Factors

74

Presentation and Analysis
of Financial Status and
Operating Results

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

81

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

82

Independent Auditor's
Report

166

Audit Committee Report

168

Risk Management
Committee Report

169

Report of the Nomination
and Remuneration
Committee

171

Report of the Corporate
Governance and Ethics
Committee

172

Corporate Governance

205

Internal Control and Risk
Management

206

Connected Transactions

215

Corporate Social
Responsibilities (CSR)

249

Details of the Head of
Internal Audit and Head
of Compliance

251

General and Other
Information

252

Companies in which GMM
Grammy holds more than
10% of their shares

255

Other Reference Persons



Vision

To be the leader in fully integrated entertainment media and platform by creating the most engaged contents for all screens



TOTAL MEDIA SOLUTIONS



MUSIC

Music & Distribution
Digital Business
Concerts & Showbiz
Music Publishing
Artist Management
Merchandise



GMM 25

GMM 25 Digital TV
TV Production & Copyrights
Radio
A-Time Showbiz



GMM ONE

One31 Digital TV
TV Production & Copyrights
Acts Studio



MOVIE & OTHERS

Movie
Home Shopping
Satellite Broadcasting
Call Center Service





MUSIC & DIGITAL

Strengthening leadership with continuous growth

MUSIC

30,000+

SONG & MASTER RECORDS

6,000+ & 17,000+

MVs

KARAOKE RECORDS

600+

CONCERTS

CO-OWN

100%

OF COPYRIGHTS WITH ARTIST

DRAMA & SERIES

10,000+

EPISODES

VARIETY PROGRAMS, SHOWS, REALITY & OTHERS

41,000+

EPISODES





GMM DTV & A TIME MEDIA

Engaged modern lifestyles across a multitude of platform
with professional experiences

2016 Channel Audience Growth

168%
Y-o-Y

*AGB Nielsen, Target Nationwide 15+
Period 6.00-24.00, Period Jan 15 vs Jan 16





พิฆาต



one HD

ONE

ONE 31 DIGITAL TV

Firmly ranked at Top Five Most Popular Channel
Gearing towards Free TV Station full of high quality contents

2016 Revenue Growth

55%

Y-o-Y

2016 Channel Rating Growth

99%

Y-o-Y

*AGB Nielsen, Target Nationwide 15+ Period 6.00-24.00





HOME SHOPPING - MOVIE AND OTHERS

Attaining a fast growth
with mutual trusts from customers





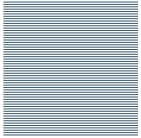


Mr. Paiboon Damrongchaitham
Chairman



Miss Boosaba Daorueng
Group Chief Executive Officer

...The Group has always held to the belief that business operations go hand-in-hand with a creative role in social development, in order to create balance between economic development, society and environment...



Message from Chairman and Group Chief Executive Officer



Dear Shareholders,

The increasing importance in digital technology has created challenges in almost all industries, especially in media and entertainment business when customer's behavior has mostly evolved into the digital world. All this time, GMM Grammy has focused on implementing business transformation into digital platform. It aims to efficiently manage organization, technology, and personnel in order to produce creative works based on the core competency in media innovation and finest contents under total media solution strategy, which can be boundlessly extended and maximized with unlimited potential.

In 2016, the Group operating performance shown substantial improvement with a constant drop in net loss driven by the leaping growth of digital TV operation, together with efficiency in utilizing the Group resources for utmost benefits, and scale economy derived from effective organizational management. Throughout the year, music business remains the flagship and key contributor to the Group performance, with digital technology gaining higher importance in music production and marketing as well as creating wider opportunities through digitization for Thai music to expose to international market, leading to several hundred millions of views recording in social media world. Indeed, the Company has actively engaged in digital platform development to provide services that are more up-to-date and offering innovative music listening experiences. The Group emphasizes on monetization of the invaluable GMM content library possessing a strong branding and unlimited potential to generate service revenue across all platform, as evident from the formation of new business unit 'GMM Bravo' as a content creator providing "New Content Solution" by transforming massive library including music and artists and developed into exclusive contents both TV series and variety shows across multiple platforms covering digital TV, Line TV, and exclusive partner deals, with the potential to expand towards music community, merchandising, and events. While showbiz, radio, and other businesses including movie and home shopping remained popular and got positive responses from the market, which greatly support the overall growth of the Group Company.

Both digital TV channels had overwhelming success from prime-time contents that became talk-of-the-town during the year, leading to skyrocketed growth in channel rating and gained trusts from business partners in producing quality contents striking right to the target group through the most accessible channels, which addressed media advertising objectives of media agency, products and brands to implement an effective advertising plan, altogether leading to a significant growth in revenue from digital TV business over

previous year, along with a sharp drop in net loss for 2016.

Apart from driving a steady and securing growth of business, the company was committed to good corporate governance and sustainable development. It has been a great pleasure that Thai Institute of Directors (IOD) awarded the company the 'Five Stars' rating which represents the 'highest rank of excellence' from good governance assessment of the listed company in 2016 which continued for a sixth consecutive years so far. Moreover, the company was rewarded from the achievements with excellent corporate management and administration following good corporate governance, responsibility, and doing good deeds for the welfare of society.

On behalf of the Board of Directors, we would like to express our gratitude to our stakeholders including shareholders, customers, business partners, financial institutions, government agencies, media agencies, artists, executives and all employees for all support and great contribution to drive for the Company's excellence in creative produce, service and administration in order to deliver a profitable return to shareholders over the long term, as well as moving forward a healthy development in media and entertainment industry for the nation and society.

Mr. Paiboon Damrongchaitam
Chairman

Miss Boosaba Daorueng
Group Chief Executive Officer



Securities and Shareholders Information

1. The Company's Security

As of December 31, 2016, the Company has registered capital of 819,949,729 baht, consisting of 819,949,729 common shares with a par value of 1 baht per share. The Company paid-up capital is 819,949,729 baht.

2. Major Shareholders

2.1) Top shareholders according to the share registration book closing on March 28, 2016 are as follows:

Rank	Shareholders	No. of Shares	% Holding
1	Mr. Paiboon Damrongchaitham*	392,834,599	47.910
2	Mr. Thaveechat Jurangkool	133,051,623	16.227
3	Mr. Nuttapol Jurangkool	71,116,300	8.673
4	CREDIT SUISSE AG, SINGAPORE BRANCH	26,552,520	3.238
5	Bualuang Long-Term Equity Fund	24,437,800	2.980
6	Mr. Komol Juangroongruangkit	22,720,000	2.771
7	Bangkok Bank Public Co., Ltd.	12,278,693	1.497
8	Geurtfah Co., Ltd.*	10,939,745	1.334
9	Mr. Fahmai Damrongchaitham*	9,000,000	1.098
10	Mr. Rafha Damrongchaitham*	9,000,000	1.098
Total		711,931,280	86.830

* Mr. Paiboon Damrongchaitham Group consists of Mr. Paiboon Damrongchaitham; holding 392,834,599 shares (equivalent to 47.910%), Geurtfah Co., Ltd.; holding 10,939,745 shares (equivalent to 1.334%), Mr. Fahmai Damrongchaitham; holding 9,000,000 shares (equivalent to 1.098%) and Mr. Rafha Damrongchaitham, holding 9,000,000 shares (equivalent to 1.098%). Also included are two shareholders whose number of shares held not shown in the top list comprising Miss Fahchai Damrongchaitham; holding 2,500,000 shares (equivalent to 0.310%) and Miss Ingfah Damrongchaitham; holding 2,500,000 shares (equivalent to 0.310%).

The free float of minority shareholders on March 28, 2016 (the day of the registration book closing by the Company for reporting the "Distribution of Ordinary Shares Report Form" to the SET) amounted to 2,759 shareholders, equivalent to 21.77% of the Company's paid-up capital.

Distribution of Shareholders by Nationality

The distribution of shareholders according to the nationality, as of the latest book registration closing date on March 28, 2016, is as follows:

The distribution of shareholders separated by nationality and person type

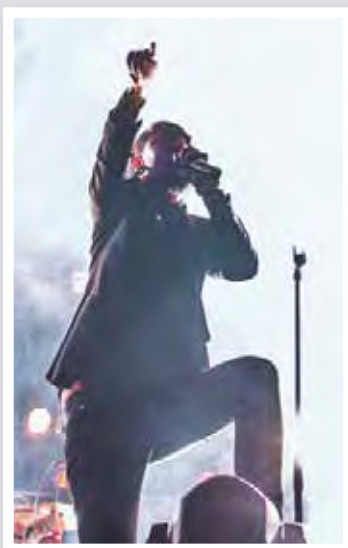
Shareholders	Grand Total			Juristic Person			Ordinary Person		
	*No. of Shareholders	Number of Shares	%	*No. of Shareholders	Number of Shares	%	*No. of Shareholders	Number of Shares	%
Thai Shareholders	3,049	785,323,337	95.78	58	76,203,934	9.30	2,991	709,119,403	86.48
Foreign shareholders	32	34,626,392	4.22	18	34,363,792	4.19	14	262,600	0.03
Total	3,081	819,949,729	100.00	76	110,567,726	13.49	3,005	709,382,003	86.51

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

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

3. Dividend Policy

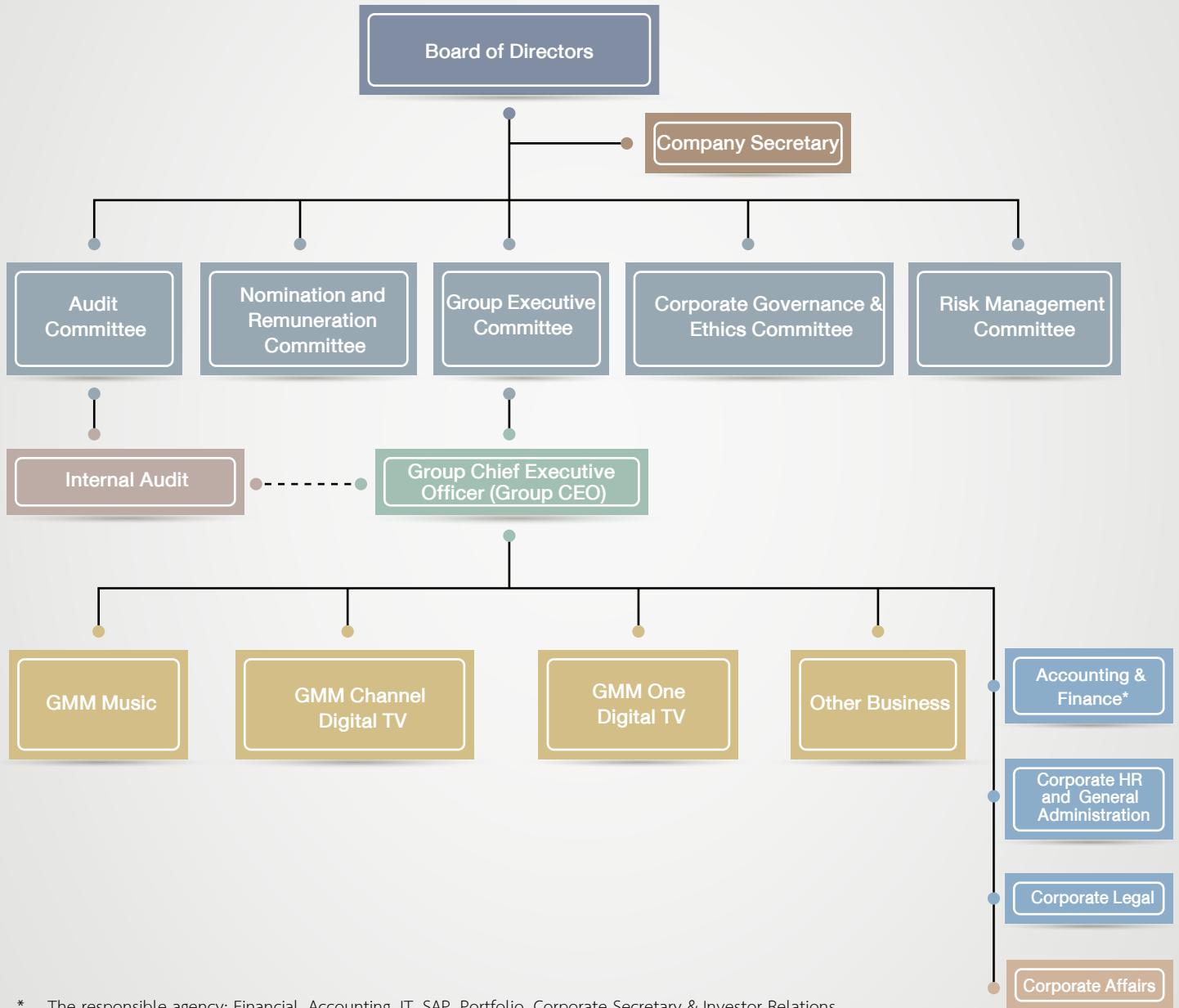
The Company and its affiliates have a policy of paying dividends to shareholders at a rate not less than 40% of the net profit after corporate income tax and regulatory reserve each year, based upon the Company separate financial statements, subject to the economic conditions and future operations.



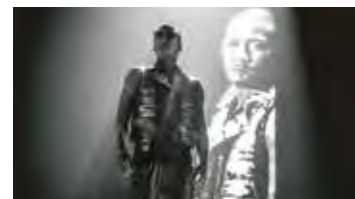


Management Structure

Organization Chart GMM GRAMMY



* The responsible agency: Financial, Accounting, IT, SAP, Portfolio, Corporate Secretary & Investor Relations



The Company's management structure as of December 31st, 2016 comprises Board of Directors and other 4 sub-committees were appointed by the Board of Directors in order to support and facilitate maximized efficiency and performance of the Board of Directors, namely (1) Audit Committee, (2) Nomination and Remuneration Committee, (3) Risk Management Committee and (4) Corporate Governance and Ethics Committee. Moreover, the Board of Directors also appointed Group Executive Committee of which the structure comprising of top executives by positions, as shown by the above organization chart.

Board of Directors

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

As of December 31, 2016, the Board of Directors consisted of 11 directors who are qualified with extensive skills, knowledge and experiences that are beneficial to the Company's strategy implementation and future success as follows:

- (1) 4 members were executive directors.
- (2) 7 members were non-executive directors, comprised of:
 - 4 independent directors, equivalent to 1/3 of the total number of directors.
 - 3 non-executive directors, who did not involve in daily operations of the Company.

Each year, 1/3 of total numbers of directors due to retire by rotation (according to the Company's Articles of Association). In 2016, the Board of Directors held 10 meetings. The meeting schedules were set in advance.

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

Name	Title	Appointment Date at AGM	Meeting Attendance (times)	No. of Years for Directorship
1. Mr. Paiboon Damrongchaitham	Chairman	2014 Annual General Meeting (AGM)	10/10	22 years 9 months
2. Miss Boosaba Daorueng	Director / Vice-Chairman	2015 Annual General Meeting (AGM)	10/10	22 years 9 months
3. Dr. Naris Chaiyasoot	Independent Director	2016 Annual General Meeting (AGM)	8/10	3 years 9 months
4. Mr. Suvit Mapaisansin	Independent Director	2015 Annual General Meeting (AGM)	10/10	1 year 8 months
5. Mrs. Veeranuch Thammavaranucupt	Independent Director	2016 Annual General Meeting (AGM)	6/10	1 year 6 months
6. Mr. Chanitr Charnchainarong	Independent Director	2016 Annual General Meeting (AGM)	8/10	1 year 1 month

Name	Title	Appointment Date at AGM	Meeting Attendance (times)	No. of Years for Directorship
7. Mrs. Saithip Montrikul Na Audhaya	Director	2015 Annual General Meeting (AGM)	7/10	14 years 5 months
8. Mr. Krij Thomas	Director	2014 Annual General Meeting (AGM)	10/10	8 years 8 months
9. Mr. Sataporn Panichraksapong	Director	2016 Annual General Meeting (AGM)	9/10	7 years 8 months
10. Miss Suwimon Chungjotikapisit	Director	2015 Annual General Meeting (AGM)	10/10	6 years 1 month
11. Dr. Lackana Leelayouthayotin ¹¹	Director	2014 Annual General Meeting (AGM)	8/10	1 year 6 months

Note: Additional information and changes during the year 2016

¹¹ Dr. Lackana Leelayouthayotin was appointed the director according to resolution passed at the Board of Directors' Meeting No.3/2015 effective on June 24th, 2015 to replace the resigned director, Mr. Kriengkarn Kanjanapokin.

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

Directors with signing authority on behalf of the Company

Miss Boosaba Daorueng or Miss Suwimon Chungjotikapisit has to co-sign with one of the following Directors: Mrs. Saithip Montrikul Na Audhaya or Mr. Krij Thomas 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 executives team to operate the business according to the Company's objective and Articles of Association, related laws and resolution of the Shareholders' Meeting, as well as to performs their duties in good faith, with due diligence and care and fairly treatment, for the best interest of the Company and all shareholders.

Those of which could be summarized as follows:

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

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

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

1. Policy and business operations of the Group.
2. Determination of the Corporate Authorization Index with exception to the matters which require the shareholders' approval such as, capital increase, capital decrease, debenture issuing.
3. Defining the organizational structure of the business line.
4. Approval of annual budget and manpower of the Group.
5. Employment, appointment, transfer and dismissal of the Chief Executive Officer.
6. Defining or changing of employee's provident fund.
7. Legal transaction with value equal to or greater than 100 million baht.
8. Loan, Bank Guarantee and Forward Exchange Contract with value greater than 1,000 million baht.
9. Short term investment with value greater than 50 million baht.
10. Long term investment with value greater than 20 million baht.
11. Debt restructuring and write off with value greater than 500 million baht per debtor.
12. New budget or new project on production of new program, or any project which is not included in the annual budget.
13. Legal transaction with respect to the transfer of intellectual property.
14. Legal transaction with respect to the grant of exploitation of Exclusive intellectual property right.
15. Write off fixed assets with value greater than 50 million baht.
16. Rules for the connected transactions with general commercial term and condition.

Roles and Responsibilities of the Chairman

Roles and Responsibilities towards the Company

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

Roles and Responsibilities towards the Board of Directors

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

Roles and Responsibilities towards the Executives

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

Roles and Responsibilities towards Employees, Shareholders and Stakeholders

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

Group Executive Committee

The Group Executive Committee's structure comprises of top executives with the following positions (1) Group Chief Executive Officer (2) Chief Executive Officer - GMM Music (3) Chief Executive Officer - GMM Channel Digital TV (4) Chief Executive Officer - GMM One Digital TV (5) Chief Financial Officer and (6) Chief Investment Officer.

According to resolution passed at the Board of Directors' Meeting No.1/2016 held on February 26, 2016, Chief Legal Officer and Chief Marketing Officer were appointed the members of The Group Executive Committee, effective from February 26, 2016 onwards.

As of December 31, 2016, the Group Executive Committee comprised 7 members who were knowledgeable and experienced in various business lines and met a total of 12 times. The names and meeting attendance of each member in 2016 were noted as follows:

Name	Title	Meeting Attendance (times)
1. Miss Boosaba Daorueng	Chairman	12/12
2. Mrs. Saithip Montrikul Na Audhaya	Member	10/12
3. Mr. Krij Thomas	Member	12/12
4. Mr. Takonkiet Viravan	Member	6/12
5. Mrs. Karnsuda Sansuthi	Member	12/12
6. Miss Chitralada ¹ Hengyotmark	Member	9/10
7. Mr. Phawit Chitrakorn ²	Member	8/10
Mrs. Jiraporn Rungsrithong ³	Member	-3/6

Note : Additional information and changes during the year 2016

¹ Miss Chitralada Hengyotmark, the Chief Legal Officer, was appointed the member of The Group Executive Committee, according to resolution passed at the Group Executive Committee' Meeting No.1/2016 on February 26th, 2016.

² Mr. Phawit Chitrakorn, the Chief Marketing Officer, was appointed the member of The Group Executive Committee, according to resolution passed at the Group Executive Committee' Meeting No.1/2016 on February 26th, 2016.

³ Mrs. Jiraporn Rungsrithong resigned from the member of The Group Executive Committee effective on June 30th, 2016.

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

Roles and Responsibilities of the Group Executive Committee

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

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

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

As of December 31, 2016, the Company's executives team ('Executives' in this instance refers to the top four most senior members of the management team ranked below the Group Chief Executive Officer or Group CEO, irrespective of their positions, including the position equivalent to the fourth rank and senior executives in the Accounts and Finance Departments, or the position equivalent to the Chief Finance Officer or CFO), comprised 7 qualified members as follows:

Name	Title
1. Miss Boosaba Daorueng	Group Chief Executive Officer
2. Mrs. Saithip Montrikul Na Audhaya	Chief Executive Officer - GMM Channel Digital TV
3. Mr. Krij Thomas	Chief Executive Officer - GMM Music
4. Mr. Takonkiet Viravan	Chief Executive Officer - GMM One Digital TV
5. Mrs. Karnsuda Sansuthi ^{\1}	Chief Financial Officer
6. Miss Chitralada Hengyotmark ^{\2}	Chief Legal Officer
7. Mr. Phawit Chitrakorn ^{\3}	Chief Marketing Officer
Mrs. Jiraporn Rungsrithong ^{\4}	Chief Investment Officer

Note : Additional information and changes during the year 2016

^{\1} Mrs. Karnsuda Sansuthi was appointed the Chief Financial Officer and member of The Group Executive Committee, according to resolution passed at the Group Executive Committee' Meeting No.10/2015 on December 3rd, 2015 and effective from January 12th, 2016.

^{\2} Miss Chitralada Hengyotmark was appointed the Chief Legal Officer by the Group Chief Executive Officers' Meeting No.7/2015, effective on July 1st, 2015.

^{\3} Mr. Phawit Chitrakorn was appointed the Chief Marketing Officer, according to resolution passed at the Group Executive Committee' Meeting No.10/2015 on December 3rd, 2015 effective on January 1st, 2016. Subsequently, he was appointed the Chief Executive Officer - GMM Music, according to resolution passed at the Group Executive Committee' Meeting No.9/2016 on November 10th, 2016 effective on January 1st, 2017 to replace Mr. Krij Thomas who was appointed the Chief Marketing Advisor - GMM Music.

^{\4} Mrs. Jiraporn Rungsrithong resigned from the member of The Group Executive Committee effective on June 30th, 2016.

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

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

Changes to GRAMMY Shares Held by Directors and Executives

As of December 31st, 2016, the figures of individual shares holding (directly and indirectly) compared to 2015, were as follows:

No.	Director/Executive	Position	Number of Shares Holding As of December 31, 2016	Percentage (%)*	Number of Shares Holding As of December 31, 2015	Percentage (%)**	Number of Share Change Increase/ (Decrease) During the Year
1	Mr. Paiboon Damrongchaitham	Chairman	392,834,599	47.91	392,834,599	47.91	-
	Spouse/Immature Children	-	-	-	-	-	-
	Concert Party	-	27,800,000	3.39	23,000,000.00	2.81	4,800,000
	Related Juristic Person (Geurtfah)	-	6,139,745	0.75	10,939,745	1.33	-4,800,000
2	Mrs. Boosaba Daorueng	Vice Chairman	1,150,120	0.14	1,150,120	0.14	-
	Spouse/Immature Children	Group CEO	600,120	0.07	600,120	0.07	-
	Related Juristic Person	-	-	-	-	-	-
3	Dr. Naris Chaiyasoot	Independent Director	-	-	-	-	-
	Spouse/Immature Children	-	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-

No.	Director/Executive	Position	Number of Shares Holding As of December 31, 2016	Percentage (%)*	Number of Shares Holding As of December 31, 2015	Percentage (%)**	Number of Share Change/ (Decrease) During the Year
4	Mr. Chanitr Charnchainarong	Independent Director	-	-	-	-	-
	Spouse/Immature Children	-	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-
5	Mrs. Veeranuch Thammavaranucupt	Independent Director	-	-	-	-	-
	Spouse/Immature Children	-	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-
6	Mr. Suvit Mapaisansin	Independent Director	-	-	-	-	-
	Spouse/Immature Children	-	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-
7	Dr. Lackana Leelayouthayotin	Director	-	-	-	-	-
	Spouse/Immature Children	-	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-
8	Mrs. Saithip Montrikul Na Audhaya	Director	120	0.00	120	0.00	-
	Spouse/Immature Children	CEO GMM Channel DTV	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-
9	Mr. Krij Thomas	Director	1,742,960	0.21	1,742,960.00	0.21	-
	Spouse/Immature Children	CEO GMM Music	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-
10	Ms. Suwimon Chungjotikapisit	Director	-	-	-	-	-
	Spouse/Immature Children	-	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-
11	Mr. Sataporn Panichraksapong	Director	-	-	-	-	-
	Spouse/Immature Children	-	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-
12	Mr. Takonkiet Viravan	CEO	6,930,856	0.85	6,930,856.00	0.85	-
	Spouse/Immature Children	GMM ONE DTV	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-
13	Mrs. Karnsuda Sansuthi	Chief Financial Officer	-	-	-	-	-
	Spouse/Immature Children	-	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-
14	Miss Chitralada Hengyotmark	Chief legal Officer	-	-	-	-	-
	Spouse/Immature Children	-	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-

No.	Director/Executive	Position	Number of Shares Holding As of December 31, 2016	Percentage (%)*	Number of Shares Holding As of December 31, 2015	Percentage (%)**	Number of Share Change Increase/ (Decrease) During the Year
15	Mr. Phawit Chitrakorn	Chief Marketing Officer	-	-	-	-	-
	Spouse/Immature Children	-	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-
16	Mrs. Jiraporn Rungsithong*	Chief Investment Officer	-	-	14,520.00	0.00	-14,520
	Spouse/Immature Children	-	-	-	-	-	-
	Related Juristic Person	-	-	-	-	-	-

* No. 16 Mrs. Jiraporn Rungsithong reported their shareholdings up to the end of the position in June 2016

Company Secretary

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

Duties and Responsibilities of the Company Secretary

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

Remuneration of Directors and Executives

1) Remuneration of Directors and Sub-committee

1.1) Remuneration of Directors

The Board of Directors has clearly and transparently set the policy on director's remuneration by assigning the Nomination and Remuneration Committee to determine guidelines and policies on the remuneration

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

Remuneration of Directors in 2016 was in accordance with the resolution from the shareholders' meeting at the amount of 6,000,000 baht which comprises:

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

Unit: Baht/Person/Time

Position	Meeting Allowance
Chairman	13,000
Independent Director	13,000
Director	3,000

1.1.2 Annual Bonus (1 time per year) The allocation was as same as those in 2015, according to the shareholders' meeting as follows:

- Total annual bonus in 2016 for the Board was being paid from the amount approved by the shareholders as mentioned above, deducted by total meeting allowances paid during the year. The remaining amount was then allocated to each director upon individual meeting attendance.
- Total annual bonus (after deducting meeting allowance) was allocated according to individual attendance records by consideration of Chairman of the Nomination and Remuneration Committee, with the Chairman of the Board of Directors is apportioned twice of his meeting attendance.

1.1.3 Non-monetary/Other benefits

None

1.2) **Remuneration of Sub-committees**

1.2.1 Remuneration for the Audit Committee

Remuneration for the Audit Committee was in accordance with the resolution from the shareholders' meeting at the amount of 650,000 baht as follows:

Unit: Baht/Person/Year

Position	Remuneration for the Audit Committee
Chairman of Audit Committee	200,000
Chairman of Audit Committee (per person)	150,000

1.2.2 Remuneration of other Sub-committees

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

1.2.3 Remuneration of directors as directors of the subsidiaries

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

In 2016, remuneration for 11 directors of the Board, was amounting to 6,650,000 baht in total, with details as follows:

Name	Title	Director's Meeting Allowance (Baht)	Director's Annual Gratuity (Baht)	Remuneration for the Audit Committee (Baht)	Non-Monetary	Total Remuneration (Baht)
1. Mr. Paiboon Damrongchaitham	Chairman	130,000	998,491	-	None	1,128,491
2. Dr. Naris Chaiyasoot	Independent Director	104,000	399,396	200,000	None	703,396
3. Mr. Chanitr Charnchainarong	Independent Director	104,000	399,396	150,000	None	653,396
4. Mr. Suvit Mapaisansin	Independent Director	130,000	499,245	150,000	None	779,245
5. Mrs. Veeranuch Thammavaranucupt	Independent Director	78,000	299,547	150,000	None	527,547
6. Miss Boosaba Daorueng	Director	30,000	499,245	-	None	529,245
7. Mr. Krij Thomas	Director	30,000	499,245	-	None	529,245
8. Mrs. Saithip Montrikul Na Audhaya	Director	21,000	349,472	-	None	370,472
9. Miss Suwimon Chungjotikapisit	Director	30,000	499,245	-	None	529,245
10. Mr. Sataporn Panichraksapong	Director	27,000	449,321	-	None	476,321
11. Dr. Lackana Leelayouthayotin	Director	24,000	399,396	-	None	423,396
Total (Baht)		708,000	5,292,000	650,000	None	6,650,000

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

In 2016, the Company has evaluated the performance of top executives. (and all employees) in term of Key Performance Index (KPI). Each employee must set their KPIs together with action plans and submit to the Group Chief Executive Officer and/or Group Executive Committee and/or Board of Directors which will be in conjunction with compensation, salary adjustment and bonus. The performance evaluation with KPI is performed together with performance evaluation set by the Human Resources Department.

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

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

In 2016, the total monetary remuneration for Group Executive Committee member and top executives in total 8 persons amounted to 72,976,533 Baht.

Remuneration Description	Amount (Baht)
Salary and Bonus	62,133,333
Other Benefits:	
• Provident Fund (Depend on the period of employment)	1,813,200
• Others	9,030,000
Total	72,976,533

Human Resources

The Group's total numbers of workforce, both full-time and part-time employees (with a definite contract term), as of December 31st, 2016 were 2,936.

Company	2016 (Unit: Person)		
	Full-time	Part-time	Total
GMM Grammy Plc.	610	72	682
Subsidiaries	1,919	335	2,254
Total	2,529	407	2,936

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

1. The Company believes in the value of human beings by treating employees as the most important resource that the Company would promote its policy on employee's development for the utmost working efficiency.
2. The Company regards each employee as a respected and honored colleague who should be well cared for.
3. The Company will ensure fair employment and offer fair career advancement opportunities.
4. The Company will operate under the basis of teamwork, where everyone works together as a single unit and will work to build excellent morale among employees at every level.
5. The Company will develop all employees in terms of their knowledge, ability, expertise, operational and management skills as appropriate so that they can continue to advance and grow.



6. The Company will promote and retain all talented employees to ensure they work with the Company as long as possible.
7. The Company will promote and support employees to ensure stability in their profession, with promotions being granted to employees who have suitable quality before seeking to recruit externally sourced candidates to fill the positions.
8. The Company will review benefits and other remuneration to remain on par with other companies in the same industry and commensurate with the position, experience, qualifications and quality of each employee. The pay will also be based on the Company's performance, as well as the country's socio-economic environment.
9. The Company considers that human resources management is a duty to be directly handled by immediate supervisor and that the human resources department serves as a consulting unit. Therefore, it is the supervisor's responsibility to closely monitor and ensure the well-being of their staff.
10. Employees should consult with their supervisor in order to discuss any suggestions or assistance to resolve the problems or may obtain advice and assistance from the Human Resources Department as well.

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

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

- None -

Major labor disputes in the past 3 years

- None -

Employee Remuneration and Benefits

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

1. Salary and bonus

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

The employee's compensation will be in conjunction with KPI and action plan which proposed to supervisor under the line of command. The salary adjustment and bonus payment will be based on KPI and performance evaluation set by the Human Resources Department.

2. Other benefits

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

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

In 2016, total salaries, bonuses and employer's contributions paid for the entire Group were amounting to 1,706.44 million Baht, details are as follows:

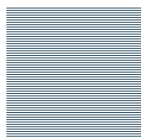


Company	2016 (Unit: Million Baht)			
	Salaries	Bonuses	Employer's contributions	Total
GMM Grammy Plc.	514.12	69.58	16.42	600.12
Subsidiaries	1,001.22	76.74	28.36	1,106.32
Total	1,515.34	146.31	44.79	1,706.44

3. Employee Welfare

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

Moreover, the Employee Self Service (ESS) system was developed to allow employees to easily and promptly view information about themselves such as personal information, employment terms, income, education, work experience, information about their parents, children and spouse, tax deductible, salary slips and summary of their annual income. Employees are allowed to make changes to information pertaining themselves and tax deduction at all times, while data security is adequately and properly in place. In 2016, the Company reviewed and ensured that the Human Resources Management Policies, Company Employment Regulations and Welfare Manual were fully and constantly being complied.



Board of Directors



◀
Mr. Paiboon Damrongchaitham
Chairman

As of December 31, 2016

▶
Miss Boosaba Daorueng
Vice-Chairman



◀
Dr. Naris Chaiyasoot
Independent Director



▲
**Mrs. Veeranuch
Thammavaranucupt**
Independent Director

▶
Mr. Suvit Mapaisansin
Independent Director

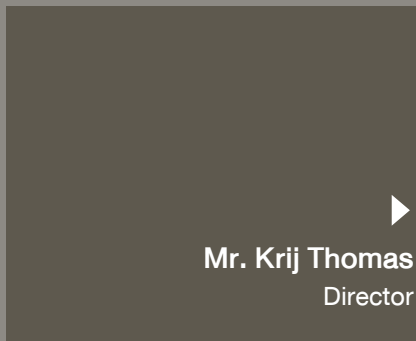




▲
Mr. Chanitr Charnchainarong
Independent Director



◀
**Mrs. Saithip Montrikul
Na Audhaya**
Director



▶
Mr. Krij Thomas
Director



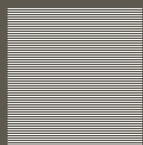
▶
**Mr. Sataporn
Panichraksapong**
Director



◀
Miss Suwimon Chungjotikapisit
Director



▲
Dr. Lackana Leelayouthayotin
Director



Executive Team / Group Executive Committee



▲
Miss Boosaba Daorueng
Group Chief Executive Officer



▶
**Mrs. Saithip
Montrikul Na Audhaya**
CEO-GMM Channel Digital TV



◀
Mr. Krij Thomas
CEO-GMM Music

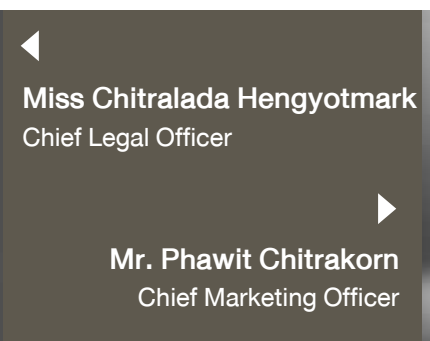


▶
Mrs. Karnsuda Sansuthi
Chief Financial Officer

◀
Mr. Takonkiet Viravan
CEO-GMM ONE Digital TV



◀
Miss Chitralada Hengyotmark
Chief Legal Officer



▶
Mr. Phawit Chitrakorn
Chief Marketing Officer



Board of Directors and Management Team

Mr. Paiboon Damrongchaitham (Age: 67 years)

Chairman of the Board

Chairman of the Company Advisory Board

Date of Directorship

March 25, 1994

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 31/12/2016

392,834,599 shares (47.91%), including related parties, according to Section 59 of the Securities and Exchange Act

Experience

Listed Companies

2008 - Present	Chairman of the Company Advisory Board, GMM Grammy Plc.
1998 - Present	Chairman of the Board, GMM Grammy Plc.
Jul 2011 - 13 Jul 2014	Member of the Nomination and Remuneration Committee, GMM Grammy Plc.
2005 - Jul 2011	Chairman of the Nomination and Remuneration Committee, GMM Grammy Plc.
1998 - 2008	Chairman of the Executive Committee Advisor, GMM Grammy Plc.

Other Companies

Apr 2015 - Present	Director, Juddtongton Co., Ltd.
Nov 2011 - Present	Chairman of the Board, GMM CJ O Shopping Co., Ltd.
2009 - Present	Director, Ruamfah Deawkan Co., Ltd.
2009 - Present	Vice Chairman, Family Know-how Co., Ltd.
2008 - Present	Chairman of the Company Advisory Board, GMM Media Plc.
2005 - Present	Director, Trinaga Co., Ltd.
2002 - Present	Director, Hou Yuu Co., Ltd.
2001 - Present	Director, Geurtfah Co., Ltd.
1998 - Present	Chairman/Founder, Damrongchaitham Foundation
1987 - Present	Director, Ruamfah Co., Ltd.
Mar 2012 - Sep 2012	Director, GMM Z Co., Ltd.
2005 - 2009	Chairman of the Nomination and Remuneration Committee, GMM Media Plc.
2002 - 2009	Chairman of the Board, GMM Media Plc.
2007 - 2008	Advisor to the Executive Committee, GMM Media Plc.
2005 - 2007	Chairman of the Risk Management Committee, GMM Media Plc.
2002 - 2007	Chairman of the Executive Director, GMM Media Plc.

Miss Boosaba Daorueng (Age: 64 years)

Vice Chairman (Authorized Director)**Chairman of the Risk Management Committee****Chairman of the Group Executive Committee****Group Chief Executive Officer****Date of Directorship**

March 25, 1994

Education Background

- Bachelor of Liberal Arts, Thammasat University

Number of Share Holding (%) as of 31/12/2016

1,750,240 shares (0.21%),

Experience**Listed Companies**

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

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

2008 - Present Vice Chairman, GMM Grammy Plc.

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

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

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

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

Other Companies

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

15 Jul 2016 - Present Director, Sawasdee Thaweessuk Co., Ltd.

15 Jul 2016 - Present Director, Siangdee Thaweessuk Co., Ltd.

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

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

Sep 2015 - Present Director, Exact Scenario Co., Ltd.

Sep 2015 - Present Director, Memiti Co., Ltd.

Aug 2015 - Present Director, GMM Channel Trading Co., Ltd.

Aug 2015 - Present Director, A-Time Media Co., Ltd.

Aug 2015 - Present Director, GMM TV Co., Ltd.

21 Jul 2015 - Present Director, The One Enterprise Co., Ltd.

27 May 2015 - Present Director, Ngandee Thaweessuk Co., Ltd.

2015 - Present Director, GMM Media Plc.

Sep 2013 - Present Director, GMM Channel Co., Ltd.

Sep 2013 - Present Director, GMM One TV Co., Ltd.

Jul 2013 - Present Director, Digistream Co., Ltd.

Oct 2012 - Present Director, GDC Co., Ltd.

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

May 2010 - Present Director, Acts Studio Co., Ltd.

Feb 2006 - Present Director, GMM Fitness Club Co., Ltd.

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

Apr 2004 - Present Director, Scenario Co., Ltd.

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

2004 - Present Director, Deetalk Co., Ltd.

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

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

Aug 1999 - Present Director, Mifah Co., Ltd.

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

Nov 1998 - Present Director, MGA Co., Ltd.

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

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

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

Jan 1997 - Present Director, GMM Studio Co., Ltd.

Aug 1996 - Present Director, Magic Film Co., Ltd.

Nov 1995 - Present Director, More Music Co., Ltd.

Sep 1994 - Present Director, Extraorganizer Co., Ltd.

Sep 2004 - Liquidation Completed Director, Luckdee Thaweessuk Co., Ltd.

Nov 1998 - Liquidation completed Director, GTH On-air Co., Ltd.

Jul 2005 - 1 Jul 2015 Director, Index Creative Village Plc. (Former Index Event Agency Plc.)

2003 - 2008 Advisor to the Executive Committee and the Board of Directors, GMM Media Plc.

Dr. Naris Chaiyasoot (Age: 61 years)

Independent Director**Chairman of the Audit Committee****Chairman of the Nomination and Remuneration Committee****Date of Directorship**

March 20, 2013

Education Background

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

Seminar Accomplishment*The Thai Institute of Directors (IOD)*

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

Number of Share Holding (%) as of 31/12/2016

-None-

Experience**Listed Companies**

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

Other Companies

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

Mr. Suvit Mapaisansin (Age: 58 years)

Independent Director	3 Apr 2014 - Present*	Independent Committee/Audit Committee, Golden Lime Plc. (*Resigned with effect from 1 Feb 2017)
Member of the Audit Committee		
Member of the Nomination and Remuneration Committee	2012 - Present	Director, Kiattakin Public Company Limited
Member of the Corporate Governance and Ethics Committee		
Date of Directorship	2009 - Present	Director, Phatra Securities Public Company Limited
April 29, 2015		
Education Background	2011 - 2012	Chairman of the Audit Committee/ Audit Committee, Krungthai Card Plc.
• Bachelor of Economics, Chulalongkorn University		
• Master of Business Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University	2009 - 2012	Independent Director, Krungthai Card Public Company Limited
Seminar Accomplishment	2003 - 2009	Chief Executive Officer, Phatra Securities Public Company Limited
The Thai Institute of Directors (IOD)		
• Course Audit Committee Program Class 37/2011		
• Course Director Certification Program Class 12/2001		
Number of Share Holding (%) as of 31/12/2016	2010 - Present	Director, Phatra Capital Public Company Limited
-None-	2011 - 2 Apr 2014	Independent Director/Member of the Audit Committee, Golden Lime Co., Ltd.
Experience	2012 - 2014	Chairman of the Board of Directors, Phatra Asset Management Company Limited
Listed Companies		
13 Nov 2015 - Present	Member of the Nomination and Remuneration Committee, GMM Grammy Plc.	2012 - 2014 Chairman of the Board of Directors, KK TRADE Securities Company Limited
13 May 2015 - Present	Audit Committee, GMM Grammy Plc.	26 Jun 2002 - 27 May 2003 Vice Chairman of the Board, The Stock Exchange of Thailand
13 May 2015 - Present	Member of the Corporate Governance and Ethics Committee, GMM Grammy Plc.	6 Feb 2001 - 25 Jun 2002 Director, The Stock Exchange of Thailand
29 Apr 2015 - Present	Independent Committee, GMM Grammy Plc.	2000 - 2002 Managing Director, Merrill Lynch Phatra Securities Co., Ltd.

Mrs. Veeranuch Thammavaranucept (Age: 45 years) Mr. Chanitr Charnchainarong (Age: 53 years)

Independent Director

Member of the Audit Committee

Member of the Corporate Governance and Ethics Committee

Date of Directorship

June 24, 2015

Education Background

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

Number of Share Holding (%) as of 31/12/2016

-None-

Experience

Listed Companies

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

Other Companies

2 Feb 2016 - Present	Director, Weerawong, Chinnavat & Peangpanor Ltd.
4 Nov 2015 - Present	Director, Thanaset Business & Development Co., Ltd.
Jul 2013 - Present	Partner, Weerawong, Chinnavat & Peangpanor Ltd.

Independent Director

Member of the Audit Committee

Date of Directorship

November 13, 2015

Education Background

- Bachelor of Science (Electrical Engineering), Purdue University, USA
- Master of Science (Electrical Engineering), Purdue University, USA
- Chartered Financial Analyst (CFA), CFA Institute, USA

Seminar Accomplishment

The Thai Institute of Directors (IOD)

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

Other Institutes

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

Number of Share Holding (%) as of 31/12/2016

-None-

Experience

Listed Companies

Nov 2015 - Present	Independent Director/Member of the Audit Committee, GMM Grammy Plc.
May 2015 - Present	Independent Director/Chairman of the Audit Committee, UOB (Thailand) Plc.

Other Companies

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

Mrs. Saithip Montrikul Na Audhaya (Age: 60 years)

Director (Authorized Director)		Mar 2012 - Present	Director, GDC Company Limited
Member of the Risk Management Committee		Feb 2009 - Present	Chairman of the Board, GMM Media Plc.
Member of the Group Executive Committee			
Chief Executive Officer-GMM Channel Digital TV		2007 - Present	Director, A-Time Traveler Co., Ltd.
Date of Directorship		Oct 2006 - Present	Director, Digital Arms Company Limited
July 16, 2002		2004 - Present	Director, Exact Company Limited
Education Background		2002 - Present	Director, GMM Media Plc.
• Bachelor of Arts (Mass Communications), Chulalongkorn University		2000 - Present	Director, GMM TV Co., Ltd.
• Honorary Bachelor of Technology (Mass Communication of Technology), Rajamangala University of Technology Rattanakosin		1996 - Present	Director, GMM Digital Domain Co., Ltd.
Number of Share Holding (%) as of 31/12/2016		Nov 1995 - Present	Director, Teen Talk Co., Ltd.
120 shares (0%), including related parties, according to Section 59 of the Securities and Exchange Act.		1989 - Present	Director, A-Time Media Co., Ltd.
Experience		Sep 2010 - Nov 2015	Director, A Gen Event Agency Co., Ltd.
Listed Companies		Jun 2011 - Sep 2015	Director, Memiti Co., Ltd.
		May 2010 - Sep 2015	Director, Acts Studio Co., Ltd.
Oct 2014 - Present	Chief Executive Officer-GMM Channel Digital TV, GMM Grammy Plc.	Aug 2014 - Aug 2015	Director, GMM One TV Co., Ltd.
May 2012 - Present	Member of the Group Executive Committee, GMM Grammy Plc.	Mar 2009 - Jul 2015	Director, Index Creative Village Plc.
2009 - Present	Member of the Risk Management Committee, GMM Grammy Plc.	2007 - Oct 2014	Chief Executive Officer, GMM Media Plc.
2002 - Present	Director (Authorized Director), GMM Grammy Plc.	2002 - 30 Sep 2014	Managing Director, GMM Media Plc.
		1989 - Sep 2014	Managing Director, A-Time Media Co., Ltd.
Feb 2012 - Jul 2014	Chief Executive Officer-Media Business, GMM Grammy Plc.	2007 - Dec 2011	Managing Director, A-Time Traveler Co., Ltd.
2009 - May 2012	Co-Chief Executive Director, GMM Grammy Plc.	Aug 2008 - Feb 2009	Vice Chairman of the Board, GMM Media Plc.
2009 - Feb 2012	Co-Chief Executive Officer, GMM Grammy Plc.	2007 - Feb 2009	Chairman of the Risk Management Committee, GMM Media Plc.
1989 - Feb 2009	Executive Director, GMM Grammy Plc.	1995 - Jan 2007	Managing Director, GMM TV Co., Ltd.
Other Companies		2005 - 2007	Member of the Risk Management Committee, GMM Media Plc.
Aug 2015 - Present	Director, Deetalk Company Limited	2002 - 2007	Executive Director, GMM Media Plc.
Aug 2014 - Present	Director, GMM Channel Co., Ltd.		
Mar 2012 - Present	Director, Z Trading Company Limited		

Mr. Krij Thomas (Age: 56 years)

Director (Authorized Director)**Chairman of the Corporate Governance and Ethics Committee****Member of the Risk Management Committee****Member of the Group Executive Committee****Chief Executive Officer-GMM Music****Date of Directorship**

April 28, 2008

Education Background

- Bachelor of Arts (Mass Communications), Chulalongkorn University

Number of Share Holding (%) as of 31/12/2016

1,742,960 shares (0.21%), including related parties, according to Section 59 of the Securities and Exchange Act

Experience**Listed Companies**

Jan 2017 - Present	Chief Advisor to GMM Music, GMM Grammy Plc.
Aug 2014 - Present	Chairman of the Corporate Governance and Ethics Committee, GMM Grammy Plc.
May 2012 - Present	Member of the Group Executive Committee, GMM Grammy Plc.
Feb 2011- Present	Member of the Risk Management Committee, GMM Grammy Plc.
2008 - Present	Director (Authorized Director), GMM Grammy Plc.
2003 - Present	Managing Director (Grammy Gold Division), GMM Grammy Plc.
Oct 2014 - Dec 2016	Chief Executive Officer-GMM Music, GMM Grammy Plc.

Mar 2013 - Jul 2014

Apr 2012 - Jul 2014

Feb 2012 - Jul 2014

2004 - May 2012

2011 - Feb 2012

2008 - 2010

2005 - 2006

2001 - 2003

Other Companies

Jul 2013 - Present	Director, Z Trading Co., Ltd.
Dec 2012 - Present	Director, Digistream Co., Ltd.
Mar 2012 - Present	Director, GDC Co., Ltd.
Oct 2011 - Present	Director, Fan TV Co., Ltd.
2007 - Present	Director, 3-RD Co., Ltd.
1997 - Present	Managing Director, Krij Thomas Co., Ltd.
Jul 2016 - Aug 2016	Director, GMM CJ O Shopping Co., Ltd.
2013 - 21 Jul 2015	Director, GMM One TV Trading Co., Ltd.
2013 - 8 Jun 2015	Director, GMM CJ O Shopping Co., Ltd.
2013 - 13 Aug 2014	Director, GMM Big TV Trading Co., Ltd.
Jul 2012 - Jul 2014	Director, GMM Z Co., Ltd.
2004 - Feb 2009	Director, Dokya Pujong Co., Ltd.

Acting Chief Executive Officer-Satellite TV Business, GMM Grammy Plc.

Member of the Corporate Governance and Ethics Committee, GMM Grammy Plc.

Chief Executive Officer-Music Business, GMM Grammy Plc.

Member of the Executive Committee, GMM Grammy Plc.

Senior Executive Vice President (Music Business Division), GMM Grammy Plc.

Executive Vice President (Music Business Division), GMM Grammy Plc.

Acting Managing Director (GMM International Division), GMM Grammy Plc.

Deputy Managing Director (Country music), GMM Grammy Plc.

Miss Suwimon Jhungjotikapisit (Age: 64 years)

Director (Authorized Director)		Nov 2010 - Present	Director, Digital Arms Co., Ltd.
Member of the Nomination and Remuneration Committee		Nov 2010 - Present	Director, Extraorganizer Co., Ltd.
Company Advisor		Nov 2010 - Present	Director, GMM Studio CO., Ltd.
Date of Directorship		Nov 2010 - Present	Director, GMM Media Plc.
November 13, 2010		Nov 2010 - Present	Director, GMM Tai Hub Co., Ltd.
Education Background		Nov 2010 - Present	Director, GMM Digital Domain Co., Ltd.
<ul style="list-style-type: none">Bachelor of Political Science (Honors), Chulalongkorn University		Oct 2010 - Present	Director, More Music Co., Ltd.
Seminar Accomplishment		Oct 2010 - Present	Director, GMM TV Co., Ltd.
The Thai Institute of Directors (IOD)		Oct 2010 - Present	Director, Hou Yuu Co., Ltd.
<ul style="list-style-type: none">Director Certification Program (DCP), Class 12/2001		Oct 2010 - Present	Director, Geurtfah Co., Ltd.
Number of Share Holding (%) as of 31/12/2016		Oct 2010 - Present	Director, Teen Talk Co., Ltd.
-None-		Oct 2010 - Present	Director, Ruamfah Co., Ltd.
Experience		Oct 2010 - Present	Director, Trinaga Co., Ltd.
Listed Companies		Oct 2010 - Present	Director, Exact Co., Ltd.
Jul 2014 - Present	Member of the Nomination and Remuneration Committee, GMM Grammy Plc.	2010 - Present	Director, Fan TV Co., Ltd.
Nov 2010 - Present	Director (Authorized Director), GMM Grammy Plc.	Jul 2009 - Present	Director, Ruam Fah Deaw Gun Co., Ltd.
Nov 2005 - Present	Company Advisor, GMM Grammy Plc.	28 Jan 2008 - Present	Director/Treasurer, Damrongchaitham Foundation
Other Companies		Feb 2007 - Present	Director, Ustar (Thailand) Co., Ltd.
Jan 2016 - Present	Director, Suea Tid Peak Krub Co., Ltd.	Nov 2010 - Liquidation Completed	Director, Luckdee Thaweessuk Co., Ltd.
Apr 2015 - Present	Director, Judtangton Co., Ltd.	Dec 2010 - Dec 2015	Director, Bliss Publishing Co., Ltd. (Defunct)
Dec 2010 - Present	Director, MGA Co., Ltd.	Oct 2010 - Dec 2015	Director, Hou Yuu Central World Co., Ltd. (Defunct)
Dec 2010 - Present	Advisor, GMM Media Plc.	Sep 2010 - Nov 2015	Director, A Gen Event Agency Co., Ltd.
Dec 2010 - Present	Director, GR Vocal Studio Co., Ltd.	May 2010 - Sep 2015	Director, Acts Studio Co., Ltd.
Dec 2010 - Present	Director, Magic Film Co., Ltd.	Dec 2010 - 4 Aug 2015	Director, In Publishing Co., Ltd.
Nov 2010 - Present	Director, GMM Music Publishing International Co., Ltd.	Dec 2010 - 4 Aug 2015	Director, GMM Times Co., Ltd.
Nov 2010 - Present	Director, GMM Holding Co., Ltd.	Nov 2010 - 4 Aug 2015	Director, Image Publishing Co., Ltd.
Nov 2010 - Present	Director, A-Time Media Co., Ltd.	Nov 2010 - 4 Aug 2015	Director, GMM Inter Publishing Co., Ltd.
Nov 2010 - Present	Director, Deetalk Co., Ltd.	Dec 2010 - 1 Jul 2015	Director, Index Creative Village Plc.
Nov 2010 - Present	Director, Grammy Publishing House Co., Ltd.	Apr 2010 - 2014	Director, Image On-air Co., Ltd.
Nov 2010 - Present	Director, Mifah Co., Ltd.		
Nov 2010 - Present	Director, GMM Fitness Club Co., Ltd.		

Mr. Sataporn Panichraksapong (Age: 49 years)

Director (Authorized Director)**Member of the Risk Management Committee****Member of the Corporate Governance and Ethics Committee****Date of Directorship**

April 27, 2009

Education Background

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

Seminar Accomplishment*The Thai Institute of Directors (IOD)*

- Director Certification Program (DCP), Class 186/2014

Number of Share Holding (%) as of 31/12/2016

-None-

Experience**Listed Companies**

Apr 2012 - Present	Member of the Corporate Governance and Ethics Committee, GMM Grammy Plc.
Feb 2009 - Present	Member of the Risk Management Committee, GMM Grammy Plc.
2009 - Present	Director (Authorized Director), GMM Grammy Plc.
2009 - May 2012	Member of the Executive Committee, GMM Grammy Plc.
2005 - 2006	Senior Vice President, Chief Executive Director Office, GMM Grammy Plc.

Other Companies

Apr 2015 - Present	Director, Family Know-How Co., Ltd.
2007 - Present	Director/Managing Director, GMM TV Co., Ltd. (Former Grammy Television Co., Ltd.)
Sep 2010 - Nov 2015	Director, A Gen Event Agency Co., Ltd.
2011 - Sep 2015	Director, Memiti Co., Ltd.
2009 - 24 Jun 2015	Director, GMM Media Plc.
2007 - Feb 2009	Member of Risk Management Committee, GMM Media Plc.
2005 - 2007	Deputy Managing Director, Grammy Television Co., Ltd.

Dr. Lackana Leelayouthayotin (Age: 63 years)

Director

24 Jun 2015 - Present

Director/Company Advisor,
GMM Grammy Plc.**Company Advisor****Date of Directorship**

Apr 2015 - Present

Independent Director,
Lam Soon (Thailand) Plc.

June 24, 2015

Education Background

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

Other Companies

8 Aug 2016 - Present

Independent Director/Audit Committee,
Mahaphant Fibre-Cement Public Co., Ltd.

25 Jan 2016 - Present

Managing Director, Advisor and Beyond
Company Limited

15 Sep 2015 - Present

Director/Chairman of the Audit
Committee, Thailand Institute of Nuclear
Technology (Public Organization)**Seminar Accomplishment***Thai Institute of Directors (IOD)*

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

Aug 2015 - Present

Director, GMM Channel Co., Ltd.

21 Jul 2015 - Present

Director, The One Enterprise Company
Limited*Other Institutes*

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

25 Jul 2014 - Present

Chairman, The Foundation for Education
of The Marketing Association of Thailand

Jul 2013 - Present

Director/Advisor,
Cerebos (Thailand) Co., Ltd.

Oct 2007- Present

Director, Tipco F & B Co., Ltd.

1997 - Present

Director/Chairman of The Recruitment
and Promotion of Voluntary Blood
Donor, National Blood Centre Thai Red
Cross Society

2010 - 2014

Executive Vice President & CEO of
Health Supplement Division,
Cerebos Pacific Limited

2006 - 2014

Board of Director,
Cerebos Pacific Limited

2005 - 2009

Executive Vice President & CEO South
East Asia, Cerebos Pacific Limited**Number of Share Holding (%) as of 31/12/2016**

-None-

Experience**Listed Companies**

26 Feb 2016 - Present Chairman of the Audit Committee/
Independent Director/Member of
Nomination and Remuneration
Committee, Techno Medical Public
Company Limited

Mr. Takonkiet Viravan (Age: 50 years)

Member of the Risk Management Committee**Member of the Group Executive Committee****Chief Executive Officer-GMM One Digital TV****Date of Appointment (as an executive)**

June 1, 2014

Education Background

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

Number of Share Holding (%) as of 31/12/2016

6,930,856 shares (0.85%), including related parties, according to Section 59 of the Securities and Exchange Act

Experience**Listed Companies**

1 Oct 2014 - Present	Chief Executive Officer-GMM One Digital TV, GMM Grammy Plc.
Jun 2014 - Present	Member of the Group Executive Committee, GMM Grammy Plc.
15 May 2014 - Present	Member of the Risk Management Committee, GMM Grammy Plc.
Jun 2014 - Sep 2014	Chief Executive Officer-GMM Digital TV, GMM Grammy Plc.
2009 - Oct 2013	Director, GMM Grammy Plc.
Apr 2009 - May 2012	Member of the Executive Committee, GMM Grammy Plc.
1995 - Nov 2009	Director, Noble Development Plc.

Other Companies

Sep 2015 - Present	Director, Memiti Co., Ltd.
Sep 2015 - Present	Director, Exact Scenario Co., Ltd.
Jul 2015 - Present	Director, The One Enterprise Co., Ltd.
12 Feb 2015 - Present	Director/Managing Director, Wan Tam Dee Co., Ltd.
Jun 2014 - Present	Director, GMM One TV Co., Ltd.
Jul 2012 - Present	Director, Rachadalai Co., Ltd.
Mar 2012 - Present	Director, Z Trading Co., Ltd.
May 2010 - Present	Director, Acts Studio Co., Ltd.
2009 - Present	Director/Managing Director, Methee 1 Co., Ltd.
May 2007 - Present	Director, Bec-TERO Scenario Co., Ltd.
Apr 2004 - Present	Director/Managing Director, Scenario Co., Ltd.
Oct 2002 - Present	Director/Managing Director, Teen Talk Co., Ltd.
Aug 1996 - Present	Director, Magic Film Co., Ltd.
Oct 1995 - Present	Director/Managing Director, Exact Co., Ltd.
Dec 1989 - Present	Director, Amvest Co. Ltd.
Mar 1978 - Present	Director, Samvest Co. Ltd.
Sep 2010 - Nov 2015	Director, A Gen Event Agency Co., Ltd.
2010 - Sep 2014	Managing Director, Acts Studio Co., Ltd.
Sep 2002 - Oct 2013	Director, GMM Media Plc.
Oct 1985 - Nov 2009	Director, Continental City Co., Ltd.
2002 - Feb 2009	Managing Director, GMM Media Plc.

Miss Chitralada Hengyotmark (Age: 53 years)

Member of the Risk Management Committee

Member of the Group Executive Committee

Chief Legal Officer

Date of Appointment (as an executive)

July 1, 2015

Education Background

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

Seminar Accomplishment

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

Number of Share Holding (%) as of 31/12/2016

-None-

Experience

Listed Companies

26 Feb 2016 - Present	Member of Group Executive Committee, GMM Grammy Plc.
1 Jul 2015 - Present	Chief Legal Officer, GMM Grammy Plc.
9 Dec 2011 - Present	Member of the Risk Management Committee, GMM Grammy Plc.
1 Oct 2014 - 1 Jul 2015	Group Executive Vice President of Legal, GMM Grammy Plc.
1 Jan 2013 - 1 Oct 2014	Senior Vice President of Legal, GMM Grammy Plc.
1 Mar 2012 - 1 Jan 2013	Senior Vice President of Legal and Regulatory, GMM Grammy Plc.
1 Jan 2011 - 1 Mar 2012	Vice President of Legal, GMM Grammy Plc.

Other Companies

21 Jul 2015 - Present	Director, The One Enterprise Company Limited
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Mr. Phawit Chitrakorn (Age: 41 years)

Member of the Group Executive Committee

Chief Marketing Officer

Date of Appointment (as an executive)

January 1, 2016

Education Background

- Bachelor of Business Administration (Advertising), Assumption University

Number of Share Holding (%) as of 31/12/2016

-None-

Experience

Listed Companies

26 Feb 2016 - Present	Member of Group Executive Committee, GMM Grammy Plc.
Jan 2016 - Present	Chief Marketing Officer, GMM Grammy Plc.

Other Companies

2011 - 2015	Managing Director, Ogilvy and Mather Advertising
2008 - 2011	Managing Partner, Ogilvy and Mather Advertising
2003 - 2008	Business Director, Ogilvy and Mather Advertising
2002 - 2003	Group Account Director, Grey Worldwide Thailand
2000 - 2002	Account Director, DY&R Thailand
1997 - 2000	Account Manager, Grey Worldwide Thailand
1995 - 1997	Account Executive, Grey Worldwide Thailand

Mrs. Karnsuda Sansuthi (Age: 47 years)

Member of the Risk Management Committee**Member of the Group Executive Committee****Chief Financial Officer****Date of Appointment (as an executive)**

January 12, 2016

Education Background

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

Seminar Accomplishment*The Thai Institute of Directors (IOD)*

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

Number of Share Holding (%) as of 31/12/2016

-None-

Experience**Listed Companies**

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

Other Companies

4 Jan 2017 - Present	Director, 3-RD Company Limited
5 Jul 2016 - Present	Director, Family Know-how Co., Ltd.
18 Mar 2016 - Present	Director, GMM Media Plc.
18 Mar 2016 - Present	Director, A-Time Media Company Limited
18 Mar 2016 - Present	Director, Digital Gen Company Limited
18 Mar 2016 - Present	Director, GMM TV Company Limited
18 Mar 2016 - Present	Director, Deetalk Company Limited
18 Mar 2016 - Present	Director, GMM Tai Hub Company Limited
18 Mar 2016 - Present	Director, Acts Studio Company Limited
18 Mar 2016 - Present	Director, Memiti Company Limited
18 Mar 2016 - Present	Director, GMM CJ O Shopping Company Limited
18 Mar 2016 - Present	Director, GMM One TV Company Limited
18 Mar 2016 - Present	Director, The ONE Enterprise Company Limited
18 Mar 2016 - Present	Director, GMM Channel Company Limited
18 Mar 2016 - Present	Director, GMM Channel Trading Company Limited
18 Mar 2016 - Present	Director, GMM Z Company Limited
18 Mar 2016 - Present	Director, Digistream Company Limited
18 Mar 2016 - Present	Director, Z Trading Company Limited
18 Mar 2016 - Present	Director, Exact Scenario Company Limited
18 Mar 2016 - Present	Director, G S-One Company Limited
Sep 2015 - Dec 2015	Chief Financial Officer, NIST International School
2002 - 2012	Finance Director, United Distribution Business Company Limited



Financial Highlights

GMM Grammy Public Company Limited and its subsidiaries

Consolidated (Unit : Million Baht)



2016

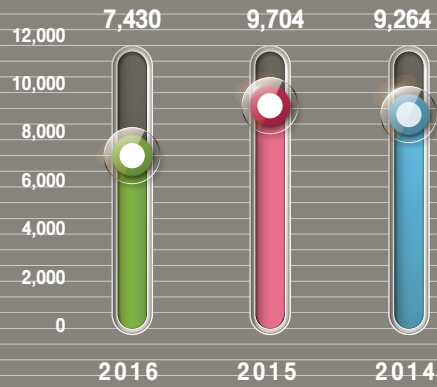
2015

2014

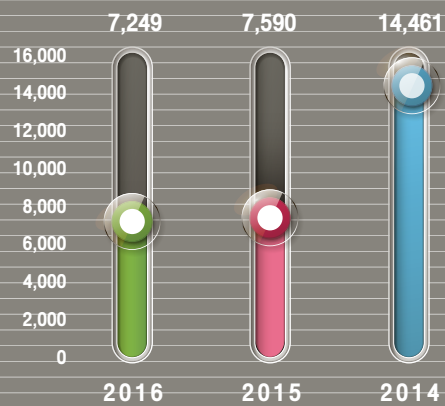
Performance

			(Restated)
Total revenues	7,430.0	9,703.6	9,263.9
Revenue from sales and services	7,294.6	8,598.3	8,857.4
Total costs	4,586.3	5,742.9	6,223.4
Gross profit	2,708.3	2,855.4	2,634.0
Earnings/loss before Non-controlling interest of the subsidiaries	(533.4)	(1,135.2)	(2,345.3)
Net earnings/loss for the year	(520.1)	(1,145.5)	(2,412.5)
Dividend paid	-	-	-
Total assets	7,248.6	7,589.6	14,461.3
Total liabilities	5,780.1	5,555.9	10,977.0
Non-controlling interest of the subsidiaries	166.3	211.5	441.0
Equity attributable to the Company's shareholders	1,302.2	1,822.2	3,043.3
Weighted average number of ordinary shares (Million shares)	819.9	819.9	658.3
Net earning/loss per share (Baht)	(0.64)	(1.40)	(3.66)
Dividend paid per share (Baht)	-	-	-
Book value per share (Baht)	1.59	2.22	4.62
Net profit/loss margins	-7.00%	-11.80%	-26.04%
Return on equity	-33.30%	-47.09%	-79.24%
Return on assets	-7.01%	-10.39%	-17.83%

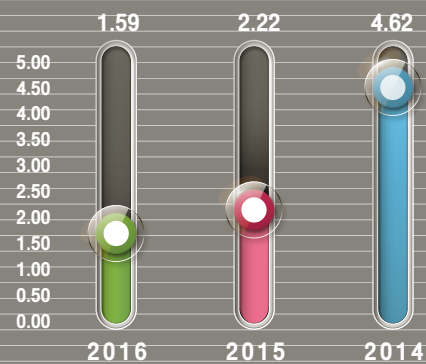
**Total
revenues
(Million Baht)**



**Total assets
(Million Baht)**



**Book value
per share
(Baht)**

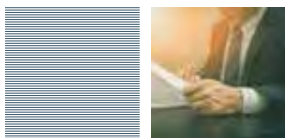




“

We are the Leader in
Complete Media and
Entertainment Business.
We create contents and platforms
that attract limitless participation
of consumers via all channels.

”



Policy and Business Overview

Vision, Mission and Long Term Goal

The Board of Directors will review the Company's vision, mission and long term goal every year, so as to determine and adjust the Company's business targets and directions to suit the situation as appropriate. In 2016 the Board's Meeting No.1/2016 on February 26, 2016 and No 9/2016 on November 10, 2016 reviewed and edited vision, mission and long term goal as below.

Vision

To be the leader in fully integrated entertainment media and platform by creating the most engaged contents for all screens

Mission

- To create added value for all businesses and society
- To foresee new business potential and seize new opportunities to initiate new trends and form industry phenomena
- To be one step ahead of competitors in content creation, investment, and development
- To beneficially synergize and integrate the work of all sectors
- To set a clear business goal with a proven data in order to develop the endless possibility creative works

Long Term Goal

To be the leading content provider bringing high quality entertainment solutions into multi media platforms through international standard

Major change and development

In the past 3 years, the Company underwent significant changes in shareholders' structures, management and business operations as follows:

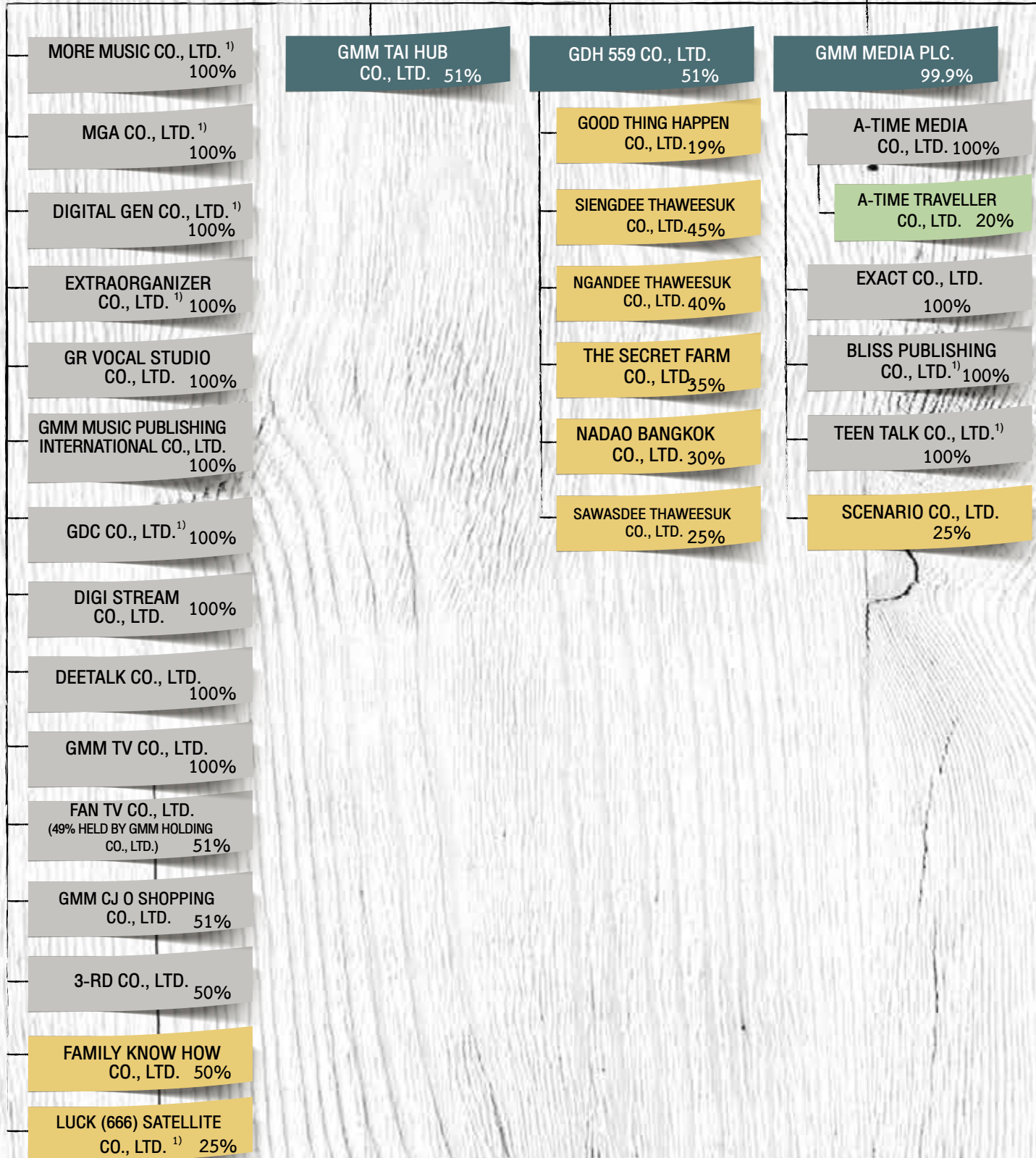
2014	
January	<ul style="list-style-type: none"> • Won the auction for the licenses of Variety - HD channel and Variety - SD channel.
April	<ul style="list-style-type: none"> • Started trial broadcast 2 digital TV channels.
July	<ul style="list-style-type: none"> • The Company signed a merger agreement with CTH Plc. in order to expand the pay TV business. It acquired 30,000,000 common shares of CTH Public Company Limited ("CTH") totaling Baht 1,030,000,000. In this regard, the Company settled the acquisition of those shares by the selling of 100% common shares of GMM B Company Limited ("GMM B") to CTH's subsidiary named CTH LCO Company Limited ("CTH LCO"). Thus, GMM B ceased to be a subsidiary of the Company since then. The combination of the two firms will enhance performance of marketing, programs, network, and customer base.

2014	
July	<ul style="list-style-type: none"> By resolution of the Extraordinary General Meeting of Shareholders No. 1/2014, the Company increased its registered capital to maximum 183,631,793 shares with details as follows: <ul style="list-style-type: none"> The Company allotted and offered maximum 63,631,793 registered shares capital at the price of 13.50 baht per share to the existing shareholders (Rights Offering) according to pro rata basis -10 existing shares per 1 new share. The remaining ordinary shares capital were allotted and offered to the private placement. Maximum 120,000,000 ordinary shares capital were allotted and offered to the private placement. <p>The objectives of this capital increase, is to support investment plans and to strengthen financial status of the Company which enables sustainable business operation as well as long term benefit to the shareholders.</p>
October	<ul style="list-style-type: none"> New ordinary shares were issued to existing shareholders for subscription according to pro rata basis - 10 existing shares per 1 new share, at the price of 13.50 baht per share. The Company received more than 766 million baht from the subscription.
November	<ul style="list-style-type: none"> Total 126,878,693 of ordinary shares capital were issued to the private placement for subscription. The offer received attention from investment institutions from within Thailand and abroad including the listed companies and high net worth investors. The shares were oversubscribed at the ratio of more than 1.20x.
2015	
January	<ul style="list-style-type: none"> Disposed 49.55 million shares of SE-EDUCATION Public Company Limited (“SE ED”) at the price of 6.00 baht per share to Mr. Nuttapol Jurangkool who is a connected person. The net amount received (after deducting related fee, tax etc.) was equal to 297.16 million baht.
February	<ul style="list-style-type: none"> The Extraordinary General Meeting of Shareholders No. 1/2015 approved the connected transaction and assets disposal regarding the partial waiver of subscription right to the capital increase of ordinary shares in GMM ONE TV TRADING Co., Ltd. to the Group of Mr. Takonkiet Viravan, who is a connected person of the Company. The transaction resulted to the Company’s shareholder portion to be 51% in GMM ONE TV TRADING Co., Ltd. Moreover, the resolution regarding the disposal of the ordinary shares of ACTS STUDIO Co., Ltd. directly and indirectly held by the Company to GMM ONE TV TRADING Co., Ltd. was also approved.
June	<ul style="list-style-type: none"> Disposed total investment of 86,000,000 shares or 50% of paid-up capital in Index Creative Village Public Company Limited to Wave Entertainment Public Company Limited at the price of 5.00 baht per share, which is higher than the book value of 3.40 baht per share as of December 31st, 2014 amounting to 430 million baht.
August	<ul style="list-style-type: none"> Disposed entire investment in its Publishing Group to C True Company Limited at the value of 45 million baht, which is higher than the book value as of March 31st, 2015 at 28.89 million baht,
December	<ul style="list-style-type: none"> Shut down the operation of GMM Tai Hub Company Limited (GTH) from December 31st, 2015 onward. The Company will manage all the rights for movies produced by GTH until the official rights management person is announced later on. All projects currently in production shall be continued and completed. Established subsidiary named “GDH 559 Company Limited” (GDH 559) which concentrates on movie production and distribution, media advertisement, and artist management. GDH 559 currently has 5 million baht in paid-up capital and the Company hold 51% stake.
2016	
January	<ul style="list-style-type: none"> GDH 559 Company Limited (GDH 559), a subsidiary of the Company has increased paid-up capital to 150 million baht.
February	<ul style="list-style-type: none"> Z PAY TV service operated and owned by CTH group was discontinued, but such Pay TV service was no longer related to the Company after the divestment in 2014. At present, GMM Z actively manages satellite TV platform business providing free to air programs in both C-Band and KU-Band systems for the audiences.

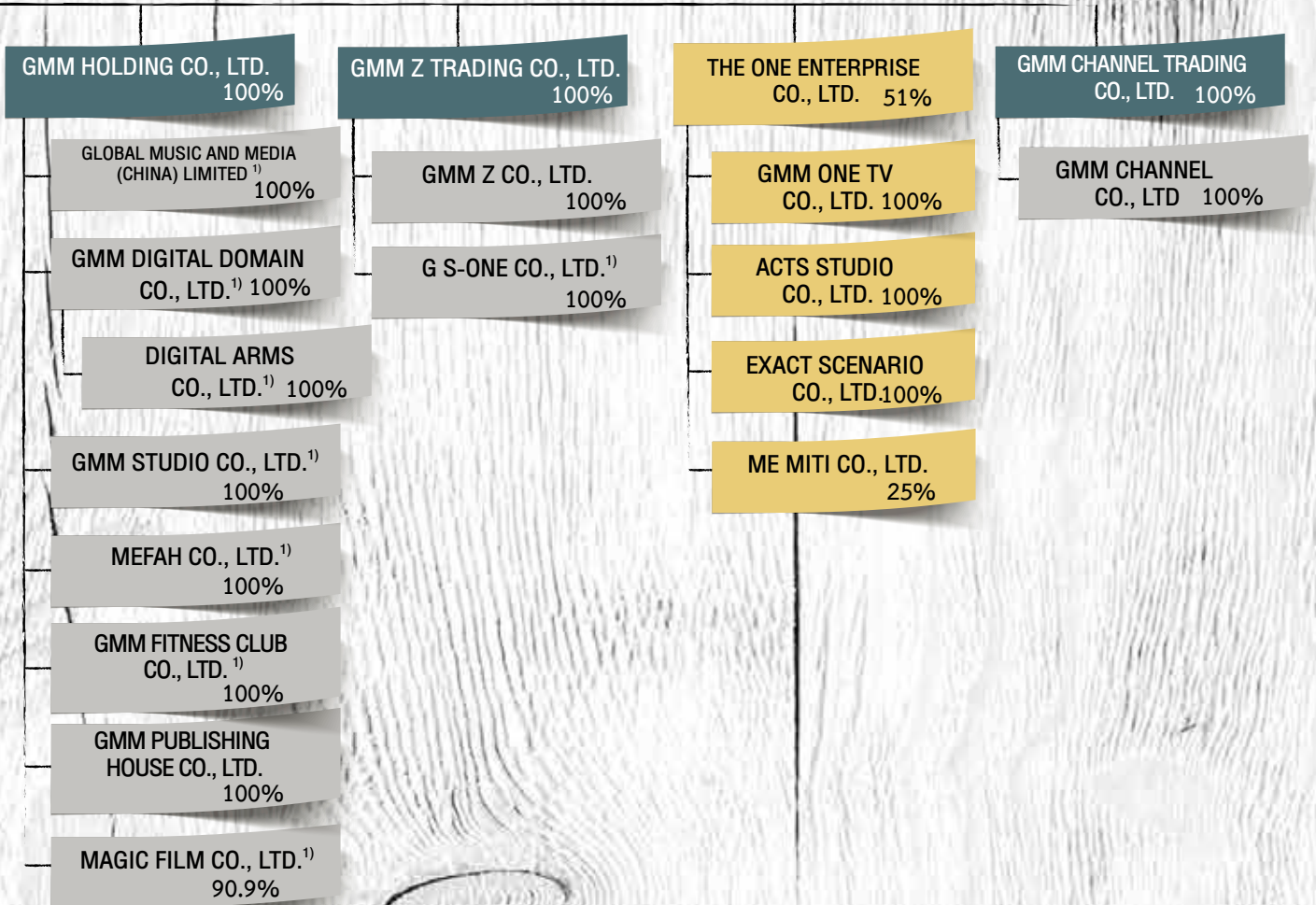
2016	
June	<ul style="list-style-type: none"> GMM Bravo, the new business unit was formed as a content creator providing “New Content Solution” by transforming GMM massive library including music and artists and developed into exclusive contents both TV series and variety shows across multiple platforms, with unique creativity under the supervision of Ekachai Uekrongtham, the famous film director and producer,
October	<ul style="list-style-type: none"> The National Broadcasting Telecommunications Commission (NBTC) has advised television and radio stations to follow its guidelines following the death of His Majesty King Bhumibol Adulyadej. The operators shall refrain from hosting entertaining programs for a period of 30 days between 13 October- 14 November 2016, followed by a schedule plan continued for 100 days until 21 January 2017 taking into consideration the suitability in accordance with public sentiments. In compliance to the circumstances, the Company had set the schedule for special programs and released new contents as an expression of condolences during the mourning period, including “Born in the Reign of King Rama IX the Series”, “Sadudee Keeta Racha”, while broadcasting of commercial advertisements and selective programs were postponed under deep scrutiny.
November	<ul style="list-style-type: none"> The Company has duly entered into an agreement directly with UNION DES ASSOCIATIONS EUROPEENNES DE FOOTBALL (“EUFA”) in order for the Company to obtain the broadcasting rights of the European Qualifiers-Qualification Competitions for the 2018 FIFA World Cup. In addition, the Company has entered into a memorandum of agreement with Bangkok Entertainment Co., Ltd., and BEC Multimedia Co., Ltd. (collectively “BEC”) to grant the broadcasting rights of the European Qualifiers-Qualification Competitions for the 2018 FIFA World Cup to BEC for airing via BEC’s channels. The company entered into the Agreement of Sale and Purchase of Shares in One Enterprise (the “Share Sale and Purchase Agreement”) by virtue of Board of Directors Meeting No. 10/2016 convened on 25 November 2016. One Enterprise shall convene its shareholders meeting in order to increase its registered capital by 1,905,000,000 by issuing 19,050,000 newly-issued shares at the par value of THB 100 per share. The newly-issued shares will be offered to Pranaporn Co., Ltd. (“Pranaporn”) which will become a shareholder of One Enterprise after One Enterprise increases its registered capital. When combining the increase with the existing registered capital of THB 1,905,000,000, One Enterprise’s registered capital will be a total of THB 3,810,000,000. One Enterprise will divide the capital increase into two stages. After the completion of both capital increases, the Company will hold 25.50 percent, Mr. Takonkiet’s Group would hold 24.50 percent, and Pranaporn would hold 50 percent of the shares in the One Enterprise.
December	<ul style="list-style-type: none"> The chief of the National Council for Peace and Order (NCPO) exercised Section 44 of the interim constitution by issuing Order 76/2016 to relieve the burden for digital TV operators by granting an extension of the deadline to make license payments from three years to six years with interest rate charged based on Policy Rate by Bank of Thailand. Also the NBTC and the broadcasting development research fund administrative committee would subsidize the satellite uplink costs for all digital TV stations under the must carry rules for the next three years. In addition, NCPO’s order also grants authority to NBTC to revoke the radio frequency licenses totaling 537 channels from government agencies and state enterprises within five years instead of the old one which NBTC has to revoke the licenses in April 2017.

GMM GRAMMY PLC.

Shareholding Structure



December 31, 2016



NOTE

1) Temporary discontinued Operations.



Subsidiaries



Associate Companies/Joint Venture



Other Companies

สมมุติว่าเราได้ “เดินข้างกัน” ทุกวัน...ก็คงดี

1

กันยายน
ทุกโรงพยาบาล

แฟนเดย์

แฟนกันแค่วันเดียว

มิว

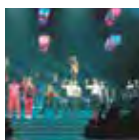
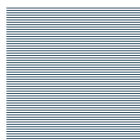
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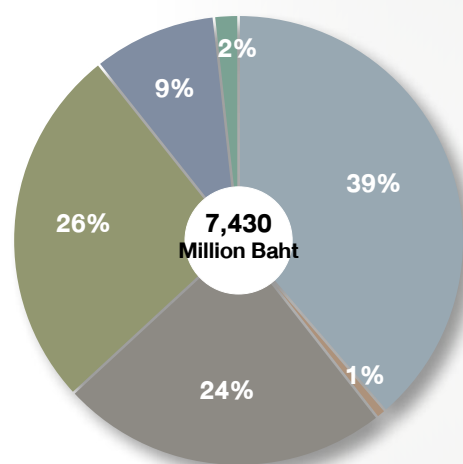
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จากผู้กำกับ

พี่มาก..พระโขนง และ กอน มิน โฮ

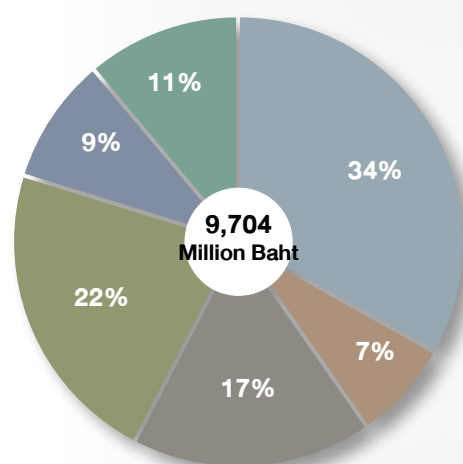


Revenue Structure



Revenue Structure 2016

Music	2,876	39%
Media - One Channel	48	1%
Media - GMM 25 Channel	1,772	24%
Merchandise	1,953	26%
Other Business	646	9%
Other income*	135	2%
Total	7,430	100%



Revenue Structure 2015

Music	3,252	34%
Media - One Channel	687	7%
Media - GMM 25 Channel	1,645	17%
Merchandise	2,129	22%
Other Business	886	9%
Other income*	1,105	11%
Total	9,704	100%

* Interest Income, Dividend Received, etc.

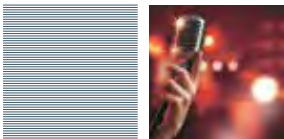
Product / Service perated by	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Music and digital businesses						
Music						
GMM Grammy Plc.	545.29	7.3	819.67	8.4	1,096.29	11.8
GMM Music Publishing International Co., Ltd.	219.82	3.0	219.74	2.3	193.73	2.1
Digistream Co., Ltd.	21.09	0.3	52.81	0.5	38.65	0.4
Fan TV Co., Ltd.	42.57	0.6	61.45	0.6	146.27	1.6
Other subsidiaries	16.00	0.2	20.54	0.2	15.45	0.2
Total revenues from music	844.77	11.4	1,174.21	12.1	1,490.39	16.1
Digital Music						
GMM Grammy Plc.	798.89	10.8	833.47	8.6	466.23	5.0
Total revenues from digital music	798.89	10.8	833.47	8.6	466.23	5.0
Showbiz						
GMM Grammy Plc.	1,232.53	16.6	1,244.02	12.8	886.19	9.6
Total revenues from showbiz	1,232.53	16.6	1,244.02	12.8	886.19	9.6
Total revenues from music and digital businesses	2,876.19	38.7	3,251.70	33.5	2,842.81	30.7
Media businesses-One channel						
Ditgital TV and others						
GMM Grammy Plc.	0.00	0.0	70.13	0.7	39.69	0.4
Exact Co., Ltd	35.50	0.5	356.86	3.7	1,150.86	12.4
Teen Talk Co., Ltd.	0.00	0.0	9.47	0.1	10.54	0.1
Me Miti Co., Ltd.	0.00	0.0	61.59	0.6	39.59	0.4
Acts Studio Co., Ltd.	0.00	0.0	63.39	0.7	63.84	0.7
The One Enterprise Co., Ltd.	-	-	0.00	0.0	22.92	0.2
GMM One TV Co., Ltd.	0.00	0.0	125.39	1.3	50.18	0.5
Total revenue from media businesses-One channel	35.50	0.5	686.83	7.1	1,377.63	14.9
Media businesses-GMM25 channel						
Ditgital TV and others						
GMM Grammy Plc.	8.38	0.1	20.99	0.2	37.19	0.4
GMM Media Plc.	148.34	2.0	140.86	1.5	226.23	2.4
GMM TV Co., Ltd.	384.13	5.2	364.53	3.8	384.70	4.2
Deetalk Co., Ltd.	61.37	0.8	98.73	1.0	124.82	1.3
A Gen Event Agency Co., Ltd.	0.00	0.0	5.78	0.1	49.24	0.5
GMM Channel Co., Ltd.	663.37	8.9	413.29	4.3	47.91	0.5
GMM Channel Trading Co., Ltd.	-	-	0.00	0.0	5.41	0.1
Total revenue from digital TV and others	1,265.59	17.0	1,044.18	10.8	875.51	9.5
Radio						
GMM Media Plc.	506.24	6.8	600.34	6.2	646.64	7.0
Total revenue from radio	506.24	6.8	600.34	6.2	646.64	7.0
Total revenue from media businesses-GMM25 channel	1,771.83	23.8	1,644.52	16.9	1,522.15	16.4

Product / Service perated by	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Merchandise businesses						
Home Shopping						
GMM CJ O Shopping Co., Ltd.	1,710.34	23.0	1,738.29	17.9	1,135.25	12.3
Total revenue from home shopping	1,710.34	23.0	1,738.29	17.9	1,135.25	12.3
Set top box and broadcasting						
GMM Grammy Plc.	111.18	1.5	0.00	0.0	71.12	0.8
STGMM Co., Ltd.	-	-	0.00	0.0	1.28	0.0
GMM Z Co., Ltd.	1.13	0.0	7.53	0.1	6.18	0.1
Z Trading Co., Ltd.	241.93	3.3	383.45	4.0	987.46	10.7
Total revenue from set top box and broadcasting	354.24	4.8	390.98	4.0	1,066.03	11.5
Total revenue from merchandise businesses	2,064.57	27.8	2,129.27	21.9	2,201.29	23.8
Other businesses						
GMM Grammy Plc.	112.65	1.5	60.15	0.6	26.33	0.3
Exact Co., Ltd.	0.00	0.0	45.11	0.5	3.51	0.0
GMM Tai Hub Co., Ltd.	39.10	0.5	539.70	5.6	593.72	6.4
GDH 559 Co., Ltd.	240.19	3.2	0.00	0.0	0.00	0.0
Good Things Happen Co., Ltd.	40.53	0.5	55.81	0.6	35.17	0.4
Image Publishing Co., Ltd.	0.00	0.0	9.71	0.1	29.16	0.3
GMM Inter Publishing Co., Ltd.	0.00	0.0	11.58	0.1	32.39	0.3
GMM Times Co., Ltd.	0.00	0.0	8.27	0.1	27.62	0.3
Bliss Publishing Co., Ltd.	-	-	0.00	0.0	0.71	0.0
In Publishing Co., Ltd.	0.00	0.0	5.56	0.1	15.64	0.2
3-RD Co., Ltd.	109.45	1.5	150.06	1.5	133.56	1.4
Z Trading Co., Ltd.	-	-	0.00	0.0	13.78	0.1
Other subsidiaries	4.63	0.1	0.06	0.0	1.92	0.0
Total revenue from other businesses	546.55	7.4	886.00	9.1	913.50	9.9
Interest income	12.92	0.2	19.82	0.2	56.60	0.6
Dividend received	0.00	0.0	0.00	0.0	12.36	0.1
Gain on sale of invesments	0.00	0.0	228.14	2.4	147.05	1.6
Gain associated with the loss of control in subsidiary	2.56	0.0	731.28	7.5	-	-
Other income	119.92	1.6	126.01	1.3	190.56	2.1
Total revenues	7,430.05	100.0	9,703.58	100.0	9,263.94	100.0

“

In 2016, GMM Music released a total of 334 singles and 466 albums covering every consumer target groups, and compilation of tophits during the year, altogether driving for the industry leader position with highest market share

”



Business Description



The Group operates its business under the philosophy to work creatively in complete range with global quality contents and embrace up-to-dated technology to deliver unlimited happiness conform to customer's changing behavior in media market. The Group divides its business into 2 main categories as follows:

1. Core Business consisting of
 - 1.1) Music business comprises sale and distribution of physical products, Digital content, Copyright management, show business, and artist management
 - 1.2) Digital Terrestrial TV (Digital TV) Business comprises 2 channels; GMM 25 under standard definition and ONE 31 Channel under high definition
2. Other Business which supports and extends the main business, for sustainable growth of the Group over the long term, consisting of



2.1 Radio Business



2.2 Movie Business



2.3 Home Shopping Business



2.4 Satellite TV business

The details of each business as follows:

1. Core Business

1.1 Music Business

Music business operates under the “Total Music Business” model, including artist selection, music production, marketing, music content management, and product distribution in terms of physical products and digital products, focusing on variety of music production to satisfy the customer demand. The Group has more than 300 artists, singers, actors, and actresses under management, and more than 40,000 songs in its music library. Music Business can be arranged into 5 sub business as follows:

- **Physical Products and Distribution Business**

In 2016, the Group released string and country songs approximately 334 singles and 466 albums covering every consumer target groups, 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 also opened booths at trade shows and shopping malls along with e-commerce and call center.

- **Digital Content Business**

Fast developing technology together with the changing of consumer’s behavior caused the music business to develop new channels of distributing the product to respond to consumer’s behavior and generate more revenue to the Group. 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 application 123GMM on both iOS and android, website www.gmember.com and iTunes Store. Also included are the services for listening music on the internet without the needs to download “Music Streaming” through an application on computers and mobile phones which enable customers to enjoy the hot music tracks worldwide. Consumers can listen to play on demand tracks online, listen from playlists or download and save for listening offline. In addition, the Group content exposure has been expanded via GMM Grammy Official Account on YouTube with rapidly growing numbers of channels, subscribers and revenue sharing.

- **Copyright 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.

- **Showbiz Business**

In 2016, the Group organized 17 large-scale concerts, including Ruam Wong THONGCHAI Concert, Green Concert: The Lost Love Songs, 30 Years of Asanee & Wasan Concert, Bie Sukrit 10 Years of Love Concert, Pack4 Turn Back Concert, and White Haus Concert, as well as grand music festivals including Nung Lenn Festival; while all concert line-ups in the last quarter of 2016 was cancelled to pay respect during the king’s national mourning period. Besides generating revenues from the sale of tickets and sponsorship, this business also generates additional revenues from the sale of media recordings of concert as well.

- **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, staging 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 under the Idol Business Model in order to extend the revenue stream.

Industry Outlook

Advances in technology that lead to changes in consumer listening behavior represent a major challenge to the music business. Being able to adapt quickly to all types of changes in consumer behavior is an important factor to succeed in the business. The Group has seen customer expansion in Digital Music market and attempted to penetrate this segment together with finding a strong partner in order to strengthen the company. In addition, it also developed services that are more up-to-date, especially by providing digital or internet music services. This includes the partnership with mobile phone service providers to provide a music streaming service through an application that allows customers to listen to local and international songs. From a good response, the group decided to join hands with key partners to provide music streaming service through more applications, including JooX, Line Music, and Apple Music. It was predicted that the popularity of listening to online music and mobile platform will continuously grow following high speed internet that stimulates an enlargement of music streaming market which could further generate revenue from advertising and sponsors. More music contents are planned to fulfill the services in digital form through the iTunes Store and telecom operators, and a YouTube service from which the Company earns income through a share of advertising revenues and the number of viewers. In addition, the Company has an auditorium, Muang Thai GMM Live House, on the 8th floor, Central World to host shows, events and medium-sized concerts, which supports the Show Biz business and also brings in additional revenue for the music businesses.

1.2 Digital Terrestrial TV Business (Digital TV Business)

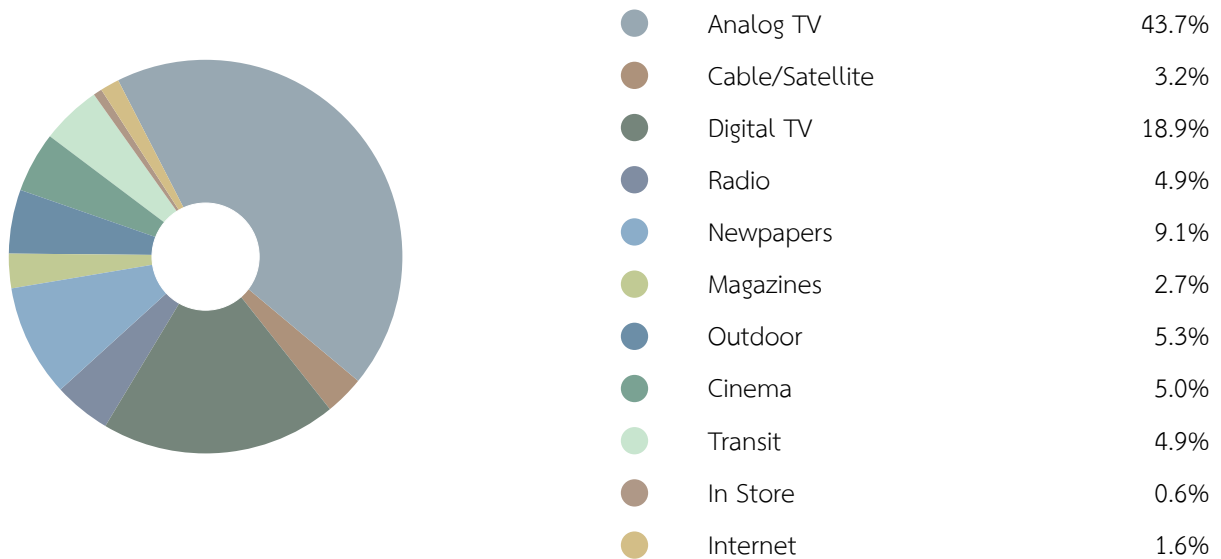
The Office of the National Broadcasting and Telecommunications Commission (NBTC) held an auction of 24 licences for commercial digital TV frequencies from December 26-27, 2013, separating the channels into 4 categories: 3 channels for children's and family programming, 7 news channels, 7 variety standard definition channels, and 7 variety high definition channels. The Company bid for and won 2 licences

Category	Standard Definition	High Definition
Channel name	GMM 25 	One 31 
Channel number	Channel 25	Channel 31
Channel format	All formats that bring in fun or a happy channel under the slogan "Enjoy every day, be together all the time".	High-quality variety programming to reach all target groups including news, top-rated sitcoms, and prime time dramas ('For great drama, watch Channel One').
Target group	Teenagers and new generation with active lifestyle open up to the new creativity.	Modern mass, families and working people who are modern and having a good taste
Began broadcasting	April 2014	April 2014

Industry Outlook

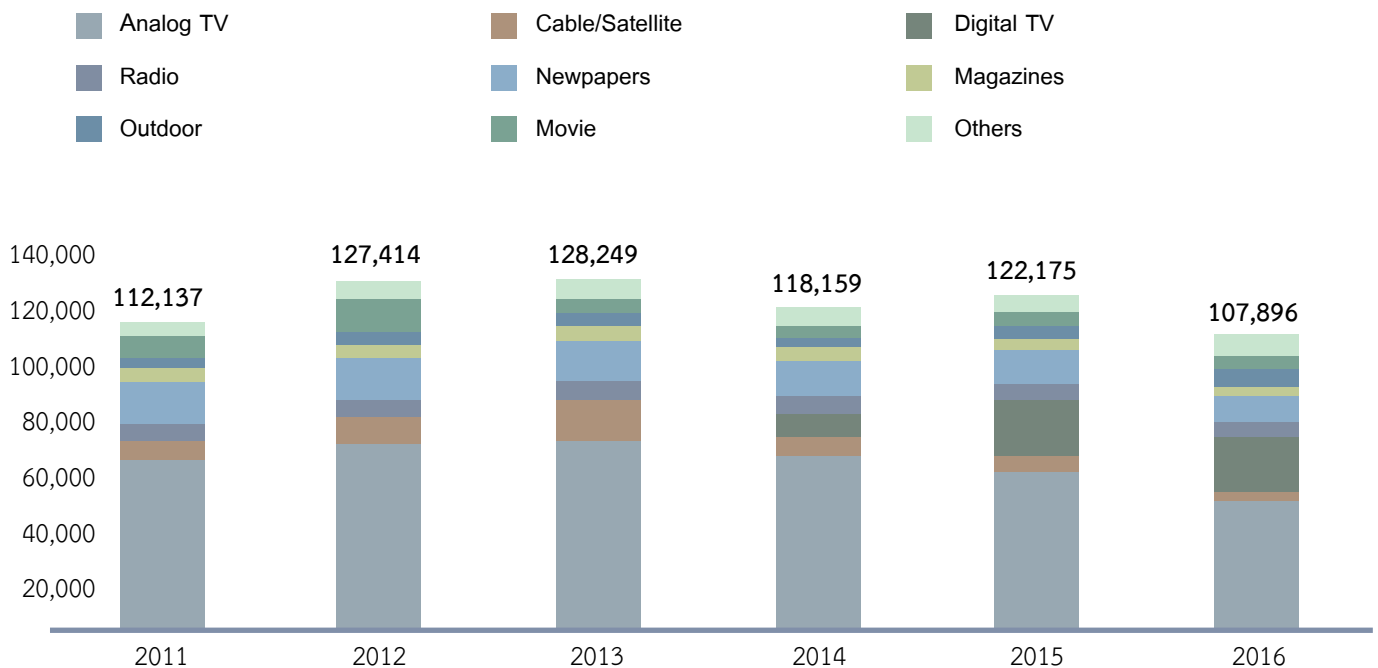
The overall advertising expenditure in all media decreased from 122,175 million baht in 2015 to 107,896 million baht in 2016, a decline by 11.69% Y-o-Y due to an economic recession and deteriorated consumer purchasing power especially in the rural area. The highest growth in media spending throughout this year belonged to the internet with a surge of 63.86 percent Y-o-Y, followed by Out of home media, Transit media, In-Store media and Cinema Ads. On the other hand, major advertising spending on Satellite TV, Cable TV, Publishing and Analog TV continued to decrease by 42.28, 31.37, 20.12 and 17.92 respectively. While advertising spending on Radio and Digital TV slightly decreased by 7.28 and 2.57 respectively.

Media Market Share of Advertising Expenditures in 2016 Total Advertising Expenditures in 2016 amounted to 107,896 million Baht



Source: AGB Nielsen Media Research (Thailand) Ltd.

Value of Various Media Advertising Expenditures (Million Baht)



Source: AGB Nielsen Media Research (Thailand) Ltd.

Moving forward to the third year of digital TV commencement, industry outlook trended more positive from greater publicity and strong competition among digital TV operators aiming to firmly position the channels with unique selling points, with quality content creation under variety of entertainment format presented to the mass audience nationwide, leading not only to growing viewership but also higher advertising spending on new digital TV channels.

Overall competitive situation in digital TV industry for 2017 is likely to become more intense, especially among the top five operators covering both free TV and new digital TV channels, with higher investment in contents following a positive trend in media advertising spending rebounded since December 2016 after a record low during October-November. The general economy and consumer purchasing power are also expected to improve from last year, resulting in brands and customers resumed marketing and advertising spending. Indeed major developments in the nation throughout the year; namely the upcoming general election and the launch of multi-screen rating, altogether unveiling and bustling the digital TV landscape further.

The overall transition progress towards digital TV has made a significant inroad this year, with growing Thai audiences reaching the digital TV as evident from higher viewership at 53.2% surpassing the incumbent free TV channels at the end of year 2016. (Source: NBTC). The NBTC has increased digital TV public relations, including roadshows to provide an understanding on digital TV antenna, signal tuning and installation. As of 2016, a total of 13.57 million subsidy coupons had been distributed, with 8.78 million coupons or 64.69% were redeemed. In 2017, the NBTC kicked off the second phase for distributing a new lot of 3.98 million digital TV subsidy coupons during January-March under the e-coupon system, given coupon holders the choice to redeem digital TV set-top boxes or get a discount to buy hybrid set-top boxes or TVs that can receive digital TV signals by simply using the citizen ID card that links to the Department of Provincial Administration database. In terms of the digital TV network expansion, so far the coverage achieved 91.7% of the country and expected to reach 95% within November 2017. (Source: NBTC) Besides the government economic stimulus through fiscal and monetary policies, along with public sentiment that relieved much of the pressure, there are additional upsides to digital TV industry in 2017 from the chief of the National Council for Peace and Order (NCPO), who exercised Section 44 of the interim constitution to relieve the payment burden for digital TV operators. Also, the NBTC and the broadcasting development research fund administrative committee would subsidize the satellite uplink costs for all digital TV stations under the must carry rules instead of letting the stations pay the amount themselves.

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



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

The Company intends to establish both digital TV channels as leaders in Thai digital TV industry that is strong and has high quality.

2. Other Business

2.1 Radio Business

Production of contents or programs to be broadcasted through radio stations requires the frequencies that have to bid from various state enterprises. In 2016, the Company has 3 radio stations, each station has strong features and differentiated format to cover target customers.

Radio Station	Day/Airtime/ Network Coverage	Type of Program	Target Group	Concession
FM 89.0 MHz Chill FM  In 2017, the station planned move to Chill 104.5 FM	24 hours daily / Bangkok Metropolitan and Chonburi	All-in-one lifestyle radio station for urban society covering dining-traveling-shopping together with fun and easy listening hit songs under the slogan “Entertaining songs, you can sing along all day.”	Trendy young working professionals, aged between 25-35 who enjoy listening to unique trendy music.	Broadcast Armor Radio Station
FM 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 under the slogan “Popular News & Great Songs, Together as one”	Teenagers and working professionals aged between 18 - 30 who admire modern things, and follow the latest trends in all forms of entertainment.	The Royal Thai Army Radio Station
FM 106.5 MHz. Green Wave 	24 Hours daily/Bangkok Metropolitan, Petchburi and Prachuab Khiri Khan	The first and the only program in Thailand that airs easy listening music program in all styles and from all eras. It has been operated for 25 years under the slogan “Good songs, Good feeling” and remains the nation’s top-rated radio station, as guaranteed by rewards and recognition from several organizations.	Working professionals, both male and female aged 30 and up who are financially stable and possess high consumption power. The audiences consist 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

There are 506 radio stations in Thailand; 313 stations broadcast on the FM band and 193 stations on the AM band. Seventy six radio stations are located in Bangkok. (Source: The National Telecommunications Commission)

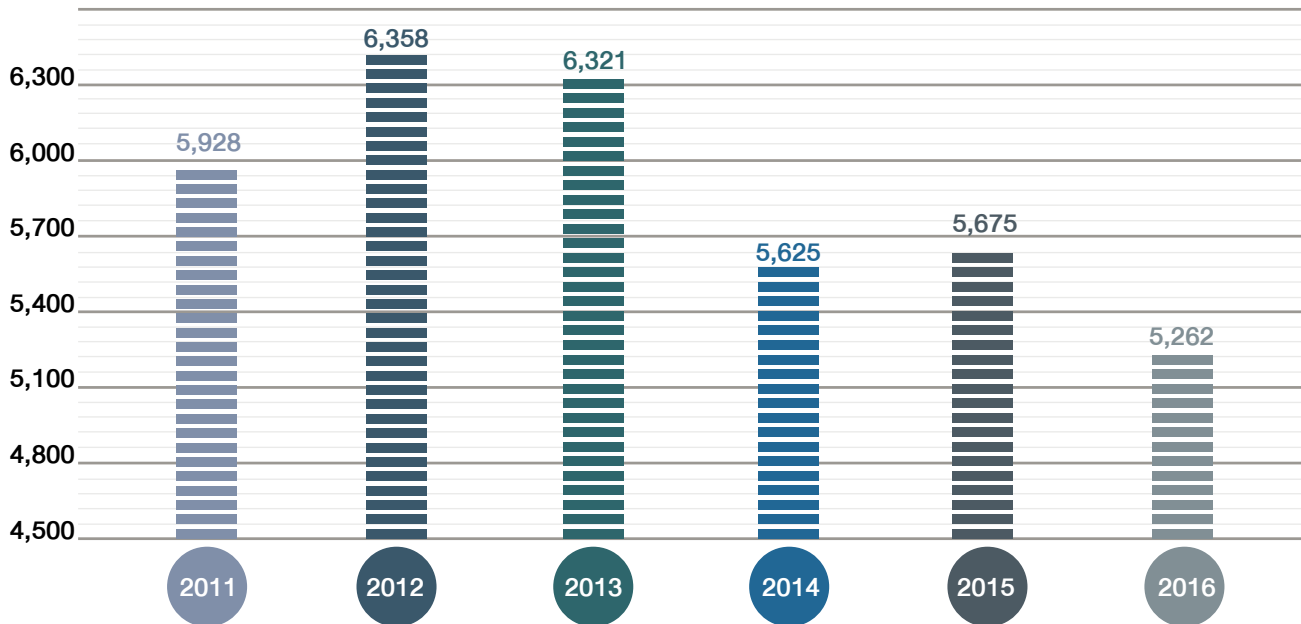
All radio frequencies are owned by state enterprises, and managed and arranged by the NBTC in order to create a level playing field and allow public sector to take part. Private radio station operators have to work with state enterprises who own the frequencies in the forms of concessions, joint production or time rent, etc, considering contributions to the frequency owner, format of programs, and financial status of the operators.

In late December 2016, NCPO exercised power under article 44 of the interim constitution grants authority to NBTC to revoke the licenses from state agency within 5 years instead of the old one which NBTC has to revoke the licenses in April 2017 in order to promote broadcasting and allow radio operators to have more time to prepare for this situation, in effect, radio station owners can continue to hold the licenses for the next 5 years, while NBTC is preparing for the master frequency plan according to the roadmap that would benefit to the entire industry and listeners.

Industry Outlook

In 2016, advertising expenditure for radio was 5,262 million baht, decreasing by 413 million baht from last year, or approximately 7.28%, with a 4.88% market share of total advertising expenditure.

Advertisement Expense on Radio (Million Baht)



Source: AGB Nielsen Media Research (Thailand) Ltd.

At present, radio is considered one of the mainstream medias to reach a wide group of consumers at reasonable costs while efficiently interacting with listeners on a real-time basis, which partly explained why expenditure on radio advertising remained fairly steady for several years. Radio business has gone through continuous development though, in 2016 radio media faced a depression in line with the recession of all traditional media. Some radio stations no longer carried on the business, while the remaining stations actively adapting itself in order to attract listeners and maintain customer base, resulting in prevailing higher competition. Amidst the economic slowdown leading to lower advertising spending, together with changing consumer behavior, radio operators need to have proper strategy to maximize the access channel to the station and gain more attention, for instance, expanding the platform through online channels such as computer, smart phone applications, and social media. In addition, the radio operators should continuously develop format and content to be up-to-date, innovative, and distinctive together with developing the marketing plan such as creating ongoing activities like artist meet-and-greets and mini concerts to build relationships with customers and listeners. Indeed, regular development of staffs and DJs to cope up with changes and adaptive to market situations are an important factor in maintaining long-term competitiveness.

2.2 Movie Business

In 2016, Movie Business of the Company operated under GDH 559 Co., Ltd., a subsidiary of the Company, with a total of two films released this year "Fanday" and "A Gift". The company aims to continue releasing 3-4 high quality films a year. GDH intended to capitalize on its unique capability to produce variety of films and highest quality contents for the country. It is well-equipped in terms of production and personnel, comprising highly-skilled teams to create outstanding films that bring about differentiation and happiness for movie watchers.

Industry Outlook

In 2016, the movie business was rather dull due to the economic slowdown, the growth of online media and confrontation with main competitors from foreign films with high production format. Major challenges for film producers nowadays are gauging consumer behavior and social media trends as people turned to consume online media through YouTube and Facebook, along with so many entertaining video clips posted and shared via the internet. In 2016, industry earnings (box office only) were approximately 4,500 million Baht; of which foreign international movie took more than 85% of the share. The number of Thai movies also decreased from 2015; only 42 Thai movies were released in 2016, and total revenue earned by Thai movies was not good. During the year, small production houses were gradually shut down due to economic reasons, while there were also some new production houses uprising. To survive, some companies had to share investment with international production houses, since the shrinking revenue did not pay off the costly production. In fact, the movie business is a high-risk business because of high investment required. One movie requires a combined investment for production and promotion of 50 - 70 million baht. Production time is relatively long, taking approximately 8 - 18 months from script to release in theaters, while the degree of a film's success depends on the popular trends with the audience, which cannot be predicted in advance. Moreover, international films receive more popularity than Thai films due mainly to a better screenplay and advanced technology of production.

For 2017, it is expected that there will be more films in cinemas. Some of them were formerly postponed from last year. In general, major production houses viewed the market was trending better than last year, so more of new films are planned to release all year round. There are several internal and external factors that contribute to the success of Thai movies, including:

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

GDH 559 Co. Ltd. pledges to apply appropriate operating strategies so as to produce the works that will impress the audiences and gradually increase its popularity.

2.3 Home Shopping Business

Home shopping business is a business of 24-hour distribution of goods through program channel "O-Shopping", 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., a leading home shopping operator in South Korea with international footprints in many countries including Thailand. With high market potential and business expertise of CJO shopping 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 Shopfortainment Channel (shopping, information, and entertainment), creating a family entertainment as well as a new alternative for shopping. The company focuses on variety of product selections with high quality standard, well-known and widely accepted by customers, as well as free-of-charge and fast delivery service all over the country. The company also provided multiple payment options as may be deemed appropriate by the customer, such as credit card or cash on delivery.

Industry Outlook

In 2016, home shopping market overview has a total market value of approximately 12 billion Baht, with the industry sales growth affected by domestic factors including depressed purchasing power and advertising suspension for 30 days. However, the home shopping industry obviously posts a strong growth potential, as evident from leading developed countries such as Japan and Korea which had total home shopping market values more than 100 billion Baht a year, while Thailand is in the introductory stage with a market value of merely 10 billion Baht. Nevertheless, the industry outlook is continually growing as operators are investing heavily to compete, hence stimulating the entire home shopping business to grow on average at 20% per annum. In 2017, the upward trend is expected to continue with rising competition, while O-shopping plans to secure the current customer base and expanding new customers especially thorough online sales which are growing in importance. The company is well aware of these factors and has prepared to confront the rivals in order to retain sustainable growth as follows:

- Creating interesting and reliable television content that is presented in formats that are easy to understand and induce consumers to purchase goods;
- Building confidence in the purchase of goods and services, including providing services as advertised, guaranteeing product quality, efficient delivery systems and secure payment systems;
- Increasing variety of goods and emphasizing on trendy products such as fashion goods, lifestyle goods and E-commerce goods offered to meet demand from consumers of all groups. It targets to increase number of goods from 600 items at present to more than 1,000 items.
- Developing online, internet sales channels and application on smart phone and social media.
- Tuning brand communication to create customers' awareness that O shopping will be household assistant alike "A Trust Neighborhood" and building a relationship with Thai society via many public projects, for example, O Hug doing good deeds for the king, O Taekwondo, and Bike for Love, United Force for the Nation.

2.4 Satellite TV Business

Satellite TV business can be divided into 2 main components.

1) "GMM Z" Satellite TV Platform 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.

- 1.1) GMM Z HD Slim - the new model, enabling high definition transmission with Full HD 1080P, multiplicative function, high technology and smart remote control, well-organize groups of channels for ease of use.
- 1.2) GMM Z HD Lite the model enabling high definition transmission with digital TV compatibility for customers who want to watch a high definition in an affordable price.
- 1.3) GMM Z Smart for middle-level customer group, available for both C-Band and KU-Band satellite systems.
- 1.4) GMM Z Mini for customers who have limited budgets but want to switch from antenna to satellite television.
- 1.5) GMM Z Mini Gold is a new product with gold color façade and handy remote control.
- 1.6) GMM Z ZEASON is the digital TV DVB-T2 set top box that enabling high definition Full HD, with a USB Port for watching movies and listening to music, embedded press buttons on cover, PVR system compatible, auto record your favorite contents, Biss Key, no more black screen problem, timeshift system enabling on-and-off broadcasting demand.
- 1.7) GMM Z STREAM is the internet protocol TV box with Android 5.1 operating system providing Ultra HD 4K and support Air Mouse Remote.

1.8) GMM Z HD WISE is the new model enabling high definition Full HD with PVR system, Time Shift system, and multiplicative media playing function.

1.9) GMM Z Music Box is the new portable jukebox products, offering about 3,200 popular tracks from GMM Grammy artists, both country and folk songs with genuine copyrights all in one.

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 it needs to operate this business are television channel licenses and good contents for broadcasting.

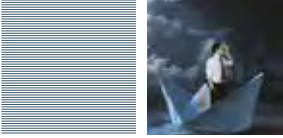
By the end of 2016, the Group has produced free-to-air television programs for audiences of every platforms transmitted via Thai-Com altogether 2 channels as follows;

Channel	Type of Program	Target Group	First On Air
Fan Music 	GMM Grammy's song including pop, rock, dance, local Thai folk songs under the slogan "All Your Music"	General audience	Changing from Fan TV to Fan Music in 2015
Money Channel* 	Programs on financial matters and investments	Working professionals with an interest in finance and investments	October 2009

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

Industry Outlook

The satellite and cable TV business remains the television medium that has the greatest number of viewers in the country. In 2016, the satellite and cable TV viewers accounted for approximately 61% of total 23 million households in the country (source: AGB Nielsen Media Research (Thailand)). Product owners and advertising agencies are therefore interested in the satellite and cable medium as an efficient method to reach their target groups. However, the satellite and cable TV platform has been severely affected from rising competition since the emergence of digital TV channels, coupled with NBTC regulated advertising airtime no longer than 6 minutes per hour, while the economic recession and advertising spending slow down persisted. These factors caused some of the satellite TV ventures to go out of businesses. Nowadays, there remains only 400 channels leftover from 700 channels previously. Operators have to be quickly adapted to low advertising rates which are now being pressured even further. The intensity of competition for ratings and advertising in satellite and cable TV business has multiplied accordingly. For the Group, the satellite television business has an important role in supporting the public relations of the other businesses such as the music businesses, giving them greater exposure across the country.



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 2016, the Group has improved strategies in various areas on a continued basis, aiming to manage risks that may arise in both new and core businesses of the Group, such as preparation on production technologies and capital funds, improvement of organizational structures and work processes, and human resources development at high and middle levels in support of the Group's business management team in response to rapid business growth.

Corporate Risk

1. Risk from Piracy

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

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

Moreover, to promote legal purchase of goods, the Group has continuously developed goods and service as well as new digital service platforms to keep pace with the ever changing consumer's behavior and technological development while serving the consumer's convenience and supplementing the Group's revenue. These digital services include 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 application 123GMM on both iOS and android, website www.gmmember.com and iTunes Store. Moreover, we include the service for listening the music on the internet without the need to download (Music Streaming) which customers can listen to the hot music tracks worldwide. We also expand the method of reaching the content of the Group via GMM Grammy Official Account on YouTube.

2. Risk from Competition in Digital TV Business

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

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

The Company has actively acquired strategic alliances to strengthen the business and attempted to sort out the problematic TV rating system for clarity, as well as supporting the completed transition from analog television platform towards digital terrestrial television system in order to help managing the risk in the operation of digital TV business.



3. Risk of Business Interruptions due to Force Majeure

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

The Company has therefore arranged the Disaster Recovery Site and conducted the rehearsal on restoration of information annually so as to reassure that staffs, systems and work places are ready to be managed emergencies and returned to normal operations quickly in case of any crisis. This is to absorb impacts and mitigate damage that may occur from Force Majeure or disaster that may prevent the business operation.

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

The Group runs various kinds of business and every business has its own characteristic which 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 including the Group's organization structure, policy, etc. and may create overlap of processes between central business units and supporting units. Besides, some centralized policies issue may not support some processes of current business units or new business units. Consequently, these may cause risk from retard internal process adjustment to the rapid business expansion.

In order to sustain the business growth, however, such risk has always 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.

5. Risk from Relying on Individual Talent

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

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



Presentation and Analysis of Financial Status and Operating Results



(A) Operating Results

Overview of Operating Results

The Group followed a policy of structuring its operations, according to the type and characteristics of each business. The core business groups are Music and Digital TV. Other businesses that play a supporting role are extensions of the core businesses in order to create growth and synergies for the Group comprising Radio business, Movie business and Trading business. Operating results for each business segment can be summarized as follows:

- 1) Music business: The main sources of income are derived from music products and distribution channels, the digital contents and the show business. Income from the music business in 2016 totaled 2,876 million Baht, declined by 11.5% from last year following the last quarter impact on business sector with all mainstream medias refrained from entertainment and marketing activities, coupled with prolonged economic recession leading to deteriorated consumer purchasing power, altogether caused the music and showbiz to underperform. In 2016, a total of 17 large-scale concerts were organized, including Ruam Wong Thongchai Concert, 30 Years of Asanee & Wasan Concert, Green Concert: The Lost Love Songs, Bie Sukrit 10 Years of Love Concert, A Million Record Concert, Pack4 Turn Back Concert, and White Haus Concert, as well as grand music festivals including Nung Lenn Festival; while all concert line-ups in the high seasoning period over last quarter were cancelled to pay respect during the king's national mourning period, and the situation was expected to continue for a while. From technology disruption and changing consumer behavior, the revenue from digital music contents kept rising with sales proportion catching up with physical products. Over last year, revenues generated from digital music and digital contents had rising trends with high growth potential. The company focused on developing digital platform to offer new services and innovative listening experiences matched with consumer digital lifestyle. Nowadays, the use of YouTube and Streaming for watching contents and listening to music through mobile phone and smart device becomes more popular; therefore, GMM joined hands with partners

to extend online music streaming via more applications i.e. JOOX, Line Music, and Apple Music. GMM also put greater emphasis on social media to popularize music tracks, and engage listeners on new media platforms for more interaction as shown by growing number of viewers and shares that could further generate revenue from advertising and sponsors. Over the year, GMM Grammy has been successful with a lot of singles surpassing 100 million views on YouTube including “Aow” by Atom Chonnakan, “Plew” by Ploychompoo, “Mai Mee Kaw Mae Tung Tae Rerm Ton” by Phai Pongsathorn. These proven statistics confirm the popularity in GMM Grammy artists with high potential to expand into music community and merchandising.

- 2) Digital TV: GMM25, which offers standard definition variety programming, consist of GMM25 digital TV channel, radio business, media and A-time showbiz. In 2016 the Company earned 1,772 million Baht, an increase of 7.7% from previous year, thanks to GMM25 channel's rising revenues, even though revenues from the radio business fell by 16% from last year according to negative market conditions. The Company considers radio business as having a capacity to reach mass audiences in real time. By excluding the impact during the last quarter of 2016, revenues generated from radio business over the first nine months stabled from last year despite shrinking advertising spending in radio media, this was due mainly to the strength in listener bases of the three radio stations operated by the Company with total audiences at 19 million listeners across all platforms e.g. On-air and online website, application, and YouTube. At present, the Company put an emphasis on social media platform i.e. Facebook which served as an effective means to promote and simulcast live programs along with on-air radio broadcasting. A-Time media has taken lead in developing online radio streaming application with the highest number of subscribers and downloads surpassing 4.5 million times. With reference to GMM25 digital TV operating results in 2016, the channel posted a strong growth in revenue and rating ranked at Top Ten most popular channel among the main target group people aged 15-34, thanks to the success of “Club Friday To Be Continued - Puen Rak Puen Rai” with nationwide rating shoot at 5.5, reflecting the channel strength in creating outstanding contents with differentiated formats to reach the new generation audiences. Moreover, GMM25 joined hand with partners to provide access to exclusive contents for customers via application and online platform including YouTube, Facebook, and Line, which attracts larger group of audiences proven by several successful records on millions of viewers to GMM25 contents, making it worthwhile for media spending plan under bundled packages with integrated platforms to reach viewers of all screens. In 2017 GMM25 plans forward the business strategy to increase revenue with prudent cost management, while heading on to creating emotional reality and entertaining contents i.e. “Club Friday The Series 9 - Ruk Krung Nueng Mai Tueng Tai”, and intensifying the magnet dramas over prime-time expansion together with new stories for teenagers during weekend, followed by line-ups of series, varieties, talks, game shows, and lifestyle programs. A holistic approach is taken to arrange programming strategies in such a way that creates shared feelings and binding sensations with the audiences on top of the channel positioning as TV station for the new generation. Moreover, GMM25 has partnered with green wave and launched the campaign “25 Doing Good Deeds Projects Upon the 25th Anniversary of Green Wave”, to continuing on an aspiration of King Bhumibol Adulyadej Rama IX in pursuit of several royal projects for the nation’s well-being, demonstrating a tangible step for GMM25 branding as TV operators to contribute goodwill and benefaction for the society.
- 3) Digital TV: ONE channel, which presents High Definition variety programming, underwent changes to its investment and control structure in the first quarter of 2015, which led to The ONE Enterprise Co., Ltd. (formerly GMM ONE TV Trading), previously a subsidiary, being reclassified as a joint venture and financially accounted for by using the equity method. This means that no financial data for the digital TV channel ONE presented in the consolidated financial statements but instead appears in the share of profit and loss from investment in joint ventures. Therefore, the figures shown in 2016 consolidated financial statement remained only Exact business unit holding the copyrights of TV content libraries prior to the share restructuring. Operating results for the year shown revenue of 48 million Baht, a 93.1% fall from last year, since the consolidated financial statement no longer includes financial data of digital TV channel ONE after the restructuring. At the same time, Exact was also affected by ending content production for free analog TV in order to broadcast content on the ONE Digital TV channel.

Operating results for Digital TV channel ONE experienced a significant growth in channel rating, partly driven by the overwhelming success of prime-time drama “Pit Sa Wat” became talk of the town with a phenomenal record in nationwide TV rating. The success story behind such a masterpiece was derived from distinctive artists performance, scripts, and production scenes, putting together served as a springboard for ONE31 to rank among

the Top Five most popular digital TV channels this year. For 2017 ONE31 has planned to achieve the target as a leading free TV station riding on the core competency in creative quality contents including dramas, series and sit-coms, which served as key strengths to drive for the channel popularity among the mass audiences. Over the next step, the channel aims to stabilize its rating and strengthen its ranking further by crafting the masterpiece dramas together with full line-ups of variety contents including live sports program broadcasting for sports lovers i.e. European Qualifiers for 2018 FIFA World Cup, Ratchadamnoen Thai Boxing Arena, MX Muay Thai Extreme - the New Gladiator, as well as spicing up the weekend slots with new creative variety and seasonal programs like Singha Show, Duet Challenger, Saturday Five, Suk Wan Duan Pleng. Moreover, ONE31 also fulfills an entertainment schedule for family audiences by presenting news, dhamma, and cartoons for kids. From its unique programming strategy in depicting contents to match with the target group lifestyles and keep viewers stay tuned, there is an upside to raise the advertising rate in accordance with growing number of viewers and channel rating. Indeed, ONE31 ran a campaign and participated in cross-marketing activities with partners to expand digital TV audience base by engaging partnership clientele, as well as planning to anchor the digital TV footprint further by strengthening its financial position through strategic investors that could potentially fuel the growth of digital TV going forward.

- 4) Movie business: Earnings for the year stood at 320 million Baht, a fall of 46.2% from last year, caused by shifting of new films premiere towards next year as overall Thai movie industry in 2016 was slowdown due mainly to the economic conditions and the growth of online media with variety of contents for people to consume online, while the market sentiment was impacted from the national mourning over the last quarter of year. Operating results for GDH559 in 2016 achieved its business plan from a total of two films released “Fanday” with generated box office revenue at 111 million Baht, and “A Gift” co-presented by GDH559 and Singha Corporation a romance film inspired by the talent of King Bhumibol Adulyadej’s royal music compositions to give a beautiful blessing for Thai citizens during the new year festive season, bringing about audiences’ deepest appreciation and condolences to the late King Rama IX. For 2017, GDH559 prepares to release three films - teen, horror and romance movies throughout the year, along with producing new episodes continuing on from the previous success story in “Diary Tudsy the Series Season 2” for screening via GMM25 and LINE TV, followed by the new teen series “Project-S” with distinctive concepts to inspire teenagers opt for sporting activities.
- 5) Trading Business: This consists of the home shopping business and satellite set top boxes. Home shopping revenues totaled 1,710 million Baht, decreased by 1.6% Y-o-Y due mainly to unfavorable domestic factors, depressed purchasing power and advertising suspension for 30 days during the last quarter. However, the home shopping business remains having a strong potential, as evident from this year O-shopping celebrated subscribers reaching 1 million, with an emphasis on data analytics to gain consumer insights and incorporated to sales and marketing promotion, as well as expansion of trade channels to reach wider group of customers, together with high quality product selection to meet with customer demand and launching CSR program throughout the year.

This year, Satellite TV business revenue totaled 243 million Baht, a decrease of 37.8% from previous year, in line with softer advertising spending on satellite and cable TV platform. By redirecting sales strategy to focus on the product lines that address the preferences of today’s consumers i.e. GMM Z STREAM the internet protocol TV box, as well as providing good customer services and focusing on efficient merchandising management to keep costs under control, altogether effectively mitigating the impact from slower advertising trend in cable TV platform.

- 6) Other incomes dropped Y-o-Y from the absence of gains from sales of investment and subsidiary share restructuring within the Group Company over 2015. For this year, the Group recorded revenue from granting the broadcasting rights of the European Qualifiers for 2018 FIFA World Cup to air on alliances platform, started on September 2016 and continued to 2017.

The Group’s Operating revenues, comprising sale of goods, service income, and revenue from copyright in 2016 was 7,295 million Baht, declined by 15.2% from previous year, due mainly from the impact during the fourth quarter of year, while total revenue in 2016 was 7,430 million Baht, declined by 23.4% Y-o-Y from the absence of gains from sales of investment and subsidiary share restructuring this year. Regarding cost development in 2016, the Company has succeeded with efficient management of SG&A expenses, resulting in a significant decrease by 666 million Baht or 19% lower from previous year. Nevertheless, the Company recognized other extraordinary



items in 2016 comprising allowances for returned goods at 80 million Baht to handle the probable return of goods sold through various trade channels; coupled with the impairment amounting to 38 million Baht of investment in GTH which was closed down and in liquidation process; together with the interest costs incurred this year at 76 million Baht following an adjustment in present value of digital TV license cost according to the accounting standard. Altogether, the company recorded a net loss for 2016 at 520 million Baht, better off by 625 million Baht or 54.6% from 2015 which posted a deep loss at 1,145 million Baht, following the leadership strategy in running its music business along with sharply increasing revenue and rating of both digital TV channels, and efficient management of the Group investment focusing on execution of business plan to attain growth with prudent cost control. In 2017, the media industry is expected to recover in line with overall economic expansion and improved purchasing power, thereby leading to a substantial turnaround for the Group Company operating performances.

(B) Financial status of the GMM Grammy Group at year-end 2016

1) Assets

The Group ended 2016 with total assets of 7,249 million baht, a fall of 341 million baht from 2015. Significant items are as follows:

- Cash and cash equivalents and temporary investments totaled 1,119 million baht, a reduction of 115 million baht from GMM25 license fee payment to NBTC, together with contents and copyright costs.
- Trade and other receivables are largely comprised of trade receivable from unrelated parties covering outsiders who are unconnected to companies in the Group, whose settlement periods differ from one another depending on the terms and agreements. The total amount stood at 1,397 million baht, a reduction of 18 million baht due to lower receivables in radio business, movies and trading business in line with revenues. To deal with outstanding receivables, the Group has a systematic plan and collections unit, which has resulted in the proportion of receivables outstanding over six months being significantly reduced.
- Inventory consists largely of merchandise such as cds, vcDs, dvds, products from TV shows that have already completed filming or that are in progress, and receivers for satellite and digital tv. Total value is



371 million baht, which represents an increase of 70 million baht due to more content line-ups covering drama, series, movies and other programs that were either finished or in progress from business units including digital TV, GMM TV, GMM Bravo, GDH559 in order to cope up with intense competition. While trading business had fewer inventories in satellite set-top-boxes following the stock management at appropriate levels with sales promotions at regular intervals.

- Other current assets totaled 357 million baht, a reduction of 39 million baht due to 2015 withholding tax balance transferred to other non-current assets, and cash advances lower from suspension of events and entertainment activities during the year end period.
- Investments in joint ventures totaled 544 million baht, a decrease of 352 million baht from realized loss in investment of The One Enterprise Company Limited during the year.
- Property, plant and equipment had a total value of 430 million baht, representing a reduction of 94 million baht as a result of depreciation during the year, coupled with sales of assets and investments in GTH after the company was closed down.
- Other intangible assets totaled 2,293 million baht, increased by 205 million baht from content production and acquisition, while the cost of spectrum licenses for GMM25 decreased from yearly amortization and revisions to the current value of the spectrum licenses.

2) Liabilities

The Group's total liabilities at year-end 2016 stood at 5,780 million baht, increased 224 million baht from previous year. The significant details are as follows:

- Account overdrafts and short-term bank loans stood at 323 million baht, an increase of 320 million baht from additional loan used for GMM25 digital TV.
- Trade and other payables total 1,210 million baht, a reduction of 279 million baht due to the settlement of outstanding payments both in the production of TV and movie contents and set-top boxes in line with a decrease in sales and artist management revenues dropped following the cancelled events in the last quarter.
- Spectrum licenses payable including current portions due within a year totaled 1,090 million baht, a reduction of 344 million baht from the third installment of GMM 25 license costs at 420 million baht, together with the revision of spectrum license at current costs.

- Long-term loans including current portions due within a year, totaled 2,094 million baht, an increase of 469 million baht due to additional bank loan drawn for making digital TV license payments to NBTC.

3) Shareholders' equity

At year-end 2016, the Group had shareholders' equity of 1,468 million baht, a reduction of 565 million baht from previous year due to the operating losses incurred during the year.

Liquidity and Cash Flow

Cash and cash equivalents totalled 869 million baht, a decrease of 190 million baht. This consisted of 402 million baht used in operating activities covering repayments to trade creditors and content costs for European Qualifiers on 2018 FIFA World Cup, while cash used in investing activities stood at 563 million baht covering the digital TV license payment during the year. Cash flow from financing activities totalled 775 million baht. Overall, liquidity and cash flow status at the end of 2016 was fairly maintained, demonstrating a firm financial position of the Group.

4) Significant Ratios in 2016

	2016	2015	Additional remarks
Profitability ratio			
Gross profit margin (%)	37.13	33.21	Profitability improvement was largely attributable to digital TV business succeeded with driving revenue growth under stringent cost control, while movie business kept costs well under control and generated higher gross profits despite lower revenue; and home shopping improved gross margin from effective product selection and sales strategy
Net profit / loss (%)	(7.00)	(11.80)	The reduction was due to cost efficiency management of each business unit, along with growing digital TV revenue, while home shopping and movie business generated better operating profits despite lower sales
Return on assets (%)	(7.01)	(10.39)	The improvement was driven by a drop in net loss, while assets decreased from lower receivables in line with revenue, from payment for digital TV license fee, and from realized loss of the investment in joint ventures during the year
Return on equity (%)	(33.30)	(47.09)	The improvement was the result of a drop in net loss driven by strong performance of core businesses in music group, digital TV, movie and home shopping
Liquidity ratio			
Liquidity ratio (times)	0.78	1.30	The decrease was due to payment of digital TV license fee to NBTC, and additional loans drawn for digital TV operation as well as reclassification of digital TV loan as current portion of long term debts following the non-conformance of certain financial ratios to creditor facility agreement by the end of year
Average collection period (days)	49	53	The reduction was due to a fall in accounts receivable especially the portion outstanding over six months being significantly reduced from efficient collection process
Inventory period (days)	27	30	The reduction was a result of efforts to control the quantity of inventory such as tapes, CDs DVDs, movie and cartoon products and set top box of satellite TV and digital TV
Payment period (days)	76	76	The ratio was maintained from last year, while trade accounts payable decreased in line with sales and service costs

	2016	2015	Additional remarks
Financial ratio			
Debt to equity (times)	3.94	2.73	The increase was due to higher bank loans both long-term and short-term for digital TV growing operation and payment of digital TV license fee, while shareholder's equity dropped from operating net loss during the year
Interest coverage ratio (times)	(1.04)	5.13	The decrease was due to more cash flow used in operating activities for repayment to trade creditors and content costs on the European Qualifiers for 2018 FIFA World Cup
Interest-bearing debt to equity ratio (times)	1.65	0.80	The increase was due to higher interests from bank loans drawn for digital TV growing operation and payment of digital TV license fee

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

Subsequent to the slowdown in overall advertising and digital TV industry in the last quarter of 2016, the market witnessed a strong rebound during year end period in December with media agency and brand customers gradually resumed advertising spending. The rising trend is expected to continue forward to 2017 with upcoming positive industry developments including the commencement of new multi-screen rating system that reflects true performance of digital TV operators; the government supportive measures to extend payment terms for digital TV license fee and also subsidize the satellite uplink costs for all operators under the must carry rules; coupled with several macro-economic stimulus packages through mega project investment started to materialize while the nation prepares for an upcoming general election; altogether showing a positive outlook for media business over the next year, resulting in brands and customers resumed marketing and advertising spending. The new digital TV channels especially the Top Five ranking and the ones with clearly defined target positioning will draw the most attention from creative contents in variety of entertainment formats for the mass audience, leading not only to growing viewership but also higher advertising spending on overall digital TV and media industry.

Music business remains the flagship and key contributor to the Group ventures amidst the widening opportunities through digitization for Thai music to expose to international market. The Group has constantly evolved music marketing strategy and streamlined operating structure for each music category including pop, rock, youth, and local Thai folk songs, as well as focusing on digital music and digital platform development to provide services that are more up-to-date. Indeed the Group emphasizes on monetization of the invaluable GMM content library possessing a strong branding and unlimited potential to generate service revenue across all platforms in the multiscreen era, with this regard, "GMM Bravo" the new business unit was formed as a content creator providing "New Content Solution" by transforming massive library including music and artists and developed into exclusive contents both TV series and variety shows across multiple platforms covering digital TV, Line TV, and exclusive partner deals, on top of YouTube service which continues to gain high popularity among Thailand youtubers who ranked in the world's top ten youtube times. The Group has been eager to take lead in meeting today's audience digital lifestyle and drive for further development and sustainable growth in music industry over the long term.

The financial status of the Group Company remains viable following execution of business plan to attain growth with prudent cost control, leading to a substantial improvement in the bottom line results in 2016 for digital TV channel ONE31 and GMM25 by 35% and 50%, respectively. Nevertheless, the digital TV industry development has fallen short of expectations from the auction plan, causing EBITDA performance and interest-bearing debt capacity in 2016 to differ from previous estimation, thereby leading to non-conformance of certain financial ratios as of December 31st, 2016 to the rate prescribed in the credit facility agreements. However, on February 24th, 2017 the bank has already issued the waiver for such non-compliance to both digital TV channels.

In adherence to the generally accepted accounting principles, the incident specified above was taken into account by classifying the loan as Current portion of long term debt over the duration from the end of reporting period up to the waiver date granted from the bank. At present, the specified loans has been reclassified into Long-term loans net of current portion as stated previously. While an ever-growing business demand for investing continually to strengthen competitiveness has resulted in higher debt-to-equity ratio at 1.65 times by the end of 2016, which was at the level consistent with a rapid growth stage of investment cycle. The Group is firmly positioned to move the business forward and we believe that this will deliver further growth in the operating results for 2017.

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

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

At the Board of Directors' meeting on February 27, 2017, 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 2016. The system, set by the management which complies with the SET regulations and COSO guideline. The Board agreed with the Audit Committee that the Group's quarterly and the annual financial statement for the year 2016 (which has been audited by the external auditor) has been prepared in accordance with generally accepted accounting principles and disclosed sufficiently, accurately and reliably. In general, the internal control system of the Company and subsidiaries was fairly established and appropriate to the Company business. There were no internal control deficiencies which would affect the accuracy and reliability of financial statement and the achievement of the entity's business goal. The Board of Directors has expressed the opinion on the sufficiency of the Company and subsidiaries' internal control system in "Internal Control" section.

Furthermore, the Board encourages the Management in continuously 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



Miss Boosaba Daorueng
Group Chief Executive Officer

Independent Auditor's Report

To the Shareholders of GMM Grammy Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of GMM Grammy Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of GMM Grammy Public Company Limited (the Company) for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GMM Grammy Public Company Limited and its subsidiaries, and of GMM Grammy Public Company Limited as at 31 December 2016, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

I draw attention to Note 34.5 to the financial statements regarding the uncertainty of the result of the legal case in which the Company was sued by a contract partner. This case is being considered by the court. However, the Company has submitted a plea and filed a countersuit with the court, presenting facts and evidences that will be beneficial in the consideration of the case, and with reference to legal counsel's opinion, the management believes that the Company has evidence and information pursuant to the relevant agreement to defend the case and the case will probably not cause damage to the Company. The Company, hence, has not recorded any provision in its accounts. My opinion is not modified in respect of this matter.

Key Audit Matters

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

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

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

Impairment of investments in subsidiaries, joint venture, associates and other investments

As discussed in Note 12 - 15 to the financial statements, the Group has investments in subsidiaries, joint venture, associates and other investments at cost totaling Baht 9,781 million and has impairment losses on investments in subsidiaries, associates and other investments totaling Baht 6,750. In determining the impairment loss, management had to exercise judgement with respect to its projections of future operating performance, plans for each investee, and determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of impairment loss recorded on investments in subsidiaries, joint venture, associates and other investments.

I assessed the management's identification of cash generating units and selection of a financial model, by gaining an understanding of management's decision-making process and evaluating

whether the decisions were consistent with its financial history and industry trends. In addition, I gained an understanding of and assessed the following:

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

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

Deferred tax

The Group has disclosed its accounting policy and details relating to deferred tax in Note 4.17 and Note 28 to the financial statements. A deferred tax asset is recognised when it is highly probable that the Group's taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgement with respect to preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.

I gained an understanding of and tested the key related controls over the preparation and approval of the estimates of future taxable profit for the purposes of deferred tax asset recognition by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I assessed the estimates of future taxable profit by checking the required information and key economic assumptions used in the projections against information from both internal and external sources, with consideration of information and assumptions that directly affect revenue growth and gross profit margin, such as interest rates, consumer spending and gross domestic product. Furthermore, I performed comparative analysis based on industry information from external sources, and compared the past projections with actual taxable profits to assess the exercise of management judgment in estimating taxable profits. I also tested the calculation of future taxable profit based on the above information and assumptions, and considered the effects of changes to key assumptions on the projected future taxable profits, especially in respect of long-term revenue growth. In addition, I reviewed the disclosure of information regarding temporary differences and unused tax losses for which deferred tax assets were not recognised by the Group.

Revenue recognition

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

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for sales and service transactions occurring during the year and near the end of the accounting period, and with special consideration given to expanding the scope of the examination supporting documentation for transactions occurring near the end of the accounting period.

- Reviewing credit notes that the Group issued after the period-end, with special consideration given to expanding the scope of sampling of documentation.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Termphong Opanaphan.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 27 February 2017

Statement of financial position

GMM Grammy Public Company Limited and its subsidiaries

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	7	868,821,210	1,058,807,615	401,324,810	504,371,273
Current investments	8	250,650,590	175,952,062	231,178,214	120,000,000
Trade and other receivables	9	1,397,272,280	1,414,957,447	880,088,032	799,654,477
Prepaid expenses		62,387,315	59,973,202	27,920,709	5,143,050
Inventories	10	370,797,111	300,989,734	115,409,065	114,133,108
Advance payments		27,111,615	45,760,026	8,217,932	23,558,485
Other current assets	11	267,588,585	290,067,756	44,490,218	41,836,190
Total current assets		3,244,628,706	3,346,507,842	1,708,628,980	1,608,696,583
Non-current assets					
Investments in subsidiaries	12	-	-	2,001,868,143	2,075,099,178
Investment in joint venture	13	263,233,090	616,363,268	971,549,700	971,549,700
Investments in associates	14	276,672,051	275,721,127	25,000,000	25,000,000
Other long-term investments	15	3,655,635	3,503,882	1,655,935	1,504,182
Loans to related parties	6	-	-	50,180,000	77,080,000
Property, plant and equipment	16	429,879,043	524,045,763	187,952,041	199,942,157
Goodwill		-	36,659,796	-	-
Other intangible assets	17	684,312,803	348,602,344	566,940,831	287,794,811
Cost of spectrum license	18	1,608,498,811	1,739,140,125	-	-
Deferred tax assets	28	486,471,235	416,019,116	123,266,301	104,997,493
Other non-current assets	19	251,234,404	283,051,853	79,707,486	127,872,660
Total non-current assets		4,003,957,072	4,243,107,274	4,008,120,437	3,870,840,181
Total assets		7,248,585,778	7,589,615,116	5,716,749,417	5,479,536,764

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

Statement of financial position (continued)

GMM Grammy Public Company Limited and its subsidiaries

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	20	322,905,262	3,000,000	-	-
Trade and other payables	21	1,210,404,479	1,489,010,164	481,458,039	606,782,196
Unearned income		444,960,726	436,020,742	174,198,567	213,748,792
Short-term loans from related parties and directors	6	3,890,000	-	1,924,500,000	1,978,500,000
Current portion of long-term loans	22	1,497,182,404	-	-	-
Current portion of liabilities under finance lease agreements		14,600,349	11,451,657	8,246,355	8,529,329
Current portion of cost of spectrum license payable	23	409,883,586	409,814,192	-	-
Income tax payable		9,112,817	8,243,305	-	-
Other current liabilities	24	266,332,306	209,129,279	182,908,820	107,790,333
Total current liabilities		4,179,271,929	2,566,669,339	2,771,311,781	2,915,350,650
Non-current liabilities					
Long-term loans - net of current portion	22	597,206,017	1,625,545,102	597,206,017	596,776,174
Liabilities under finance lease agreements - net of current portion		26,593,846	29,145,113	20,046,282	22,562,499
Cost of spectrum license payable - net of current portion	23	679,911,740	1,024,310,995	-	-
Provision for long-term employee benefits	25	297,086,277	310,151,151	161,451,645	186,299,045
Deferred tax liabilities	28	77,536	121,826	-	-
Total non-current liabilities		1,600,875,416	2,989,274,187	778,703,944	805,637,718
Total liabilities		5,780,147,345	5,555,943,526	3,550,015,725	3,720,988,368

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

Statement of financial position (continued)

GMM Grammy Public Company Limited and its subsidiaries

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Shareholders' equity					
Share capital					
Registered					
819,949,729 ordinary shares of Baht 1 each		819,949,729	819,949,729	819,949,729	819,949,729
Issued and fully paid					
819,949,729 ordinary shares of Baht 1 each		819,949,729	819,949,729	819,949,729	819,949,729
Paid-in capital					
Share premium		4,847,628,795	4,847,628,795	4,847,628,795	4,847,628,795
Transferred of share premium to offset deficit in separate financial statements		271,203,657	271,203,657	-	-
Capital surplus from share premium of subsidiaries		859,297,366	859,297,366	-	-
Retained earnings					
Appropriated - statutory reserve	26	81,994,973	63,631,794	81,994,973	63,631,794
Transfer of statutory reserve to offset deficit in separate financial statements		50,000,000	50,000,000	-	-
Unappropriated (deficit)		(5,160,958,678)	(4,622,446,503)	(3,580,604,317)	(3,970,493,516)
Other components of shareholders' equity		(466,945,865)	(467,048,371)	(2,235,488)	(2,168,406)
Equity attributable to owners of the Company		1,302,169,977	1,822,216,467	2,166,733,692	1,758,548,396
Non-controlling interests of the subsidiaries		166,268,456	211,455,123	-	-
Total shareholders' equity		1,468,438,433	2,033,671,590	2,166,733,692	1,758,548,396
Total liabilities and shareholders' equity		7,248,585,778	7,589,615,116	5,716,749,417	5,479,536,764

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

Income statement

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Revenues					
Sales of goods		2,407,780,739	2,743,006,690	509,286,779	737,218,270
Service income		3,638,741,445	4,606,886,583	1,463,761,160	1,558,960,807
Revenues from copyrights		1,248,115,585	1,248,429,105	1,096,279,375	1,074,049,645
Interest income		12,922,729	19,822,459	13,455,361	18,853,109
Dividend income		4,500	-	473,689,876	52,103,473
Gain on sale of invesments in subsidiaries		-	54,479,814	-	2,362,433
Gain on sale of invesments in joint ventures		-	103,401,208	-	-
Gain on sale of other long-term investments		-	70,256,784	-	70,256,784
Gain associated with the loss of control in subsidiary		2,557,025	731,281,009	-	-
Other income		119,920,226	126,013,343	68,035,725	84,456,014
Total revenues		7,430,042,249	9,703,576,995	3,624,508,276	3,598,260,535
Expenses					
Cost of sales and services		4,586,306,058	5,742,911,416	1,844,124,121	1,964,626,483
Selling and servicing expenses		526,497,470	638,894,581	34,560,901	29,283,191
Administrative expenses		2,335,081,318	2,889,155,803	1,196,447,996	1,189,122,287
Loss on sale of and returning investment in subsidiaries		-	-	-	18,683,724
Loss on impairment of investment in subsidiaries		-	-	42,471,660	1,159,855,000
Loss on impairment of other long-term investments		-	1,030,340,000	-	-
Total expenses		7,447,884,846	10,301,301,800	3,117,604,678	4,361,570,685
Profit (loss) before share of profit (loss) from investments in joint ventures and associates, finance cost and income tax expenses					
Share of loss from investments in joint ventures	13	(353,130,178)	(337,733,812)	-	-
Share of profit from investments in associates	14	16,615,667	4,512,696	-	-
Profit (loss) before finance cost and income tax expenses		(354,357,108)	(930,945,921)	506,903,598	(763,310,150)
Finance cost		(188,173,719)	(271,592,502)	(94,290,673)	(113,467,685)
Profit (loss) before income tax expenses		(542,530,827)	(1,202,538,423)	412,612,925	(876,777,835)
Income tax income (expenses)	28	9,128,615	67,306,733	(4,360,547)	(53,218,770)
Profit (loss) for the year		(533,402,212)	(1,135,231,690)	408,252,378	(929,996,605)
Profit (loss) attributable to:					
Equity holders of the Company		(520,148,996)	(1,145,483,743)	408,252,378	(929,996,605)
Non-controlling interests of the subsidiaries		(13,253,216)	10,252,053		
		(533,402,212)	(1,135,231,690)		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	30	(0.63)	(1.40)	0.50	(1.13)

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

Statement of comprehensive income

GMM Grammy Public Company Limited and its subsidiaries
For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit (loss) for the year	(533,402,212)	(1,135,231,690)	408,252,378	(929,996,605)
Other comprehensive income:				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements				
in foreign currency - net of income tax	169,588	(1,492,507)	-	-
Gain (loss) on change in value of available-for-sale investments				
- net of income tax	(67,082)	32,610	(67,082)	32,610
Reversal of gain on change in value of available-for-sale investments - net of income tax expenses	-	(20,063,552)	-	(20,063,552)
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods - net of income tax	102,506	(21,523,449)	(67,082)	(20,030,942)
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods</i>				
Actuarial loss - net of income tax	-	(45,512,273)	-	(25,300,833)
Share of actuarial loss of joint ventures - net of income tax	-	(8,316,578)	-	-
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods - net of income tax	-	(53,828,851)	-	(25,300,833)
Other comprehensive income for the year	102,506	(75,352,300)	(67,082)	(45,331,775)
Total comprehensive income for the year	(533,299,706)	(1,210,583,990)	408,185,296	(975,328,380)
Total comprehensive income attributable to:				
Equity holders of the Company	(520,046,490)	(1,219,421,175)	408,185,296	(975,328,380)
Non-controlling interests of the subsidiaries	(13,253,216)	8,837,185		
	(533,299,706)	(1,210,583,990)		

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

Statement of changes in shareholders' equity

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

	Consolidated financial statements													(Unit: Baht)
	Equity attributable to owners of the Company							Other components of shareholders' equity						
	Transfer of share premium to offset deficit in separate financial statements			Retained earnings		Other comprehensive income		Other changes by the owners						
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Capital surplus from share premium of subsidiaries	Unappropriated deficit in separate financial statements	Transferred share premium to offset deficit in separate financial statements	Surplus (deficit) on changes in value of available-for-sale investments	Capital deficit from business combination under common control	Difference resulting from share swap between the Company and a subsidiary	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
Balance as at 31 December 2014 - as previously reported	819,949,729	4,847,628,795	271,203,657	860,964,766	63,631,794	50,000,000	1,282,105	17,862,536	(274,800,348)	(189,604,191)	(445,259,898)	3,142,072,454	940,701,047	4,082,773,501
Cumulative effect of change in accounting policy	-	-	-	-	-	(88,502,388)	(265,024)	-	-	(189,604,191)	(265,024)	(58,767,412)	(499,703,144)	(598,470,556)
Balance as at 31 December 2014 - as restated	819,949,729	4,847,628,795	271,203,657	860,964,766	63,631,794	50,000,000	1,017,081	17,862,536	(274,800,348)	(189,604,191)	(445,524,922)	3,043,305,042	440,997,903	3,484,302,945
Loss for the year	-	-	-	-	-	-	-	-	-	-	-	(1,145,483,743)	10,252,063	(1,135,231,680)
Other comprehensive income for the year	-	-	-	-	-	-	(62,413,983)	(20,030,942)	-	-	(21,523,449)	(73,937,429)	(1,414,868)	(75,352,290)
Total comprehensive income for the year	-	-	-	-	-	-	(149,257,000)	(20,030,942)	-	-	(21,523,449)	(1,219,421,175)	8,837,185	(1,210,583,990)
Disposal of investment in subsidiary	-	-	-	(1,667,400)	-	-	-	-	-	-	-	(1,667,400)	-	(1,667,400)
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(238,379,965)	-	(238,379,965)
Balance as at 31 December 2015	819,949,729	4,847,628,795	271,203,657	859,297,366	63,631,794	50,000,000	(475,426)	(2,168,406)	(274,800,348)	(189,604,191)	(467,048,371)	1,822,216,467	211,455,123	2,033,671,590
Loss for the year	-	-	-	-	-	-	-	-	-	-	-	(620,148,996)	211,455,123	2,033,671,590
Other comprehensive income for the year	-	-	-	-	-	-	169,588	(67,082)	-	-	102,506	102,506	(13,253,216)	(533,402,212)
Total comprehensive income for the year	-	-	-	-	-	-	169,588	(67,082)	-	-	102,506	(520,046,490)	(13,253,216)	(533,299,706)
Selling aside to statutory reserve (Note 26)	-	-	-	-	18,363,179	-	-	-	-	-	-	-	-	-
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2016	819,949,729	4,847,628,795	271,203,657	859,297,366	81,964,973	50,000,000	(305,838)	(2,235,488)	(274,800,348)	(189,604,191)	(466,945,865)	1,302,169,977	166,268,456	1,468,438,433

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

Statement of changes in shareholders' equity (continued)

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

	Separate financial statements							(Unit: Baht)
	Other components of shareholders' equity							
	Other							
	comprehensive income							
	Surplus (deficit) on changes in value of available-for-sale investments							
Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated (deficit)	Total other components of shareholders' equity	Total shareholders' equity		
		Appropriated - statutory reserve						
Balance as at 31 December 2014								
Loss for the year	819,949,729	4,847,628,795	63,631,794	(3,015,196,078)	17,862,536	17,862,536	2,733,876,776	
Other comprehensive income for the year	-	-	-	(929,996,605)	-	-	(929,996,605)	
Total comprehensive income for the year	-	-	-	(25,300,833)	(20,030,942)	(20,030,942)	(45,331,775)	
Balance as at 31 December 2015								
	819,949,729	4,847,628,795	63,631,794	(955,297,438)	(20,030,942)	(20,030,942)	(975,328,380)	
					(2,168,406)	(2,168,406)	1,758,548,396	
Balance as at 31 December 2015								
Profit for the year	819,949,729	4,847,628,795	63,631,794	(3,970,493,516)	(2,168,406)	(2,168,406)	1,758,548,396	
Other comprehensive income for the year	-	-	-	408,252,378	-	-	408,252,378	
Total comprehensive income for the year	-	-	-	-	(67,082)	(67,082)	(67,082)	
Setting aside to statutory reserve (Note 26)	-	-	-	408,252,378	(67,082)	(67,082)	408,185,296	
Balance as at 31 December 2016								
	819,949,729	4,847,628,795	81,994,973	(3,580,604,317)	(2,235,488)	(2,235,488)	2,166,733,692	

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

Statement of cash flows

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit (loss) before tax	(542,530,827)	(1,202,538,423)	412,612,925	(876,777,835)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	166,441,203	275,524,567	56,996,843	56,522,330
Amortisation	469,742,419	294,973,868	230,686,161	15,352,344
Amortisation of spectrum license	130,641,314	179,148,918	-	-
Allowance for doubtful accounts (reversal)	18,041,061	(19,486,975)	21,178,833	(9,503,142)
Reduction of cost of inventory to net realisable value (reversal)	(1,344,458)	(153,495,670)	29,511,532	(95,337,489)
Allowance for impairment of investments in subsidiaries	-	-	42,471,660	1,159,855,000
Allowance for impairment of others long term investment	-	1,030,340,000	-	-
Allowance for impairment of property, plant and equipment (reversal)	(21,764,588)	124,707,442	-	-
Allowance for impairment of goodwill	36,659,796	-	-	-
Allowance for impairment of intangible assets (reversal)	(4,441,620)	4,496,172	-	-
Provision for sales returns	85,253,445	5,389,533	86,848,884	3,766,637
Gain on sale of investments in subsidiaries	-	(54,479,814)	-	(2,362,433)
Loss on returning investments of subsidiaries	-	-	-	18,683,724
Loss (gain) on sale of investments in joint ventures	-	(103,401,208)	-	1,313,345
Gain on sale of other long-term investments	-	(70,256,784)	-	(70,256,784)
Loss (gain) on disposal of equipment	19,104,824	(1,453,709)	(2,027,795)	(3,674,067)
Dividend income	(4,500)	-	(473,689,876)	(52,103,473)
Share of loss from investments in joint ventures	353,130,178	337,733,812	-	-
Share of profit from investments in associates	(16,615,667)	(4,512,696)	-	-
Long-term employee benefit expenses (reversal)	80,906,081	(9,361,880)	54,322,627	10,751,882
Gain associated with the loss of control in subsidiary	(2,557,025)	(731,281,009)	-	-
Interest income	(12,922,729)	(19,822,459)	(13,455,361)	(18,853,109)
Interest expenses	188,173,719	271,592,502	94,290,673	113,467,685
Profit from operating activities before changes in operating assets and liabilities	945,912,626	153,816,187	539,747,106	250,844,615
Decrease (increase) in operating assets				
Trade and other receivables	(26,986,509)	617,045,144	150,134,689	77,689,317
Prepaid expenses	(2,423,166)	(62,376,512)	(22,777,659)	(1,590,258)
Inventories	(165,553,440)	329,193,318	(34,672,853)	55,406,098
Advance payments	18,532,952	25,035,225	15,340,553	(11,724,030)
Other current assets	105,615,976	59,638,465	36,510,141	41,061,923
Other non-current assets	(727,245,443)	(351,506,093)	(509,851,836)	(1,447,191)

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

Statement of cash flows (continued)

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Increase (decrease) in operating liabilities				
Trade and other payables	(247,010,666)	20,197,268	(117,795,658)	58,186,118
Unearned income	21,471,959	56,831,878	(39,550,225)	115,201,130
Other current liabilities	(25,631,419)	(87,356,246)	(11,730,397)	(23,016,827)
Provision for long-term employee benefits	(12,752,906)	(17,397,159)	(12,012,907)	(2,606,374)
Cash flows from (used in) operating activities	(116,070,036)	743,121,475	(6,659,046)	558,004,521
Cash paid for interest expenses	(111,640,261)	(144,997,506)	(101,389,329)	(110,146,572)
Cash paid for income tax	(145,861,864)	(226,977,563)	(61,612,579)	(63,248,554)
Cash paid for termination wages	(80,497,723)	-	(67,157,120)	-
Cash received from income tax refund	52,070,193	-	52,070,193	-
Net cash flows from (used in) operating activities	(401,999,691)	371,146,406	(184,747,881)	384,609,395
Cash flows from investing activities				
Acquisition of equipment	(71,338,782)	(273,066,999)	(36,389,951)	(39,040,228)
Decrease in accounts payable - purchase of assets	(4,733,445)	(15,388,091)	-	(22,444,813)
Cash received from returning investments of subsidiaries	-	-	104,709,375	2,915,976
Cash received from disposal of investments in subsidiaries	-	-	-	203,284,177
Net increase in cash due to sale of investments in subsidiaries	-	220,805,553	-	-
Net decrease in cash due to loss of control				
in subsidiaries (Note 31)	(4,798,150)	(34,083,797)	-	-
Cash paid to purchase additional investments in subsidiaries	-	-	(73,950,000)	(429,002,176)
Cash received from sale of investments of joint ventures	-	438,686,445	-	8,686,655
Cash paid to purchase additional investments in joint ventures	-	(571,550,100)	-	(571,550,100)
Cash received from sale of investments of associates	2,499,700	-	-	-
Cash paid to purchase additional investments in associates	-	(3,599,580)	-	-
Cash received from sale of other long-term investments	-	297,803,072	-	297,803,072
Cash paid to purchase other long-term investments	(235,605)	-	(235,605)	-
Cash received from disposal of equipments	17,626,737	111,525,525	3,717,898	6,191,274
Decrease (increase) in loans to related parties	-	-	26,900,000	(37,640,000)
Dividend received from subsidiaries and associates	11,157,448	9,162,762	221,589,874	250,482,348
Dividend received from other long-term investments	4,500	-	4,500	-
Cash received from (paid to) non-controlling interests				
of subsidiaries from investments in subsidiaries	(31,580,400)	2,450,300	-	-
Interest income	12,922,729	19,822,459	13,639,611	60,093,183
Decrease (increase) in current investments	(74,698,528)	899,938,881	(111,178,214)	880,000,000
Cash paid for spectrum license	(420,000,000)	(305,000,000)	-	-
Net cash flows from (used in) investing activities	(563,173,796)	797,506,430	148,807,488	609,779,368

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

Statement of cash flows (continued)

GMM Grammy Public Company Limited and its subsidiaries
For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from banks	319,905,262	(901,056,950)	-	(582,000,000)
Cash received from loans from directors	3,890,000	-	-	-
Cash received from long-term loans	467,980,000	1,012,350,000	-	-
Repayment of long-term loans	-	(1,022,500,000)	-	(1,000,000,000)
Increase (decrease) in short-term loans from related parties	-	-	(54,000,000)	715,000,000
Repayment of liabilities under finance lease agreements	(16,404,717)	(15,582,543)	(13,106,070)	(8,967,466)
Dividend paid to non-controlling interest of subsidiaries	(353,051)	(46,088,811)	-	-
Net cash flows from (used in) financing activities	775,017,494	(972,878,304)	(67,106,070)	(875,967,466)
Increase (decrease) in translation adjustments	169,588	(1,492,507)	-	-
Net increase (decrease) in cash and cash equivalents	(189,986,405)	194,282,025	(103,046,463)	118,421,297
Cash and cash equivalents at beginning of year	1,058,807,615	864,525,590	504,371,273	385,949,976
Cash and cash equivalents at end of year	868,821,210	1,058,807,615	401,324,810	504,371,273
Supplemental cash flows information:				
Non-cash transactions:				
Increase in assets from finance lease agreements	17,002,142	11,104,461	10,306,879	10,914,824

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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

1. General information

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

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”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2016</u> Percent	<u>2015</u> 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	Thailand	51	51

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016 Percent	2015 Percent
	television programmes			
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	50	50
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. Z Trading Company Limited	Production and distribution of satellite television and digital TV receivers	Thailand	100	100
15. GMM Channel Trading Company Limited	Production of television programmes and digital on-air	Thailand	100	100
16. Digistream Company Limited	Providing music in streaming	Thailand	100	100
17. GMM TV Company Limited	Production of television programmes	Thailand	100	100
18. Deetalk Company Limited	Production of television programmes	Thailand	100	100
19. GDH 559 Company Limited	Production of films and television programmes	Thailand	51	51
<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. Teen Talk Company Limited	Currently non-active	Thailand	100	100
3. Bliss Publishing Company Limited	In the process of liquidation	Thailand	100	100
4. Exact Company Limited	Production of television programmes	Thailand	100	100
<u>Subsidiaries held by GMM Holding Company Limited</u>				
1. GMM Studio Company Limited	Currently non-active	Thailand	100	100
2. Grammy Publishing House Company Limited	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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2016</u> Percent	<u>2015</u> Percent
<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. Good Things Happen Company Limited	Provide advertising media, public relations consulting, and organizer	Thailand	-	51
<u>Subsidiaries held by Z Trading Company Limited</u>				
1. G S-one Company Limited	Currently non-active	Thailand	100	100
2. GMM Z Company Limited	Satellite television platform provider	Thailand	100	100
<u>Subsidiary held by GMM Channel Trading Company Limited</u>				
1. GMM Channel Company Limited	Production of television programmes and digital on-air	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) During the year 2016, there were the following changes in the composition of the subsidiaries:

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Additional investment in subsidiary

Investor	Subsidiary	Nature of business	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
GMM Tai Hub Company Limited	Good Things Happen Company Limited	Provide advertising media, public relations consulting, and organize	79	Purchase of investment from others 14,000 ordinary shares of Baht 114.99 each. The additional capital has effect from percentage of 51 to 79 of shareholding of GMM Tai Hub Company Limited in that subsidiary.	1,610

Loss of control in subsidiary

Investor	Subsidiary	Nature of business	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
GMM Tai Hub Company Limited	Good Things Happen Company Limited	Provide advertising media, public relations consulting, and organize	79	Sell all of the investment 39,498 ordinary shares at price of Baht 114.99 per share with 9,498 ordinary shares to GDH 559 Company Limited, a subsidiary of the Company, 9,500 ordinary shares to Nadao Bangkok Company Limited, an associate, and the remaining shares sold to individuals. As a result of these sales, the Group's shareholding in above company has decreased from 79 percent to 25 percent and the Group lost control over such company. The Company has therefore classified the investment in Good Things Happen Company Limited as the investment in associate.	4,542

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Disposal of investment in associate

Investor	Associate	Nature of business	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
GDH 559 Company Limited (Held 40 percent and 10 percent held by Good Things Happen Company Limited)	Parbdee Taweesuk Company Limited	Production of television programmes	50	Disposal of investment 24,997 ordinary shares of Baht 100 each to others. (Its cost was Baht 2.5 million.)	2,500

Disposal of investment in joint venture

Investor	Joint venture	Nature of business	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
The ONE Enterprise Company Limited	Me Miti Company Limited	Production of television programmes	70	Disposal of investment 27,000 ordinary shares of Baht 100 each to others. (Its cost was Baht 2.7 million.) As a result of these sales, the Group's shareholding in above company has decreased from 70 percent to 25 percent and the Group lost joint control over such company.	2,700

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

- e) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - f) The assets and liabilities in the financial statements of overseas subsidiary 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 and its subsidiaries have been eliminated from the consolidated financial statements.
 - h) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, joint venture and associates presented under the cost method.

3. New 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) Financial reporting standard that became effective in the current period

During the year, the Group has adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Group believes that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Group's financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Revenues from services

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

Revenues from production of radio, television, satellite television and digital TV programmes represent the service income from advertising, promotion and

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

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

b) Revenues from production of concerts

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

c) Revenues from production of motion pictures

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

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.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

i) Revenues from production and service

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

Revenues from copyrights

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

Interest income

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

Dividend received

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

- a) Tape reels, cassette tapes, compact discs, video compact discs and digital versatile discs are valued at the lower of cost (moving average method) or net realisable value.
- b) Television programmes represent the accumulated production costs in progress and those which are completed and ready for broadcasting. The costs, which consist of expenses directly associated with programme production, are charged against income when the programmes are broadcasted.
- c) Master tapes represent the accumulated costs of master tape production in progress and which has been completed. The costs, consisting of expenses directly associated with production, are charged against income when albums are launched for sale, except for cost of lyrics, melodies and compositions that are transferred to be the intangible asset subjected as “the copyrights to musical compositions”.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

- d) Motion picture and cartoon production represents the accumulated production and filming costs which are currently in production, and is transferred to be the intangible asset subjected as “motion picture and cartoon copyrights” when they are exhibited.
- e) Magazines and pocket books are valued at the lower of cost (average method) or net realisable value.
- f) Satellite television receivers are valued at the lower of cost (moving average method) or net realisable value.
- g) Other inventories are valued at the lower of cost (first-in, first-out and average method) or net realisable value.

4.5 Investments

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

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

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

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded as profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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

4.6 Property, plant and equipment/Depreciation

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

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

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

Depreciation is included in determining income.

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

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

4.7 Intangible assets

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

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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

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 Group. Program rights are amortised on a straight-line basis over the license contract periods.

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

- c) Motion picture and cartoon copyrights are carried at cost less accumulated amortisation and impairment losses (if any). They are amortised 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.

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

4.8 Cost of spectrum license

Cost of spectrum license is carried at cost less accumulated amortization and impairment losses (if any). It is recognised as the asset and liability under the license when the license period began. Cost of spectrum license is recognised as the asset base on the sum of the amounts to be paid immediately, within a specified period, and the discounted value of the amount that the Group is required to pay to the government agency in installments. The cost of spectrum license payable, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the payment period.

Cost of spectrum license is amortised on a straight-line basis over the license period, 15 years.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

4.9 Goodwill

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

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

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

4.10 Related party transactions

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

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

4.11 Long-term leases

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

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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

4.12 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.

4.13 Impairment of assets

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

An impairment loss is recognised in profit or loss.

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

4.14 Provision for goods returns

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

4.15 Employee benefits

Short-term employee benefits

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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

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.

4.16 Provisions

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

4.17 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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

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.

4.18 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

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

Impairment of investments

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

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.

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.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Post-employment benefits under defined benefit plans

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

Litigation

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

6. Related party transactions

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

	(Unit: Million Baht)		
	Consolidated financial statements		Pricing policy
	<u>2016</u>	<u>2015</u>	
<u>Transactions with joint venture</u>			
Service income	139	344	(2)/(5)/(6)
Service expenses	191	190	(5)/(6)
<u>Transactions with associated companies</u>			
Service income	24	56	(2)
Service expenses	61	135	(5)
<u>Transactions with related companies</u>			
Rental and other service expenses	273	224	(1)/(5)/(6)
<u>Transactions with management and directors</u>			
Service expenses	5	7	(3)/(5)

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Million Baht)

	Separate financial statements		Pricing policy
	2016	2015	
<u>Transactions with subsidiaries</u>			
(eliminated from the consolidated financial statements)			
Service income	111	162	(2)/(4)/(5)
Revenues from copyrights	150	152	(3)
Other income	6	15	(5)
Service expenses	77	195	(5)
Interest expenses	60	56	(7)
<u>Transactions with joint venture</u>			
Service income	95	55	(2)/(5)/(6)
Service expenses	106	93	(5)/(6)
<u>Transactions with associated companies</u>			
Service income	9	3	(2)
Rental and other service expenses	3	14	(5)
<u>Transactions with related companies</u>			
Rental and other service expenses	144	112	(1)/(5)/(6)
<u>Transactions with management and directors</u>			
Service expenses	1	1	(3)/(5)

Pricing policy explanation

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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

As at 31 December 2016 and 2015, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<u>Trade and other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	322,478	175,837
Joint venture	37,676	48,720	15,172	26,335
Associated companies	16,593	2,473	9,009	1,180
Related companies (related by common shareholder)	4,115	286	3,753	285
Total trade and other receivables - related parties	58,384	51,479	350,412	203,637
<u>Trade and other payables - related parties (Note 21)</u>				
Subsidiaries	-	-	46,104	72,834
Joint venture	19,893	33,276	12,475	23,460
Associated companies	12,323	7,205	640	516
Related companies (related by common shareholder)	10,648	10,014	3,571	3,513
Management and directors	1,538	3,681	1,003	1,167
Total trade and other payables - related parties	44,402	54,176	63,793	101,490

Loans to related parties

As at 31 December 2016 and 2015, the balance of loans between the Company and those related companies and the movement are as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at	During the year		Balance as at
	31 December 2015	Increase	Decrease	31 December 2016
<u>Loans to related parties</u>				
<u>Subsidiaries</u>				
Digistream Company Limited	11,500	5,700	(4,200)	13,000
GR Vocal Studio Company Limited	1,800	1,300	(400)	2,700
Fan TV Company Limited	27,030	510	(3,060)	24,480
GMM TV Company Limited	33,000	53,000	(76,000)	10,000
3-RD Company Limited	3,750	-	(3,750)	-
Total	77,080	60,510	(87,410)	50,180

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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Short-term loans from related parties and directors

As at 31 December 2016 and 2015, the balance of loans from related companies and directors and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at	During the year		Balance as at
	31 December 2015	Increase	Decrease	31 December 2016
<u>Short-term loans from directors</u>				
Directors	-	7,690	(3,800)	3,890
Total	-	7,690	(3,800)	3,890

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	31 December 2015	Increase	Decrease	31 December 2016
<u>Short-term loans from related parties</u>				
Subsidiaries				
MGA Company Limited	22,500	-	-	22,500
GMM Music Publishing				
International Company Limited	68,000	33,000	(30,000)	71,000
GMM Holding Company Limited	118,000	6,500	(1,500)	123,000
Digital Gen Company Limited	5,500	-	-	5,500
GMM Media Public Company				
Limited	1,758,500	190,000	(305,000)	1,643,000
More Music Company Limited	6,000	1,000	-	7,000
Deetalk Company Limited	-	10,000	-	10,000
Z Trading Company Limited	-	55,000	(13,000)	42,000
Total	1,978,500	295,500	(349,500)	1,924,500

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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Group had employee benefit expenses payable of their directors and management as below.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	79,627	74,601	63,751	54,871
Post-employment benefits	872	1,260	872	998
Total	80,499	75,861	64,623	55,869

(Unit: Thousand Baht)

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 34.4 to the financial statements.

7. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash on hand and at banks	600,463	646,584	132,967	92,147
Short-term investments	268,358	412,224	268,358	412,224
Total	868,821	1,058,808	401,325	504,371

(Unit: Thousand Baht)

As at 31 December 2016, bank deposits in saving accounts, fixed deposits and highly liquid investments carried interests between 0.10 and 1.45 percent per annum (2015: between 0.10 and 1.50 percent per annum) (the Company only: between 0.10 and 1.45 percent per annum, 2015: between 0.10 and 1.50 percent per annum).

8. Current investments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Fixed Deposit	234,720	120,000	231,178	120,000
Short-term investments	15,931	55,952	-	-
Total	250,651	175,952	231,178	120,000

(Unit: Thousand Baht)

As at 31 December 2016, current investments carried interests between 0.66 and 1.50 percent per annum (2015: between 0.01 and 2.67 percent per annum) (the Company only: between 1.45 and 1.50 percent per annum, 2015: between 1.50 and 1.75 percent per annum).

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	36,280	24,857	12,973	12,299
Past due				
Up to 3 months	3,454	2,772	12,223	19,778
3 - 6 months	616	2	1,097	2
6 - 12 months	-	-	-	-
Over 12 months	-	-	30,131	54,035
Total	40,350	27,631	56,424	86,114
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	492,347	663,177	221,632	368,325
Past due				
Up to 3 months	246,279	322,935	84,708	98,435
3 - 6 months	46,880	43,733	36,030	34,934
6 - 12 months	45,908	7,691	44,254	4,803
Over 12 months	149,912	131,562	21,690	12,190
Total	981,326	1,169,098	408,314	518,687
Less: Allowance for doubtful accounts	(140,706)	(122,665)	(34,426)	(13,247)
Net	840,620	1,046,433	373,888	505,440
Total trade receivables - net	880,970	1,074,064	430,312	591,554
<u>Other receivables</u>				
Other receivables - related parties	18,034	23,848	38,893	114,523
Other receivables - unrelated parties	30,531	49,107	82	832
Dividends receivable from subsidiaries and associates	3,100	-	255,095	3,000
Accrued income - unrelated parties	464,637	267,938	155,706	89,745
Total other receivables	516,302	340,893	449,776	208,100
Total trade and other receivables - net	1,397,272	1,414,957	880,088	799,654

As at 31 December 2016, a subsidiary has factored trade receivables amounting to Baht 5 million to a financial institution.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2016	2015	2016	2015	2016	2015
Tape reels, cassette tapes, CDs, VCDs and DVDs	154,565	121,241	(130,281)	(100,770)	24,284	20,471
Motion picture and cartoon production	20,172	19,569	-	-	20,172	19,569
Television programmes	119,434	86,323	-	-	119,434	86,323
Work in process	88,507	62,991	-	-	88,507	62,991
Books, teaching aids and magazines	1,057	1,057	(1,057)	(1,057)	-	-
Satellite television receivers	128,141	156,834	(24,257)	(54,987)	103,884	101,847
Others	15,508	10,907	(992)	(1,118)	14,516	9,789
Total	<u>527,834</u>	<u>458,922</u>	<u>(156,587)</u>	<u>(157,932)</u>	<u>370,797</u>	<u>300,990</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2016	2015	2016	2015	2016	2015
Tape reels, cassette tapes, CDs, VCDs and DVDs	157,606	124,163	(130,281)	(100,770)	27,325	23,393
Television programmes	-	17,522	-	-	-	17,522
Work in process	77,893	62,991	-	-	77,893	62,991
Others	10,191	10,227	-	-	10,191	10,227
Total	<u>245,690</u>	<u>214,903</u>	<u>(130,281)</u>	<u>(100,770)</u>	<u>115,409</u>	<u>114,133</u>

During the current year, the Group reduced cost of inventories by Baht 30 million (2015: Baht 1 million) (the Company only: Baht 30 million, 2015: none), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 32 million (2015: Baht 152 million) (the Company only: none, 2015: Baht 95 million), and reduced the amount of inventories recognised as expenses during the year.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Input tax refundable	174,434	166,237	287	219
Withholding tax deducted at source	84,646	111,507	39,000	36,896
Prepayment of purchase of assets	-	-	-	12
Others	8,509	12,324	5,203	4,709
Total	267,589	290,068	44,490	41,836

12. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)							
	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Million Baht)	(Million Baht)	(%)	(%)				
MGA Company Limited	10.5	10.5	100	100	10,500	10,500	-	1,020
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	420,196	-
Extraorganizer Company Limited	1	1	100	100	999	999	-	-
More Music Company Limited	1	1	100	100	1,000	1,000	-	-
GMM Holding Company Limited	100	100	100	100	100,000	100,000	-	-
GMM Music Publishing International Company Limited	5	5	100	100	4,999	4,999	24,998	18,998
GMM Tai Hub Company Limited	20	225	51	51	76,341	181,050	-	30,600
Fan TV Company Limited	200	200	51	51	83,777	83,777	-	-
3-RD Company Limited	18	18	50	50	9,095	9,095	-	1,485
GR Vocal Studio Company Limited	5	5	100	100	2,525	2,525	-	-
GMM CJO Shopping Company Limited	356	356	51	51	181,764	181,764	-	-
GDC Company Limited	47	47	100	100	46,814	46,814	-	-
Z Trading Company Limited	5,935	5,935	100	100	5,935,000	5,935,000	-	-
GMM Channel Trading Company Limited	600	600	100	100	600,000	600,000	-	-
Digistream Company Limited	1	1	100	100	1,000	1,000	-	-
GDH 559 Company Limited	150	5	51	51	76,500	2,550	-	-
GMM TV Company Limited	20	20	100	100	200	200	-	-
Deetalk Company Limited	1	1	100	100	19,392	19,392	19,994	-
Total					7,712,380	7,743,139	465,188	52,103
Less: Allowance for impairment of investments					(5,710,512)	(5,668,040)		
Net					2,001,868	2,075,099		

The Company has pledged common stock of a subsidiary as collateral for long-term loans from bank as described in Note 22 to the financial statements.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

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

Additional investment in subsidiary

Investor	Subsidiary	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
GMM Grammy Public Company Limited	GDH 559 Company Limited	51	Additionally invested in 739,500 ordinary shares, at a price of Baht 100 per share amounting to Baht 74 million (fully paid up). The additional capital has no effect to the Company's shareholding in that company.	73,950

Return of capital by subsidiary

Investor	Subsidiary	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
GMM Grammy Public Company Limited	GMM Tai Hub Company Limited	51	Return of capital to shareholders of 13,961,250 shares of Baht 7.50 each. The return of capital has no effect to the Company's shareholding in that company.	104,709

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

13. Investment in joint venture

13.1 Details of investment in joint venture:

Investment in joint venture represents investment in entity which is jointly controlled by the Group and other company. Details of this investment is as follows:

Name of Company	Nature of business	Consolidated financial statements				(Unit: Thousand Baht)
		Shareholding percentage	Cost		Carrying amounts based on equity method	
		2016 (%)	2015 (%)	2016	2015	
The ONE Enterprise Company Limited	Production of television programmes and digital on-air	51	51	971,550	971,550	263,233
Total				971,550	971,550	616,363

Name of Company	Nature of business	Separate financial statements				(Unit: Thousand Baht)
		Shareholding percentage	Cost		Allowance for impairment of investments	Carrying amounts based on cost method - net
		2016 (%)	2015 (%)	2016	2015	2016
The ONE Enterprise Company Limited	Production of television programmes and digital on-air	51	51	971,550	971,550	-
Total				971,550	971,550	-

During the current year, there are no changes of investment in joint venture.

The Group has mortgaged the ordinary share of the joint venture as collateral for long-term loans, as described in Note 22 to the financial statements.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

13.2 Share of comprehensive income and dividend received

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

Joint ventures	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Share of profit/loss from investments in joint ventures during the year		Share of other comprehensive income from investments in joint ventures during the year		Dividend received during the year	
	2016	2015	2016	2015	2016	2015
The ONE Enterprise Company Limited	(353,130)	(346,870)	-	(8,317)	-	-
Index Creative Village Public Company Limited	-	9,136	-	-	-	-
Total	(353,130)	(337,734)	-	(8,317)	-	-

13.3 Summarised financial information about the joint venture

Summarised financial information as stated in the consolidated financial statements of The ONE Enterprise Company Limited is as follows:

Financial Position	(Unit: Million Baht) As at 31 December	
	2016	2015
Current assets	1,380	1,352
Non-current assets	4,098	4,022
Total assets	5,478	5,374
Short-term loans	(687)	(40)
Current liabilities	(522)	(515)
Cost of spectrum license payable	(1,145)	(1,577)
Long-term loans	(2,697)	(2,649)
Long-term debentures	(492)	-
Provision for long-term employee benefits	(61)	(71)
Total liabilities	(5,604)	(4,852)
Net assets	(126)	522
Shareholding percentage	51%	51%
Share of net assets	(64)	266
Intangible assets	327	350
Carrying amounts of joint venture based on equity method	263	616

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Million Baht)

Operating results	For the years ended 31 December	
	2016	2015
Revenues	1,767	1,077
Cost of sales and services	(1,482)	(1,225)
Selling and servicing expenses	(198)	(179)
Administrative expenses	(612)	(596)
Finance cost	(267)	(226)
Loss before income tax expenses	(792)	(1,149)
Income tax income	155	222
Loss for the year	(637)	(927)
Other comprehensive income	-	(16)
Total comprehensive income	(637)	(943)

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

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

In the current year, One TV paid Baht 513 million for the license fees to the NBTC in the current year (2015: Baht 634 million).

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

Subsequently, on 20 December 2016, there was an announcement from Government Gazette to inform the licensee who has intention to extend the period of payment for the rest amount of the license to inform to NBTC. One TV is in process of issuing the letter to NBTC.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

When One TV has right to extend the period of payment for the rest amount of the license as such Government Gazette announcement, One TV will have the following payment conditions:

- 1) Payment for the minimum bid price amounting to Baht 151 million, divided into 2 installments and has to be made within 4 years from the date of obtaining the license as specified by NBTC.
- 2) For the exceeding amount of the minimum bid price amounting to Baht 1,086 million, the payment is divided into 6 installments and has to be made within 8 years from the date of obtaining the license as specified by NBTC.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

14. Investments in associates

14.1 Details of associates:

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							(Unit: Thousand Baht)	
			Paid up capital		Percentage of shareholding		Cost				
			2016	2015	2016	2015	2016	2015	2016		2015
			(Million Baht)	(Million Baht)	(%)	(%)			based on equity method		
<u>Associates held by the subsidiaries</u>											
Scenario Company Limited	Production of television programmes and plays	Thailand	70	70	25	25	17,500	17,500	197,,431	197,870	
Nadao Bangkok Company Limited	Films production and talent agency services	Thailand	2	2	30	30	600	600	4,146	1,241	
Sawasdeethaweek Company Limited	Design and post production of advertising media and films and public relations for films	Thailand	5	5	25	25	937	937	2,644	1,628	
Siengdeethaweek Company Limited	Provide recording movie sound and movie advertisement, produce sound and music for movie	Thailand	12	12	45	45	5,400	5,400	5,503	5,450	
The Secret Farm Company Limited	Design and post production of advertising media	Thailand	2	2	35	35	700	700	1,645	1,133	

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Company's name	Nature of business	Country of incorporation	Consolidated financial statements								(Unit: Thousand Baht)
			Paid up capital		Percentage of shareholding		Cost		Carrying amounts based on equity method		
			<u>2016</u> (Million Baht)	<u>2015</u> (Million Baht)	<u>2016</u> (%)	<u>2015</u> (%)	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
Ngandeethaweesuk Company Limited	Public relation and organizer	Thailand	1	1	40	40	400	400	1,492	973	
Pardee Thaweessuk Company Limited	Production of television programmes	Thailand	-	5	-	50	-	2,500	-	2,500	
Goodthing Happen Company Limited	Provide advertising media, public relation consulting, and organizer	Thailand	5	-	25	-	1,092	-	2,478	-	
<u>Associates held by the Company</u>											
Family Know How Company Limited	Production of television programmes and publishing media	Thailand	50	50	50	50	25,000	25,000	61,333	64,926	
Lucks (666) Satellite Company Limited	Currently non-active	Thailand	20	20	25	25	5,000	5,000	-	-	
Total							56,629	58,037	276,672	275,721	

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

Separate financial statements								(Unit: Thousand Baht)		
Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Cost		Allowance for Impairment of investments		Carrying amounts based on cost method - net	
			2016 (%)	2015 (%)	2016	2015	2016	2015	2016	2015
Family Know How Company Limited	Production of television programmes and publishing media	Thailand	50	50	25,000	25,000	-	-	25,000	25,000
Lucks (666) Satellite Company Limited	Currently non-active	Thailand	25	25	5,000	5,000	(5,000)	(5,000)	-	-
					30,000	30,000	(5,000)	(5,000)	25,000	25,000

During the current year, change of investments in associates is as follows:

Disposal of investments associates

Investor	Associate	Nature of business	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
GDH 559 Company Limited (Held 40 percent and 10 percent held by Good Things Happen Company Limited)	Parbdee Taweekuk Company Limited	Production of television programmes	50	Disposal of investment in 24,997 ordinary shares of Baht 100 each to others. (Its cost was Baht 2.5 million.)	2,500

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

14.2 Share of profit/loss and dividend received

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of profit/loss from investments in associates		Dividend received	
	during the year		during the year	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Scenario Company Limited	(440)	(4,332)	-	-
Nadao Bangkok Company Limited	5,305	2,396	2,400	5,938
Family Know How Company Limited	4,905	2,291	8,498	-
Sawasdeethaweek Company Limited	1,016	-	-	-
Other associates	5,830	4,158	3,359	3,225
Total	16,616	4,513	14,257	9,163

14.3 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	Scenario Company Limited		Family Know How Company Limited	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current assets	276	259	105	129
Non-current assets	968	954	80	91
Current liabilities	(71)	(48)	(47)	(76)
Non-current liabilities	(387)	(383)	(12)	(11)
Net assets	786	782	126	133
Shareholding percentage	25%	25%	50%	50%
Share of net assets	197	196	63	66
Elimination entries and others	-	(2)	(2)	(1)
Carrying amounts of associates based on equity method	197	198	61	65

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

15. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2016		2015	
	Cost	Fair Value	Cost	Fair Value
<u>Securities available-for-sale</u>				
Unit Trusts in Tisco Fixed - Income Fund	3,197	476	3,197	490
BEC World Public Company Limited	236	166	-	-
Total	3,433	642	3,197	490
Add: Unrealised gains (loss) on changes in value of investments	(2,791)		(2,707)	
Securities available-for-sale - net	642		490	
<u>Other investments</u>				
Siam Telemarketing Company Limited	3,000		3,000	
Lives and rich Company Limited	1,000		1,000	
A-Time Traveller Company Limited	1,000		1,000	
CTH Public Company Limited	1,030,340		1,030,340	
Total	1,035,340		1,035,340	
Less: Allowance for impairment of investments	(1,034,340)		(1,034,340)	
Other investments - net	1,000		1,000	
<u>Others</u>				
Government Savings Bank Bond	2,014		2,014	
Total others	2,014		2,014	
Total other long - term investments - net	3,656		3,504	

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Thousand Baht)

	Separate financial statements			
	2016		2015	
	Cost	Fair Value	Cost	Fair Value
<u>Securities available-for-sale</u>				
Unit Trusts in Tisco Fixed - Income fund	3,197	476	3,197	490
BEC World Public Company Limited	236	166	-	-
Total	3,433	642	3,197	490
Add: Unrealised gains (loss) on changes in value of investments	(2,791)		(2,707)	
Securities available-for-sale - net	642		490	
<u>Other investments</u>				
Siam Telemarketing Company Limited	3,000		3,000	
Total	3,000		3,000	
Less: Allowance for impairment of investment	(3,000)		(3,000)	
Other investments - net	-		-	
<u>Others</u>				
Government Savings Bank Bond	1,014		1,014	
Total others	1,014		1,014	
Total other long-term investments - net	1,656		1,504	

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

During the current year, the Group received dividend from BEC World Public Company Limited amounted to Baht 4,500 (the Company only: Baht 4,500).

(Unit: Thousand Baht)

2015 (Baht 16 million included in cost of sales and services, and the balance in selling and administrative expenses)

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Buildings and building improvement	Operating equipment	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Construction in progress and equipment under installation	Total
Cost:								
31 December 2014	146,901	1,072,999	872,608	247,004	450,693	168,322	32,697	2,991,224
Additions	-	78,914	66,837	30,557	41,681	11,719	54,462	284,170
Disposals	-	(63,909)	(108,140)	(15,720)	(26,681)	(30,429)	(8,970)	(253,849)
Decrease due to loss of control in subsidiary	-	(7,279)	(73,802)	(3,567)	(19,027)	(1,297)	-	(104,972)
Decrease due to sale of subsidiaries	(146,901)	(553,438)	(18,719)	(10,308)	(11,438)	(5,290)	(348)	(746,442)
Transfer in / (out)	-	64,006	830	224	-	-	(65,060)	-
31 December 2015	-	591,293	739,614	248,190	435,228	143,025	12,781	2,170,131
Accumulated depreciation:								
31 December 2014	-	421,713	479,871	182,785	353,357	124,644	-	1,562,370
Depreciation for the year	-	90,756	95,099	21,972	54,449	13,249	-	275,525
Accumulated depreciation on disposals	-	(29,208)	(54,932)	(10,916)	(22,634)	(26,089)	-	(143,779)
Decrease due to loss of control in subsidiary	-	(667)	(6,214)	(293)	(2,761)	(100)	-	(10,035)
Decrease due to sale of subsidiaries	-	(127,297)	(13,656)	(8,090)	(10,029)	(3,633)	-	(162,705)
31 December 2015	-	355,297	500,168	185,458	372,382	108,071	-	1,521,376
Allowance for impairment loss on assets:								
31 December 2014	-	-	-	-	-	-	-	-
Addition during year	-	21,218	96,440	1,139	5,911	1	-	124,709
31 December 2015	-	21,218	96,440	1,139	5,911	1	-	124,709
Net book value:								
31 December 2014	146,901	651,286	392,737	64,219	97,336	43,678	32,697	1,428,854
31 December 2015	-	214,778	143,006	61,593	56,935	34,953	12,781	524,046
Depreciation for the year								
2014 (Baht 29 million included in cost of sales and services, and the balance in selling and administrative expenses)								296,050
2015 (Baht 16 million included in cost of sales and services, and the balance in selling and administrative expenses)								275,525

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Thousand Baht)

Separate financial statements

	Building and improvement	Operating equipment	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Construction in progress and equipment under installation	Total
Cost:							
31 December 2015	327,653	95,674	120,048	229,392	93,764	4,150	870,681
Additions	7,875	4,451	7,352	12,615	14,404	-	46,697
Disposals	(12,581)	(947)	(3,034)	(3,171)	(11,222)	(140)	(31,095)
Transfer in / (out)	4,010	-	-	-	-	(4,010)	-
31 December 2016	326,957	99,178	124,366	238,836	96,946	-	886,283
Accumulated depreciation:							
31 December 2015	210,770	72,253	106,767	213,539	67,410	-	670,739
Depreciation for the year	18,736	8,071	5,833	13,344	11,013	-	56,997
Accumulated depreciation on disposals	(12,216)	(900)	(2,979)	(3,157)	(10,153)	-	(29,405)
31 December 2016	217,290	79,424	109,621	223,726	68,270	-	698,331
Net book value:							
31 December 2015	116,883	23,421	13,281	15,853	26,354	4,150	199,942
31 December 2016	109,667	19,754	14,745	15,110	28,676	-	187,952
Depreciation for the year							
2015 (all included in selling and administrative expenses)							56,522
2016 (all included in selling and administrative expenses)							56,997

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Thousand Baht)

	Separate financial statements						Total
	Building and improvement	Operating equipment	Furniture, fixtures and office equipment	Computer and equipment	Motor vehicles	Construction in progress and equipment under installation	
Cost:							
31 December 2014	307,727	93,754	118,476	226,229	101,896	-	848,082
Additions	15,652	2,838	2,875	6,247	11,135	11,208	49,955
Disposals	(2,784)	(918)	(1,303)	(3,084)	(19,267)	-	(27,356)
Transfer in / (out)	7,058	-	-	-	-	(7,058)	-
31 December 2015	327,653	95,674	120,048	229,392	93,764	4,150	870,681
Accumulated depreciation:							
31 December 2014	195,618	63,430	102,558	200,361	77,088	-	639,055
Depreciation for the year	16,559	9,573	5,243	16,249	8,898	-	56,522
Accumulated depreciation on disposals	(1,407)	(750)	(1,034)	(3,071)	(18,576)	-	(24,838)
31 December 2015	210,770	72,253	106,767	213,539	67,410	-	670,739
Net book value:							
31 December 2014	112,109	30,324	15,918	25,868	24,808	-	209,027
31 December 2015	116,883	23,421	13,281	15,853	26,354	4,150	199,942
Depreciation for the year							
2014 (all included in selling and administrative expenses)							49,876
2015 (all included in selling and administrative expenses)							56,522

As at 31 December 2016, the Group had vehicles and equipment under finance lease agreements with net book values amounting to Baht 39 million (2015: Baht 34 million) (the Company only: Baht 28 million, 2015: Baht 25 million).

As at 31 December 2016, 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 931 million (2015: Baht 862 million) (the Company only: Baht 583 million, 2015: Baht 507 million).

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

17. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Copyrights to musical compositions	Computer software	Program rights	Motion picture and cartoon copyrights, games licenses and other rights	Total
Cost:					
31 December 2015	333,397	260,863	379,756	1,708,850	2,682,866
Additions	513	5,274	700,314	3,428	709,529
Transferred from inventories - internal creation	3,885	-	-	93,205	97,090
Written off	-	(7,654)	-	(942)	(8,596)
Decrease due to loss of control in subsidiary (Note 31)	-	(464)	-	-	(464)
31 December 2016	337,795	258,019	1,080,070	1,804,541	3,480,425
Accumulated amortisation:					
31 December 2015	119,364	197,112	167,245	1,637,414	2,121,135
Amortisation for the year	1,000	16,720	357,730	94,292	469,742
Accumulated amortisation on written off	-	(2,469)	-	(942)	(3,411)
Decrease due to loss of control in subsidiary (Note 31)	-	(41)	-	-	(41)
31 December 2016	120,364	211,322	524,975	1,730,764	2,587,425
Allowance for impairment loss on assets:					
31 December 2015	-	4,496	156,568	52,065	213,129
Decrease during year	-	(4,442)	-	-	(4,442)
31 December 2016	-	54	156,568	52,065	208,687
Net book value:					
31 December 2015	214,033	59,255	55,943	19,371	348,602
31 December 2016	217,431	46,643	398,527	21,712	684,313
Amortisation for the year					
2015 (Baht 270 million included in cost of sales and services, and the balance in selling and administrative expenses)					294,974
2016 (Baht 452 million included in cost of sales and services, and the balance in selling and administrative expenses)					469,742

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(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 2014	329,400	279,506	364,148	1,686,771	2,659,825
Additions	652	3,400	326,112	4,026	334,190
Transferred from inventories - internal creation	3,345	-	-	54,440	57,785
Written off	-	(15,737)	-	(10,213)	(25,950)
Decrease due to loss of control in subsidiary	-	(2,950)	(310,504)	-	(313,454)
Decrease due to sale of subsidiaries	-	(3,356)	-	(26,174)	(29,530)
31 December 2015	333,397	260,863	379,756	1,708,850	2,682,866
Accumulated amortisation:					
31 December 2014	118,659	179,702	149,650	1,600,665	2,048,676
Amortisation for the year	705	24,521	198,365	71,383	294,974
Accumulated amortisation on written off	-	(3,894)	-	(10,213)	(14,107)
Decrease due to loss of control in subsidiary	-	(467)	(180,770)	-	(181,237)
Decrease due to sale of subsidiaries	-	(2,750)	-	(24,421)	(27,171)
31 December 2015	119,364	197,112	167,245	1,637,414	2,121,135
Allowance for impairment loss on assets:					
31 December 2014	-	-	156,568	52,065	208,633
Addition during year	-	4,496	-	-	4,496
31 December 2015	-	4,496	156,568	52,065	213,129
Net book value:					
31 December 2014	210,741	99,804	57,930	34,041	402,516
31 December 2015	214,033	59,255	55,943	19,371	348,602
Amortisation for the year					
2014 (Baht 915 million included in cost of sales and services, and the balance in selling and administrative expenses)					941,937
2015 (Baht 270 million included in cost of sales and services, and the balance in selling and administrative expenses)					294,974

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(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 2015	381,193	163,126	235,640	345,016	1,124,975
Additions	513	666	504,778	-	505,957
Transferred from inventories - internal creation	3,885	-	-	-	3,885
Written off	-	(135)	-	-	(135)
31 December 2016	385,591	163,657	740,418	345,016	1,634,682
Accumulated amortisation:					
31 December 2015	133,685	123,087	77,225	308,572	642,569
Amortisation for the year	1,445	10,621	218,620	-	230,686
Accumulated amortisation on written off	-	(125)	-	-	(125)
31 December 2016	135,130	133,583	295,845	308,572	873,130
Allowance for impairment loss on assets:					
31 December 2015	-	-	158,415	36,196	194,611
31 December 2016	-	-	158,415	36,196	194,611
Net book value:					
31 December 2015	247,508	40,039	-	248	287,795
31 December 2016	250,461	30,074	286,158	248	566,941
Amortisation for the year					
2015 (Baht 1 million included in cost of sales and services, and the balance in selling and administrative expenses)					15,352
2016 (Baht 220 million included in cost of sales and services, and the balance in selling and administrative expenses)					230,686

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(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 2014	377,417	171,784	235,640	345,023	1,129,864
Additions	431	464	-	-	895
Transferred from inventories - internal creation	3,345	-	-	-	3,345
Written off	-	(9,122)	-	(7)	(9,129)
31 December 2015	381,193	163,126	235,640	345,016	1,124,975
Accumulated amortisation:					
31 December 2014	132,243	110,584	77,225	308,579	628,631
Amortisation for the year	1,442	13,910	-	-	15,352
Accumulated amortisation on written off	-	(1,407)	-	(7)	(1,414)
31 December 2015	133,685	123,087	77,225	308,572	642,569
Allowance for impairment loss on assets:					
31 December 2014	-	-	158,415	36,196	194,611
31 December 2015	-	-	158,415	36,196	194,611
Net book value:					
31 December 2014	245,174	61,200	-	248	306,622
31 December 2015	247,508	40,039	-	248	287,795
Amortisation for the year					
2014 (Baht 59 million included in cost of sales and services, and the balance in selling and administrative expenses)					74,908
2015 (Baht 1 million included in cost of sales and services, and the balance in selling and administrative expenses)					15,352

As at 31 December 2016, 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 142 million (2015: Baht 85 million) (the Company only: Baht 82 million, 2015: Baht 32 million).

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

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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

18. Cost of spectrum license

The net book value of cost of spectrum license as at 31 December 2016 and 2015 is presented below.

(Unit: Thousand Baht)		
Consolidated financial statements		
	<u>2016</u>	<u>2015</u>
Cost	1,959,620	1,959,620
<u>Less</u> Accumulated amortisation	<u>(351,121)</u>	<u>(220,480)</u>
Net book value	<u>1,608,499</u>	<u>1,739,140</u>

A reconciliation of the net book value of cost of spectrum license for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)		
Consolidated financial statements		
	<u>2016</u>	<u>2015</u>
Net book value at beginning of year	1,739,140	4,685,378
Decrease due to loss of control in subsidiary	-	(2,767,089)
Amortisation	<u>(130,641)</u>	<u>(179,149)</u>
Net book value at end of year	<u>1,608,499</u>	<u>1,739,140</u>

19. Other non-current assets

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deposit	82,403	82,919	38,253	33,653
Prepaid expenses	27,898	41,134	-	-
Withholding tax deducted at source	135,036	149,778	36,896	89,662
Others	<u>5,897</u>	<u>9,221</u>	<u>4,558</u>	<u>4,558</u>
Total	<u>251,234</u>	<u>283,052</u>	<u>79,707</u>	<u>127,873</u>

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

20. Short-term loans from banks

	Interest rate (percent per annum)	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2016	2015	2016	2015
Short-term loans from banks	MMR, MLR - 1	319,000	3,000	-	-
Account payable - factoring	8	3,905	-	-	-
Total		<u>322,905</u>	<u>3,000</u>	<u>-</u>	<u>-</u>

Short-term loans from banks of the Group amounting to Baht 7 million are secured by the Company's and a subsidiary's shareholders.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Trade payables - related parties	42,864	50,495	62,790	100,323
Trade payables - unrelated parties	530,421	689,959	152,234	234,393
Accrued cost - related parties	1,538	3,681	1,003	1,167
Accrued cost - unrelated parties	285,728	309,099	191,917	187,442
Other payables for purchase of assets - unrelated parties	3,773	8,506	-	-
Accrued expenses	214,539	281,136	73,514	83,457
Accrued commission	131,541	146,134	-	-
Total trade and other payables	<u>1,210,404</u>	<u>1,489,010</u>	<u>481,458</u>	<u>606,782</u>

22. Long - term loans

The outstanding balances as of 31 December 2016 and 2015 consisted of:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
22.1 A Baht loan of the Company, credit facility Baht 1,500 million. Interest is to be paid in monthly installment commencing the month of the first drawdown. Principle is to be paid in quarterly installment commencing June 2018, within 9 years from the date of the first drawdown. The loan carries an interest rate at the Minimum Loan Rate (MLR) minus fixed rate per annum as stated in the agreement.	600,000	600,000	600,000	600,000

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2016	2015	2016	2015
22.2 A Baht loan of a subsidiary, credit facility Baht 1,500 million. Interest is to be paid in monthly installment commencing the month of the first drawdown. Principle is to be paid in quarterly installment commencing June 2018, within 9 years from the date of the first drawdown. The loan carries an interest rate at the Minimum Loan Rate (MLR) minus fixed rate per annum as stated in the agreement.	1,500,000	1,032,020	-	-
Total	2,100,000	1,632,020	600,000	600,000
Less: Deferred loans advisory fee	(5,612)	(6,475)	(2,794)	(3,224)
	2,094,388	1,625,545	597,206	596,776
Less: Current portion due within one year	(1,497,182)	-	-	-
Long-term loans , net of current portion	597,206	1,625,545	597,206	596,776

The long-term loan in Note 22.1 is guaranteed by two subsidiaries and a joint venture and pledged all of common stocks of a subsidiary and a joint venture, except common stocks held by director of the Company and/or others. The loan agreement contains certain covenants and restrictions. These relate to, among other things, the maintenance of their financial ratios at the rate prescribed in the agreements. As at 31 December 2016, Baht 900 million of this long-term credit facility has not yet been drawn, and must be drawn within June 2020.

The long-term loan in Note 22.2 is guaranteed by the Company and a subsidiary and a joint venture and pledged all of common stocks of such subsidiary and a joint venture, except common stocks held by directors of the Company and/or others. The loan agreement contains certain covenants and restrictions. These relate to, among other things, the maintenance of their financial ratios at the rate prescribed in the agreements. As at 31 December 2016, the subsidiary could not maintain Debt Service Coverage Ratio and Interest Baring Debt to Equity Ratio as specified in the loan agreements, which resulted in the loan becoming payable on demand and reclassified to present under the caption of "Current portion of long-term loans".

However, on 24 February 2017, the subsidiary has already received the waiver for such non-compliance from the related lender. Then, the subsidiary will classify this loan as long-term loan in accordance with its normal repayment schedule in the next period financial statements.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

23. Accrued cost of spectrum license

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2016</u>	<u>2015</u>
Cost of spectrum license payable	1,184,000	1,604,000
Less: Deferred interest	(94,204)	(169,875)
Total	1,089,796	1,434,125
Less: Current portion due within one year	(409,884)	(409,814)
Cost of spectrum license payable - net of current portion	<u>679,912</u>	<u>1,024,311</u>

The Group applied the discount rate by using incremental borrowing rate of interest, which is 6.375 percent per annum.

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

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

In the current year, the Group paid Baht 420 million for the license fees to the NBTC. (2015: Baht 305 million)

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

Subsequently, on 20 December 2016, there was an announcement from Government Gazette to inform the licensee who has intention to extend the period of payment for the rest amount of the license to inform to NBTC. The Subsidiary is in process of issuing the letter to NBTC.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

If the subsidiary is granted an extension of the period to pay the remaining license fee, in accordance with the Government Gazette, the following payment conditions will apply:

- 1) Payment for the minimum bid price amounting to Baht 38 million, divided into 2 installments and has to be made within 4 years from the date of obtaining the license as specified by NBTC.
- 2) For the exceeding amount of the minimum bid price amounting to Baht 1,146 million, the payment is divided into 6 installments and has to be made within 8 years from the date of obtaining the license as specified by NBTC.

24. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Undue output tax	76,585	118,527	37,148	66,736
Provision for sales returns	121,397	36,144	115,812	28,964
Others	68,350	54,458	29,949	12,090
Total	<u>266,332</u>	<u>209,129</u>	<u>182,909</u>	<u>107,790</u>

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

25. Provision for long-term employee benefits

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

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Defined benefit obligation at beginning of year	310,151	313,441	186,299	146,527
Current service cost	33,227	10,403	15,103	7,797
Interest cost	5,984	5,943	3,607	2,955
Transferred staffs to joint ventures	-	(25,708)	-	-
Benefits paid during the year	(12,753)	(17,397)	(12,013)	(2,606)
Less : Sale of subsidiary	-	(25,055)	-	-
Less : Decrease due to loss of control in subsidiary (Note 31)	(720)	(8,366)	-	-
Less : Curtailments	(38,803)	-	(31,544)	-
Actuarial loss	-	56,890	-	31,626
Provisions for long-term employee benefits at end of year	<u>297,086</u>	<u>310,151</u>	<u>161,452</u>	<u>186,299</u>

Long-term employee benefit expenses included in the profit or loss consist of the following:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current service cost	33,227	10,403	15,102	7,797
Interest cost	5,984	5,943	3,607	2,955
Transferred staffs to joint ventures	-	(25,708)	-	-
Total expense recognised in profit or loss	<u>39,211</u>	<u>(9,362)</u>	<u>18,709</u>	<u>10,752</u>
Line items in profit or loss under which such expenses are included				
Cost of sales and services	567	479	-	-
Selling and administrative expenses	38,644	(9,841)	18,709	10,752

The Group expects to pay long-term employee benefit within one year for approximately Baht 22 million (the Company only: Baht 16 million) (2015: Baht 82 million, the Company only: Baht 42 million)

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 10 years (the Company only: 10 years) (2015: 10 years, the Company only: 10 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.50	2.50	2.50	2.50
Future salary increase rate (depending on age and job position of employee)	5.00 – 6.00	5.00 – 6.00	5.00 – 6.00	5.00
Inflation rate (for other fixed income)	2.00	2.00	2.00	2.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2016		As at 31 December 2016	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(10,747)	11,503	(5,436)	5,789
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Salary increase rate	25,443	(22,643)	13,052	(11,733)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2015		As at 31 December 2015	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(10,747)	11,503	(5,436)	5,789
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Salary increase rate	25,443	(22,643)	13,052	(11,733)

26. 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.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

27. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Salary and wages and other employee benefits	1,636,640	1,936,876	750,454	780,856
Depreciation	166,441	275,525	56,997	56,522
Amortisation	600,383	474,123	230,686	15,352
Rental expenses from operating agreements	417,739	413,615	146,323	108,875
Changes in inventories of finished goods and work in progress	(68,462)	481,757	(30,787)	58,751

28. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	(62,085)	(79,068)	(22,613)	(26,353)
Deferred tax:				
Relating to origination and reversal of temporary differences	71,214	146,375	18,252	(26,866)
Income tax income (expense) reported in the income statement	<u>9,129</u>	<u>67,307</u>	<u>(4,361)</u>	<u>(53,219)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating on actuarial loss	-	11,378	-	6,325
Deferred tax relating to loss on change in value of available-for-sale investments	16	5,008	16	5,008

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2016	2015	2016	2015
Accounting profit (loss) before tax	(542,531)	(1,202,538)	412,613	(876,778)
Applicable tax rate of the Company	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(108,506)	(240,508)	82,253	(175,356)
Effects about temporary differences and tax losses	26,624	258,588	-	-
Effects of preparing the consolidated financial statements	424	(179,860)	-	-
Share of profit from investments in associates	(3,323)	(903)	-	-
Share of loss from investments in joint ventures	70,626	67,547	-	-
Difference in tax rate in group companies	(55)	(1,488)	-	-
Effects of:				
Promotional privileges	-	(221)	-	-
Dividends received are excluded from taxable profit	-	322	(94,738)	(10,421)
Non-deductible expenses	6,287	31,854	8,944	2,861
Additional expense deductions allowed	(1,206)	(2,638)	(862)	(156)
Loss from impairment of investment in subsidiaries	-	-	8,494	236,291
Total	5,081	29,317	(78,162)	228,575
Income tax expenses (income) reported in the income statement	(9,129)	(67,307)	4,361	53,219

The tax rates enacted at the end of the reporting period of the Group is 0% to 20% (2015: 0% to 20%).

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

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

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deferred tax assets				
Allowance for doubtful accounts	7,851	4,726	7,192	2,951
Allowance for diminution in value of inventories	26,255	20,372	26,056	20,154
Allowance for asset impairment	2,569	5,540	559	542
Accumulated depreciation - plant and equipment	1,449	774	1,266	633
Accumulated amortisation - intangible asset	30,705	36,714	28,264	33,792
Securities available-for-sale	559	542	-	-
Cost of spectrum license	35,560	24,844	-	-
Provision for long-term employee benefits	58,521	61,511	32,290	37,260
Provision for sales returns	23,198	6,645	23,154	5,785
Unused tax loss	297,739	251,570	-	-
Others	2,065	2,781	4,485	3,880
Total	486,471	416,019	123,266	104,997
Deferred tax liabilities				
Unrealised gain from changes in value of				
- Current investments	78	122	-	-
Total	78	122	-	-

As at 31 December 2016, the Group has deductible temporary differences and unused tax losses totaling Baht 3,130 million (2015: Baht 3,066 million) (the Company only: none, 2015: none). No deferred tax assets have been recognised on these amounts as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 1,949 million will expire by the year 2021.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

29. Promotional privileges

A subsidiary has received promotional privileges from the Board of Investment for the development of Enterprise Software and Digital Content, 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	59-0596-1-00-2-0	3 May 2016	Development of Enterprise Software and Digital Content	5	No income during the year

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.

30. 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	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(520,149)	(1,145,484)	408,252	(929,997)
Weighted average number of ordinary shares (Thousand shares)	819,950	819,950	819,950	819,950
Basic earnings per share (Baht/share)	(0.63)	(1.40)	0.50	(1.13)

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

31. Loss of control in subsidiary

In July 2016, a subsidiary sold all of the investment of ordinary shares of Good Things Happen Company Limited, a subsidiary, to another subsidiary, an associate and individuals, as stated in Note 2.2 d) to the financial statements. The valuation of the assets and liabilities of Good Things Happen Company Limited and its subsidiary at the loss of control date was as follows:

	(Unit: Baht)
Cash and cash equivalents	8,247,850
Trade and other receivables	29,730,615
Prepaid expenses	9,053
Advance payments	115,459
Other current assets	1,509,158
Property, plant and equipment	1,099,468
Other intangible assets	423,399
Deferred tax assets	734,390
Other non-current assets	3,176,077
Trade and other payables	26,861,574
Unearned revenue	12,531,975
Other current liabilities	2,418,999
Provision for long-term employee benefits	720,326
Net assets	<u>2,512,595</u>
Cash received associated with the loss of control in subsidiary	3,449,700
Less: Cash and cash equivalents of subsidiary	<u>(8,247,850)</u>
Net cash flows associated with the loss of control in subsidiary	<u>(4,798,150)</u>

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

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 structured business units in accordance with the governance of the chief operating decision maker. The Group has three principal reportable segments i.e. 1) Music segment comprising music business, showbiz and satellite television, 2) Media segment comprising digital TV One Channel and GMM 25 Channel, Radio, television in analog, and 3) other segment comprising merchandise business (home shopping and satellite box), and others (films, publishing and others). These operations are mainly carried on in the geographic area of Thailand.

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

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

Inter-segment revenues are eliminated on consolidation.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

The following table present revenue and profit (loss) information regarding the Group's operating segments for the year ended 31 December 2016 and 2015, respectively:

For the year ended 31 December												(Unit: Million Baht)	
	Music segment			Media segment			Other segment			Elimination of Inter-segment revenues		Total	
	One Channel		GMM 25 Channel	Merchandise		Others	Inter-segment revenues						
	2016	2015	2016	2015	2016	2015	2016	2015					
Revenue from external customers	2,876	3,252	48	687	1,772	1,644	1,953	2,129	645	886	-	7,294	8,598
Inter-segment revenues	190	259	8	303	76	95	139	129	180	266	(593)	-	-
Total revenues	3,066	3,511	56	990	1,848	1,739	2,092	2,258	825	1,152	(593)	7,294	8,598
Segment operating profit (loss)	1,230	1,387	54	(22)	696	442	683	697	286	591	(240)	2,709	2,857
Interest income												13	20
Dividend income												-	-
Gain on sale of investment in subsidiaries												-	54
Gain on sale of investment in joint ventures												-	103
Gain on sale of other long-term investments												-	70
Gain on loss of control in subsidiary												2	731
Other income												120	126
Selling and servicing expenses												(527)	(639)
Administrative expenses												(2,335)	(2,889)
Loss on impairment of other long-term investments.												-	(1,030)
Share of loss from investments in joint ventures												(353)	(338)
Share of profit from investments in associates												17	5
Finance cost												(188)	(272)
Income tax expenses												9	67
Loss for the year												(533)	(1,135)

Major customers

For the years 2016 and 2015, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

33. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and employees contribute to the fund monthly at the rate of 3 and 5 percent of basic salary. The fund, which is managed by SCB Asset Management Company Limited and Finansa Asset Management Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 38 million (2015: Baht 36 million) (the Company only: Baht 18 million, 2015: Baht 18 million) were recognised as expenses.

34. Commitments and contingent liabilities

34.1 Investing commitments

As at 31 December 2016, the Group has uncalled portions of investments in two associates registered in Thailand, totaling Baht 18 million (2015: in two associates registered in Thailand, totaling Baht 18 million) and of which Baht 250 million are from investments of the Company only in four subsidiaries registered in Thailand (2015: in four subsidiaries registered in Thailand, totaling Baht 285 million).

34.2 Operating lease commitments

The Group has entered into several lease agreements with third parties and one related party in respect of the lease of air time for programs broadcasting and advertising placement at certain radio and television stations, the lease of office building, warehouse, exhibition hall and equipment and other services.

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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Payable within:				
1 year	418	275	149	61
2 to 5 years	498	240	281	115
Thereafter	226	279	163	196

34.3 Long-term service commitments

- a) The Group have entered into agreements with producers and singers to provide certain services to the Group under which the Group are to pay compensation at fixed rates based on the volume of sales generated as a result of the provision of these services, once sales exceed minimum quantity guarantees set out in the agreements.
- b) 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) The Group has entered into agreements with four companies, who are to provide satellite transmission services for periods of 1 to 3 years, ending in 2016 to 2018. The Group is obliged to pay transmission service fees and other expenses incurred in relation to such services, as stipulated in the agreements, totaling Baht 5 million and US dollars 1 million (2015: Baht 14 million and US dollars 3 million) and are thereby required to comply with conditions stipulated in the agreements.
- d) A subsidiary entered into lease agreements with the Royal Thai Army Radio and Television Station ("RTART") to use digital terrestrial television service in order to broadcast digital television signal via RTART multiplexes. The service will be valid from 1 April 2014 to 31 March 2029. The subsidiaries must pay the service fee as stipulated in the agreements, totaling Baht 689 million and are thereby required to comply with conditions stipulated in the agreements (2015: in a subsidiary, totaling Baht 750 million).

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

34.4 Guarantees

- a) As at 31 December 2016, the Company has provided guarantees to bank for credit facilities granted to two subsidiaries amounting to Baht 1,504 million (2015: a subsidiary amounting to Baht 1,032 million) and a joint venture amounting to Baht 127 million (2015: a joint venture 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 and joint venture.
- b) As at 31 December 2016, the Company and two subsidiaries have provided guarantees to bank for credit facilities granted to a joint venture of Baht 2,926 million (2015: a joint venture amounting to Baht 2,423 million). Generally, the guarantee is binding for as long as the underlying obligations have not yet been discharged by the joint venture.
- c) As at 31 December 2016, the Company has an obligation to guarantee payment of a joint venture's long-term debenture amounting to Baht 255 million. The Company is also required to comply with conditions stipulated in the agreement. Generally, such guarantee is binding for as long as the underlying obligations have not yet been discharged by such joint venture.
- d) As at 31 December 2016, there were outstanding bank guarantees of approximately Baht 17 million and US dollars 50 million issued by banks on behalf of the Group (2015: Baht 26 million and US dollars 50 million) and Baht 6 million and US dollars 50 million of the Company only (2015: Baht 16 million and US dollars 50 million) in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 16 million (2015: Baht 25 million) to guarantee contractual performance, Baht 1 million (2015: Baht 1 million) to guarantee electricity use, among others and US dollars 50 million (2015: US dollars 50 million) to guarantee payments on program rights for an unrelated company.
- e) As at 31 December 2016, the Company has provided guarantees for loans from bank granted related to guarantee the payments for the license fees and the lease agreements for digital terrestrial television service, granted to a subsidiary amounting to Baht 1,276 million (2015: Baht 1,726 million). Generally, the Company's guarantee is binding for as long as the underlying obligations have not yet been discharged by such subsidiary.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

- f) As at 31 December 2016, the Company and two subsidiaries have provided guarantees for loans from bank granted related to guarantee the payments for the license fees and the lease agreements for digital terrestrial television service, granted to a joint venture amounting to Baht 1,352 million (2015: Baht 1,901 million). Generally, the Company's guarantee is binding for as long as the underlying obligations have not yet been discharged by such joint venture.
- h) As at 31 December 2016, a commercial bank issued letter of guarantees amounting to Baht 1,266 million (2015: Baht 1,716 million) on behalf of a subsidiary respectively in order to guarantee the payments for the license fees.
- i) As at 31 December 2016, a commercial bank issued letter of guarantees amounting to Baht 10 million (2015: Baht 10 million) on behalf of a subsidiary in order to guarantee the payments for the lease agreements for digital terrestrial television service.

34.5 Litigation

On 2 March 2016, a contract partner who granted the Company the non-exclusive right to market and distribute its channels, filed suit against the Company with the Central Intellectual Property and International Trade Court, claiming royalties owed of approximately US dollars 6.15 million, inclusive of principal and default interest for September 2015 to February 2016, or equivalent to a total of THB 220 million. Currently, this case is being considered by the court and awaiting for examination of witnesses. However, the Company has submitted a plea and filed a countersuit with the court, presenting facts and evidences that will be beneficial in the consideration of the case. With reference to the legal counsel's opinion, the management believes that the Company has evidence and information pursuant to the relevant agreement to defend the case and the case will probably not cause damage to the Company. The Company, hence, has not recorded any provision in its accounts.

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

35. Fair value hierarchy

As at 31 December 2016, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	15,931	-	-	15,931
Available-for-sale investments				
Equity instruments	166	-	-	166
Debt instruments	-	476	-	476

(Unit: Thousand Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	166	-	-	166
Debt instruments	-	476	-	476

36. Financial instruments

36.1 Financial risk management

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

Credit risk

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

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

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 2016						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total
	Within 1 year	1-5 years	Over 5 years			
						Interest rate (% p.a.)
Financial assets						
Cash and cash equivalent	869	-	-	-	-	869 Note 7
Current investments	235	-	-	16	-	251 Note 8
Trade and other receivables	-	-	-	-	1,397	1,397 -
	<u>1,104</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>1,397</u>	<u>2,517</u>
Financial liabilities						
Short-term loans	316	-	-	7	-	323 Note 20
Trade and other payables	-	-	-	-	1,210	1,210 -
Short-term loan loans from directors	-	-	-	4	-	4 Note 6
Long-term loans	-	-	-	2,094	-	2,094 Note 22
Liabilities under finance lease agreements	15	27	-	-	-	42 5.03-7.69
Accrued cost of spectrum license	410	680	-	-	-	1,090 Note 23
	<u>741</u>	<u>707</u>	<u>-</u>	<u>2,105</u>	<u>1,210</u>	<u>4,763</u>

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2015							
	Fixed interest rates						
	Within	1-5	Over	Floating	Non- interest		
	1 year	years	5 years	interest rate	bearing	Total	Interest rate
							(% p.a.)
<u>Financial assets</u>							
Cash and cash equivalent	1,059	-	-	-	-	1,059	Note 7
Current investments	120	-	-	56	-	176	Note 8
Trade and other receivables	-	-	-	-	1,415	1,415	-
	<u>1,179</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>1,415</u>	<u>2,650</u>	
<u>Financial liabilities</u>							
Short-term loans	3	-	-	-	-	3	Note 20
Trade and other payables	-	-	-	-	1,489	1,489	-
Long-term loans	-	-	-	1,626	-	1,626	Note 22
Liabilities under finance lease							
agreements	11	29	-	-	-	40	5.03-6.50
Accrued cost of spectrum license	<u>410</u>	<u>1,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,434</u>	Note 23
	<u>424</u>	<u>1,053</u>	<u>-</u>	<u>1,626</u>	<u>1,489</u>	<u>4,592</u>	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2016							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
<u>Financial assets</u>							
Cash and cash equivalent	401	-	-	-	-	401	Note 7
Current investments	231	-	-	-	-	231	Note 8
Trade and other receivables	-	-	-	-	880	880	-
Loans to related parties	-	-	-	50	-	50	Note 6
	<u>632</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>880</u>	<u>1,562</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	481	481	-
Short-term loans from related parties	-	-	-	1,925	-	1,925	Note 6
Long-term loans	-	-	-	597	-	597	Note 22
Liabilities under finance lease agreements	<u>8</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28</u>	5.03-7.69
	8	20	-	2,522	481	3,031	

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2015						
	Fixed interest rates						
	Within	1-5	Over	Floating	Non- interest		
	1 year	years	5 years	interest rate	bearing	Total	Interest rate
							(% p.a.)
<u>Financial assets</u>							
Cash and cash equivalent	504	-	-	-	-	504	Note 7
Current investments	120	-	-	-	-	120	Note 8
Trade and other receivables	-	-	-	-	800	800	-
Loans to related parties	-	-	-	77	-	77	Note 6
	624	-	-	77	800	1,501	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	607	607	-
Short-term loans from related parties	-	-	-	1,979	-	1,979	Note 6
Long-term loans	-	-	-	597	-	597	Note 22
Liabilities under finance lease							
agreements	8	23	-	-	-	31	5.03-6.50
	8	23	-	2,576	607	3,214	

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.

36.2 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.

37. 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 2016, the Group's debt-to-equity ratio was 3.94:1 (2015: 2.73:1) and the Company's was 1.64:1 (2015: 2.12:1).

Notes to consolidated financial statements

GMM Grammy Public Company Limited and its subsidiaries

For the year ended 31 December 2016

38. Events after the reporting period

On 10 November 2016, the Board of Directors of The ONE Enterprise Company Limited, a joint venture, passed a resolution to increase its registered share capital by Baht 1,905 million (19.05 million ordinary shares of Baht 100 each), from Baht 1,905 million (19.05 million ordinary shares of Baht 100 each) to Baht 3,810 million (38.10 million ordinary shares of Baht 100 each). The increase in capital will be completed after the date of approval of financial statements. The Company will waive its right to subscribe to this capital increase and, following the increase in capital, this will have the effect of reducing the Company's shareholding from 51 percent to 25.5 percent of the new registered capital of the joint venture.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2017.

Audit Committee Report

GMM Grammy Public Company Limited and Its Subsidiaries

The Audit Committee (“the Committee”) comprises independent directors whom are well-educated and competent in various aspects, such as finance, accounting and law. Dr. Naris Chaikasoot was appointed as a Chairman of the Audit Committee and the other members are Mr. Suvit Mapaisansin, Mrs. Veeranuch Thammavaranucupt and Mr. Chanitr Charnchainarong with the Senior Director of the Internal Audit Department serves as the secretary to the Committee.

In 2016, the Committee had performed their duties according to the Audit Committee Charter which complies with the relevant rules and regulations set forth by the Stock Exchange of Thailand and the Good Corporate Governance policy. The Committee conducted 5 meetings, The summary of attendance of Audit Committee members is as follows :

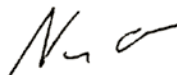
Name	Position	Meeting
1. Dr. Naris Chaikasoot	Chairman	6/6
2. Mr. Suvit Mapaisansin	Member	6/6
3. Mrs. Veeranuch Thammavaranucupt	Member	4/6
4. Mr. Chanitr Charnchainarong	Member	5/6

The Committee activities could be summarized as follows:

1. Reviewed the quarterly and the annual financial statements for the fiscal year 2016 regarding the disclosure of significant information rendered by the Internal Audit Department, the External Auditors and the Management, to ensure the accuracy, reliability and adequacy and submit to the Board of Directors for Approval.
2. Reviewed the efficiency and the adequacy of the GMM Grammy Group’s internal control system, risk management system and internal audit system in cooperation with the Internal Audit Department, the External Auditors and the Management.
3. Reviewed that the Company abided by the SEC and SET rules and regulations, other related laws, the Company’s good corporate governance policy and Code of Ethics, through coordination with Management and Internal Audit Department.
4. Proposed and recommended the appointment of external auditors and their audit fee. For the year 2017, The Committee, in coordination with the Internal Audit Department and the Management, Considered the independence and the qualities of the audit task and recommended the reappointment of Mr. Termphong Opanaphan or Mr. Khitsada Lerdwana or Mrs. Poonnard Paocharoen, Certified Public Accountant (Thailand) No. 4501 4958 and 5238 respectively, of EY Office Limited (Formerly known as “Ernst & Young Office Limited”) as the Company’s and its’ subsidiaries’ External Auditors and the audit fee for the fiscal year 2017. The appointment of the External Auditor for the year 2017 was approved by the Board of Directors and will be proposed to the Shareholders for their further approval. For the year 2016, the Committee conducted 3 meeting with External Auditor.

5. Reviewed related transactions or conflict of interest issues to ensure that the transactions were reasonable and fair in accordance with the rules or announcements of the SET and the disclosures were correct and complete.
6. Reviewed and acknowledged internal audit results quarterly. Followed up management operations and progresses on the internal and external audit findings and recommendations. Approved the internal audit plan for the year 2017. In addition, the Committee reviewed the Independence of the Internal Audit Department and considered the appointment, the migration, the transfer, lay off, evaluation and remunerations of The Head of Internal Audit as well as the evaluation of the performance and the remunerations of the Internal Audit staffs which were assessed and proposed by Group Chief Executive Officer and Head of Internal Audit.
7. Annually reviewed and updated the Charter of Audit Committee and Internal Audit, to ensure that the Charters are still suitable for the Company's business environment.
8. Conducted the Audit Committee self assessment on its composition, qualification, activities in compliance to the audit Committee Charter, training, authority and the independence. For the year 2016, the Committee concluded that the Committee has adequately completed their duty as assigned by the Board of Directors and reported the assessment results along with the Committee's activities to the Board of Directors Meetings on February 27, 2017.
9. Reviewed that the Company abided by the Good Corporate Governance and Code of Ethics Policies. Cooperated with the Management and the Internal Auditor to reviewed the policy to ensure the appropriateness before rendering them to the Board of Directors for approval.

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



Dr. Naris Chaiyasoot
Chairman of the Audit Committee
February 27, 2017

Risk Management Committee Report

GMM Grammy Public Company Limited.

The Risk Management Committee was comprised of 10 members who are the Board of Directors and top executives with relevant knowledge, competence and experience that is beneficial to the group risk management. The Risk Management Committee was established by the Board of Directors resolution with duties to promote the set-up of an enterprise-wide risk management system for the Company and to embed an organizational culture. This is to provide reasonable assurance among all stakeholders that the Group's strategic operations are geared towards effective and efficient achievement of corporate goals and objectives. The Senior Director of the Internal Audit Department serves as the secretary to the Committee.

The Committee performs their duties as designated by the Board of Directors and within the purview of power and responsibility defined in the Risk Management Committee Charter. In 2016, the Committee held 1 meetings with the following results:

1. Acknowledged the significant corporate risks and approved the related risk responses for the year 2016.
2. Continuously supervised and monitored the implementation of the enterprise-wide risk management systems.
3. Reviewed the guidelines regarding the prevention of corruption involvement and Risk Management Committee Charter to ensure that they are sufficient and appropriate for the nature of the Company's businesses as well as related regulations.
4. Reported regularly to the Board of Directors on the significant risks and their responses.
5. Performed self-assessment for the year 2016 and reported to the Board of Directors on February 27, 2017.

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



Miss Boosaba Daorueng
Chairman of Risk Management Committee
February 27, 2017

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee, GMM Grammy Public Company Limited (“the Committee”), as of December 31, 2016, comprised three directors, two being independent directors and one being an executive director. Dr. Naris Chaikasoot, Independent Directors, being Chairman of the Nomination and Remuneration Committee, Mr. Suvit Mapaisansin, Independent Directors, and Miss Suwimon Jhungjotikapisit, Executive Directors, members of the Nomination and Remuneration Committee.

During the year 2016, the Committee, in performing roles in accordance with its charter and the scope of authority, held 2 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, 1) Dr. Naris Chaikasoot 2) Mrs. Veeranuch Thammavaranucupt 3) Mr. Chanitr Charnchainarong and 4) Mr. Sataporn Panichraksapong. To enhance and support the Company’s good corporate governance policy, the Company welcomed shareholders’ proposal for qualified candidates to be appointed as the Company’s directors with full qualifications as stipulated by the company since 30 September 2016 to 13 January 2017. 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 4 retiring directors, as mentioned, had full qualifications as stipulated by the Public Limited Companies Act and were well equipped with knowledge, capabilities and experiences useful for the Company’s business operations; they also had broad visions, satisfactory performance as directors, good records of meeting attendance and useful opinions proposed at the Board’s meetings. The Committee therefore resolved to propose to the Board of Directors’ Meeting No. 1/2016 on 26 February 2016 the nomination of the 4 retiring directors for appointment as the Company’s directors for another term before submitting to the 2016 Annual General Meeting of Shareholders held on April 29, 2016 for approval.
- (2) Determination of directors’ remuneration that comprises of meeting allowance and gratuities for the year 2016 with criteria for allocation for submission to the Board of Directors for approval at the 2016 Annual General Meeting of Shareholders held on April 29, 2016.
- (3) Determination of the Audit Committee’s remuneration as annual compensation for the year 2016 with criteria for allocation for submission to the Board of Directors for approval at the 2016 Annual General Meeting of Shareholders held on April 29, 2016.

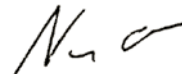
The remuneration of directors and Audit Committee members was determined, with their respective duties and responsibilities for the Company’s performances being considered and the remuneration of directors of companies in the same industry being compared, based on the Stock Exchange of Thailand’s Report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

- (4) Evaluation of the performances of the Group Chief Executive Officer (Group CEO), Ms. Boosaba Daorueng, for the year 2016. The Committee deemed it appropriate to rate the Group CEO’s performances in 2016 as “Good” or 84.86% (within the range of 80-89%), and reported the evaluation result to the Board of Directors’ Meeting No. 1/2017 for approval.
- (5) The Committee has conducted self-performance assessment for the year 2016 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 3.46 points (Full score is 4 points).

- (6) Approved the appointment of Mrs. Karnsuda Sansuthi, the Chief Financial Officer, to be the secretary of the Nomination and Remuneration Committee to replace Mrs. Jiraporn Rungsritthong with effect from 10 August 2016.
- (7) Acknowledged that two of the directors, Mr. Paiboon Damrongchaitham and Miss Suwimon Jhungjotikapisit, are being directors of another company, in which its business operations are related to the Company's business, which may create the connected transactions as the ordinary course of business. This matter was not proposed to the 2016 Annual General Meeting of the Shareholders because both directors are not committing any violation to the section 86 of the Public Limited Companies Act.

The Committee reported its performance to the Board of Directors for acknowledgement on a regular basis. Throughout the year 2016, the Committee performed its duties with utmost ability, caution, prudence, transparency and independence, for the best benefit of the Company, shareholders and other stakeholders.



Dr. Naris Chaiyasoot
Chairman of the Nomination and Remuneration Committee
February 27, 2017

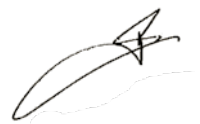
Report of the Corporate Governance and Ethics Committee

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

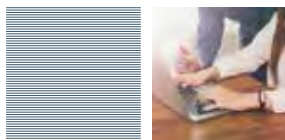
In 2016, the Corporate Governance and Ethics Committee ("the Committee") still adhered to and seriously developed its policy on corporate governance on a continued basis, thus several awards received from various organizations could be summarized as follows:

1. For evaluation of corporate governance reports of Thai listed companies by the Thai Institute of Directors (IOD), the Company was rated "Very Good" in 2006, 2008, 2009, and 2010, (in 2007, there was no survey on corporate governance of listed companies) and "Excellent (5 Stars)" for six consecutive years, since 2011 to 2016.
2. For the evaluation of AGM checklist quality by the Thai Investors Association, the Company was rated "Very Good" in 2008, 2010, 2011, 2013 and 2015 and "Very Good: Should be a Role Model," in 2009, 2012, 2014 and 2016 (scoring fully 100 points).
3. Approved the appointment of Mrs. Somsuda Ruampumsuk, the Office of Corporate Secretary Director, to be the secretary of the Corporate Governance and Ethics Committee to replace Ms. Jinda Ariyapornpong with effect from 10 August 2016.
4. The Committee has conducted self-performance assessment for the year 2016 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 3.69 points (Full score is 4 points).

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. Krij Thomas
Chairman of the Corporate Governance and Ethics Committee
February 27, 2016



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 to all stakeholders and to bring the Company to business development along with participation in supporting the education, athletics, society and environment.

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

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

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

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

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

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

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

- **Corporate Governance Report of Listed Companies 2016**

Thai Institute of Directors (IOD) disclosed the result of the Corporate Governance Report Evaluation of Thai Listed Companies, it was revealed that GMM Grammy Public Company Limited was announced to be 1 of 80 listed companies that was rated in the top level of "Excellence: 5 Stars" (Score range 90 - 100 points) while the average score of all 601 listed companies was 78 points. The Company has been rated as "Excellent" for six consecutive years since 2011 and also recognized as one of the Top Quartile Companies in market-capitalization greater than or equal to 10,000 MB.

- **Quality of Annual General Meeting of Shareholders 2016**

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 2015 Annual General Meeting of Shareholders was rated at the highest with 100 points, while the average score of all 601 listed companies under the survey was 91.62 points.

- **The Assessment of Anti-corruption Process Indicator 2016**

According to the assessment of Anti-corruption Process Indicator for Thai listed companies conducted by SEC and Thai Pat Institute, in 2015 the Company was rated at level 3 (Established), indicating the policy to oppose government

officials bribery and those related to corruption as well as the policy to communicate and educate employees regarding anti-corruption policy and practices.

In 2016, SEC and Thai Pat Institute announced only the companies that joined Thailand's Collective Action Coalition Against Corruption (Thai CAC) held by IOD (27th Jan, 2017). There're 2 groups of companies comprising the signed a declaration on CAC and the verified by CAC. Although, the company has not signed a declaration on CAC yet, the Company's committees still committed to continuous development 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

Chapter 1 Rights of Shareholders

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

The Annual General Meeting

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

1) Before the date of the shareholders' meeting

- Proposing agenda items, nominations of directors and advanced queries, the Company provided an opportunity for shareholders to propose agenda items and qualified persons to assume the post of director before the Annual General Meeting of Shareholders. In the 2016 Annual General Meeting of Shareholders, shareholders can make proposal from September 30, 2015 until January 15, 2016 on the Company's website on the menu "Corporate Governance", item "Shareholders Information". It has come out that, during the designated period, no shareholder proposed any agenda item or nominated any qualified person to assume the post of director to the Company.
- Presentation and information delivery to shareholders, the Company has appointed Thailand Securities Depository Co., Ltd. (TSD) as its securities registrar to send the meeting invitation notice, documents and other

information which is important and necessary for decision-making to shareholders (in English in case of foreign shareholders) in advance before the meeting date and in accordance with laws or/and regulatorys concerned. In the Annual General Meeting of Shareholders, the Company has disseminated the invitation notice and all relevant information (excluding annual report) on its website in Thai and English more than 21 days prior to the meeting so that shareholders will have sufficient time to study the information in advance for decision-making. In addition, the Company advertised meeting notices in newspapers to inform shareholders of the date, time, venue and agenda items in both Thai and English for 3 consecutive days in advance of the meeting.

- Facilitation and encouragement for shareholders to attend the meeting, including institutional investors, with the following policies:

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

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

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

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

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

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

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

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

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

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

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

For the 2016 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 is to provide convenience by checking documents of the meeting attendees 1 hour and a half before the meeting commencement and barcodes are used to facilitate and expedite registration.

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

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

be counted and the results thereof are disclosed and the meeting's resolutions are clearly recorded in the meeting's minutes.

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

In 2016, the Company organized the Annual General Meeting of Shareholders on April 29, 2016 at 2.00 pm at the Grand Ballroom, Grande Centre Point Hotel Terminal 21, Sukhumvit Soi 19 (Wattana), Sukhumvit Road, Khlongtoeinuea, Wattana, Bangkok. 10 directors attended the meeting while 1 director was on business leave (From a total of 11 directors), comprising Chairman of the Board, Vice Chairman of the Board and Chairmen of Sub-committees, together with top management, representative from Legal Department and auditors, 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.

In the 2016 Annual General Meeting of Shareholders, there were a total of 105 shareholders attending in person, representing 397,378,186 shares, and 189 shareholders by proxy, representing 102,962,112 shares. There were 5 shareholders attending the Meeting by proxy granted to the Company's Independent Director, representing 2,129,168 shares. The total number of attendants who were shareholders and proxy holders was equal to 294 persons, representing 500,340,298 shares or 61.02% of total 819,949,729 subscribed shares. The quorum was thereby constituted according to the Company's Articles of Association. The Board of Directors promoted 4 Independent Directors, whom represent shareholders, attending and voting throughout the meeting. The Company has opened registration for 2 hours before the Meeting.

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

3. After the shareholders' meeting

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

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

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

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

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

Key questions, clarification and opinions.

- The Company will announce resolutions of the meeting via the news system of the SET by the next business day by identifying approval, disapproval and abstention votes on each agenda item and prepare meeting minutes in both Thai and English and submit them to the SET and relevant agencies within 14 days from the date of the meeting, as well as disseminate the meeting minutes on the Company's website so that shareholders can inspect without waiting until the next meeting. There is also a sound database where meeting minutes are available for

inspection and reference. In addition, video recording of Annual General Meeting of Shareholders was prepared to be provided to interested shareholders in form of VCD which was notified to the shareholders via the news system of the SET.

Chapter 2 Equitable Treatment of Shareholders

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

1. The Board of Directors gives the rights to shareholders to cast 1 vote per 1 share. For the same type of shares, they have the right to cast 1 vote per 1 share.
2. The Company allow a shareholder and/or a group of shareholders holding the Company's shares collectively at least 5 percent of voting rights to propose agendas and prospective directors before the Annual General Meetings. This description will be provided through SEC and the Company's website at least 3 months prior to the end of each fiscal year.
3. For the Annual General Meetings, the Company will send the meeting invitation notice and documents to shareholders at least 14 days prior to the meeting date and post the invitation notice and all information on the Company's website (<http://www.gmmgrammy.com>) in Thai and English more than 21 days prior to the meeting so that shareholders will have sufficient time to thoroughly study the meeting information for decision-making before receiving documents from the Company. The Company also advertised meeting notices in newspapers to inform shareholders of the date, time, venue and agenda items in both Thai and English for 3 consecutive days in advance of the meeting.
4. The Board of Directors provides convenience to shareholders who cannot attend the meeting in person by sending them Proxy Form Type A, B and C and attach documents and simple proxy-giving instruction so that proper documents will be prepared and none of difficulties expected. In addition, shareholders also have option to download the proxy form from the company's website.
5. The Board of Directors will nominate at least 1 independent director of the Company as an option of proxy for shareholders. The Company will attach the name and profile of the independent director with the meeting invitation notice.
6. The Board of Directors will conduct the meeting according to the agenda order outlined in the meeting invitation notice and will not add any other meeting agenda without notifying shareholders in advance apart from those specified in the invitation letter except extraordinary cases in order to protect the Company's interest under the governed laws.
7. The Board of Directors will arrange for use of ballots and qualified vote processing program on every agenda item which requires vote casting for transparency and inspection can be made in case debates occur later on. Also, an inspector is prepared for counting of votes and the vote results and resolutions of the meeting shall be disclosed clearly in the meeting minutes.
8. The Board of Directors sets a policy and guidelines of prevention of conflicts of interest and insider trading to seek interest for oneself or others in undue manner in the Corporate Governance and Business Ethics Manual of the Company and disseminates the policy to all directors, executives and employees of the Company for acknowledgement and strict compliance to prevent directors and executives of the Company from trading the Company's shares by using internal information or undertaking related party transactions and selling or buying assets in a manner which may breach or not comply with guidelines of the SET and the SEC.

9. In case of undertaking related party transactions which are required to be disclosed or to seek approval from shareholders according to requirements of the SET, prior to undertaking of the transaction, the Company has disclosed details such as name and relation of related parties, policy of determination of value of the transaction, rationale, as well as opinions on the transaction of the Audit Committee and the Board of Directors to shareholders clearly.
10. The Board of Directors requires directors and executives (according to definitions of the SEC) to comply with Section 89 of the Securities and Exchange Act by reporting their interest and their related persons' (including whenever there is change to information) by assigning the Company Secretary to report interest information (including changes) to the meeting of the Board of Directors for acknowledgement every 6 months to consider transactions of the Company which may have conflicts of interest with the Company. Directors and executives who have any related interest shall not attend the meeting to express opinions and have no rights to make a resolution of such matter.

Connected Transactions

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

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

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

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

In 2016, the Company did nothing in violation of or against the requirements of the SEC and the SET, whether insider trading, connected transactions or asset trading.

Chapter 3 Roles of Stakeholders

The Board of Directors believes in conducting business with integrity and transparency as well as having roles and responsibilities toward society by giving importance to the rights of all stakeholders of the Company, either internal stakeholders such as directors, employees and executives of the Company, or external stakeholders such as shareholders,

customers, trade partners, competitors, the society and the environment, public sector and relevant agencies appropriately for both rights required by laws or those jointly agreed upon. The Board of Directors has set guidelines for directors, executives and employees in the GRAMMY Group's business ethics to be transparent and fair to various stakeholders, details of which are as follows:

Ethics on Treatment of Shareholders

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

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

Ethics on Treatment of Customers and Consumers

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

1. Catering to the needs of customers with good quality of products and services at reasonable prices and with qualified employees and state-of-the-art innovation and technology.
2. Studying, assessing and improving impact of products and/or services which may occur to consumers consistently and monitor and supervise products and services to have quality and meet standards, requirements, consumer protection laws or other relevant laws.
3. Providing information which is accurate, sufficient and beneficial to product and/or service consumers for decision-making by not intending to cover information or giving false information to mislead product and/or service consumers about the quality, quantity, or conditions of the product or service.
4. Respecting the rights of the product and/or service consumers and protect their personal information by not disclosing their personal information without their prior consent or using such information to seek benefits except for information which must be disclosed to the public as required by laws.
5. Arranging for a procedure to which customers can file issues of problems of using products or inappropriate provision of services via electronic mail or call center so that the Company can prevent/resolve problems for the customers quickly and appropriately and use such information to improve or develop other products or services.

6. Contracts between the Company and customers and consumers of the Company must be written clearly and easy to understand and comprising information and agreements which are accurate and sufficient and do not contain any conditions which are not fair or breach the rights of customers and consumers. Also, contracts and conditions mutually agreed upon shall be complied with in a strict manner and in case of failure to comply with any condition, customers shall be notified immediately to help seek resolution on a rationality basis.
7. Supporting activities which promote and maintain good relationship between customers and the Company.

Ethics on Treatment of Competitors

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

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

Ethics on Treatment of Trade Partners

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

1. Treating trade partners equally, fairly and based on fair returns acceptable to both parties.
2. Complying with agreements or conditions mutually agreed upon strictly and in case of non-compliance with any conditions, notify customers immediately to jointly seek solutions on a rationality basis.
3. Not asking for or accepting assets or other benefits which are dishonest to trading with trade partners.
4. In case there are grounds to believe that there is request or acceptance of assets or other benefits which are undue, information shall be disclosed to trade partners to jointly seek solutions in no time.
5. Having a policy or measures of checking and screening trade partners of the Company such as producers and contractors and support undertaking of businesses with trade partners who conduct business fairly without violating human rights and realizing the importance of social responsibility. The company executes a purchasing policy and appoint a purchasing committee in order to select trade partners under transparency and accountability.
6. Not giving cooperation to or supporting any persons or organizations which conduct illegal business or are a threat to the society and national security.
7. Being committed to maintaining sustainable relationship with trade partners and contract counterparts on the basis of mutual trust.

Ethics on Treatment of Creditors

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

1. Strictly complying with agreements, obligations, covenants and responsibility in the collaterals. In case of non-compliance or default, notifying creditors immediately to jointly explore proper solutions on a rationality basis.
2. Maintaining an appropriate capital structure in order to support the business operation and creditor confidence.

3. Providing creditors transparent information, and allowing them chances for company visits and having meetings with the Company's management.
4. Not giving cooperation to or supporting any persons or organizations which conduct illegal business or are a threat to the society and national security.
5. Being committed to maintaining sustainable relationship with creditors on the basis of mutual trust.

Ethics on Treatment of Employees

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

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

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

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

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

Ethics on Respecting Human Right Law and Practice

The Board of Directors gives importance to respecting international human rights, to conducting business in compliance with laws, while embracing human rights which are the basic rights ensuring that all human beings are born free and

equal in dignity and rights without discrimination against birth, race, nationality, color, gender, religion, age, language, physical and health condition, personal status, economic and social status, social value, education or political opinion. The Board also promotes employees' awareness of their rights, duties and responsibilities to society and other fellows. Policy and Guidelines are as follows:

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

Ethics on Intellectual Property and Copyright

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

1. Supporting development and respect creation or innovation of intellectual property rights and copyrights and evaluate the value of such innovation fairly.
2. Protecting and respecting intellectual property rights and copyrights of the Company and other persons by not violating or supporting any acts which are in violation thereof, such as making duplicates, adapting original material in any way, copying, broadcasting music and pictures, or making distribution to the public or any other acts and not claiming other persons' works as one's own.
3. Supporting and participating in activities which are beneficial to protection and prevention of violation of intellectual property rights and copyrights.
4. Supporting provision of knowledge and training to employees to instill conscience of respect and creation of intellectual property rights and copyrights in employees at all levels, as well as encourage employees to participate in activities held by the Company.

5. Issuing the Company's work regulations by prohibiting employees from behaving in the manner which may tarnish the reputation of the Company by following regulations, notifications and orders of government agencies, or laws relating to intellectual property rights and copyrights such as trademark law, patent law, license law or other relevant laws, as well as announcements, orders, rules and regulations set by the Company.
6. Treating and regarding violation of intellectual property rights and copyrights as a severe offence and if such offence is found, the Company will take penal action against the employee who has been found guilty of such violation according to the Company's work regulations and laws.

In 2016, 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 2016 the Company and its affiliates have taken legal action against 107 piracy cases composing of 51 lawsuits settlement, 56 prosecution pending cases and no judged cases.

Ethics on Vested Interest and Conflict of Interest

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

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

8. The Board of Directors has stipulated that the directors, management and their related persons (according to definitions of the SEC) must prepare and submit a report on interests to the Company and the Company Secretary has the duty to submit a summary report on the interests of the directors, management and their related persons and any subsequent changes thereof to the Board of Directors' meeting for acknowledgement on a semi-annual basis.
9. The Board of Directors has stipulated that all material connected transactions, with details regarding the conflicted persons, nature of relationship, type of the transactions, conditions for the transactions, pricing policy, transaction value, rationale and necessity of the transactions and opinion rendered by the Audit Committee and/or the Board of Directors, must be revealed in an information memorandum and/or the Company's annual registration statement (Form 56-1) and annual report.

Whistle Blower

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

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

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

In 2016, there was neither complaint nor action in a manner that violated or failed to comply with applicable laws, rules and regulations of the SET and the SEC.

Protection of Whistleblowers

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

Chapter 4 Information Disclosure and Transparency

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

1. Provision of communication and data distribution channels

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

1) The Company's website

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

2) The SET Community Portal or SCP and SET's website

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

.3) Investor Relations

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

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

Investor Relations Department

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

Khlongtoeinuea, Wattana, Bangkok 10110

Tel. : (662) 669 9936, (662) 669 9952, (662) 669 8071

Fax. : (662) 669 9737

E-mail Address : ir@gmmgrammy.com

4) Office of Corporate Secretary

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

Office of Corporate Secretary

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

Khlongtoeinuea, Wattana, Bangkok 10110

Tel. : (662) 669 9291, (662) 669 9946

Fax. : (662) 669 8137

E-mail Address : cs@gmmgrammy.com

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

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

In 2016, the Company submitted quarterly and yearly financial statements and reports by the timeline and pursuant to the criteria of the SET and no instruction has been made by Office of the SEC for the Company to rectify the financial statements.

Chapter 5 Responsibilities of the Board of Directors

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

Board Composition

- 1) The Board of Directors determines the board composition that fits with the Company's business size, whereby it is set to be composed of at least 5 members, not less than 1/2 of the directors must reside in Thailand and at least one of whom must be experienced in accounting and finance field.
- 2) Of the total number of board members, at least 1/3 and no fewer than 3 persons must be independent directors.
- 3) The Board of Directors must be partially composed of non-executive directors so as to ensure checks and balances against the executive directors and a minimum of 1/3 of the total board members must be independent directors.

Qualifications of Directors

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

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

Qualifications of Independent Directors

According to the Board of Directors Meeting No.7/2011, the Meeting had a resolution to acknowledge the qualification of Independent Directors comply with requirements stipulated by the SEC and the SET. Therefore, the qualification of Company's Independent Directors shall be as in the followings:

- 1) Holding shares of not exceeding 1% of total voting shares of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, including shares held by related parties.
- 2) Not being or have ever been an executive director, employee, staff, corporate advisor receiving a regular salary, or a controlling person of the Company, its parent company, its subsidiaries, its associated companies, its same-level subsidiaries, its major shareholders, or its controlling persons unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director. Such prohibitions exclude government officer or advisor to any government agency who is major shareholder or controlling person of the Company.

- 3) Not being a person related by blood line or by law in terms of father, mother, spouse, sibling and child, including spouse of the children, of other directors, management, major shareholders, controlling persons, or persons to be nominated as directors, management or controlling persons of the Company or its subsidiaries.
- 4) Not being or have ever been an auditor of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons and is not a significant shareholder, a controlling person, or a partner of an audit firm which employs auditors of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons unless the foregoing relationship has ended for more than 2 years prior to being appointed as Independent Director.
- 5) Not being or have had a business relationship with the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, in the manner that may interfere with his/her independent judgement, or is not or has not ever been a significant shareholder or a controlling person of any person having business relationship with the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons unless the foregoing relationship has ended for more than 2 years prior to being appointed as Independent Director. The term “business relationship” aforementioned includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the Company or 20 million baht or more, whichever is lower.
- 6) Not being or have ever been any professional advisor including legal or financial advisor who receives an annual service fee exceeding 2 million baht from the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons and is not a significant shareholder, a controlling person, or a partner of the professional advisor unless the foregoing relationship has ended for more than 2 years prior to being appointed as Independent Director.
- 7) Not being a director representing Board member of the Company’s, its major shareholders, or a shareholder who is related to the Company’s major shareholders.
- 8) Does not own/run any business similar to or material competing with the Company or its subsidiaries, or not being a significant partner in any partnership, executive director, employee, staff, advisor receiving regular salary, its subsidiaries.
- 9) Have no any other characteristics which make him/her incapable of expressing independent opinions with regard to the Company’s business.
- 10) After being appointed, Independent Director may be authorized by the Board of Directors to make a collective decision to execute business of the Company, its parent company, its subsidiaries, its associated companies, its same-level subsidiaries, its major shareholders, or its controlling persons.

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

Terms of service of Director

Directors shall hold the terms as stipulated in the Public Limited Companies Act B.E. 2535 and the Company’s Articles of Association, which reads “At each annual general meeting of shareholders, 1/3 of the directors, or if the number is

not a multiple of 3, then the number nearest to 1/3, must retire from office. The directors who have been the longest in office shall retire first. The retiring directors may be re-elected.” The Nomination and Remuneration Committee will select and nominate qualified persons to be directors to the Board of Directors before seeking approval from the shareholders’ meeting.

The Board of Directors has stipulated that members of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance and Ethics Committee shall each have a term of 3 years and may be re-appointed as deemed fit by the Board of Directors.

New Director Orientation

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

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

Director Development

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

As of December 31, 2016, the Board of Directors and sub-committees attending courses organized by IOD and by other institutions, as tabulated below:

Name of Director	Title	Courses organized by IOD					Courses organized by other institutes
		CDC	DAP	DCP	ACP	FND	
Dr. Naris Chaiyasoot	Chairman of the Audit Committee Member of the NRC Independent Director	3/2008	32/2005	82/2006	-	19/2005	
Mr. Suvit Mapaisansin	Independent Director Member of the Audit Committee Member of the NRC Member of the CG	-	-	12/2001	37/2011	-	
Mr. Chanitr Charnchainarong	Independent Director Member of the Audit Committee	-	-	52/2004	-	-	1. Capital Market Academy Leader Program, Class 2/2006, Capital Market Academy 2. Public Economics Management for Executives, Class 9/2011, King Prajadhipok's Institute 3. Advanced Management Program (AMP) Class 185/2013 by Harvard Business School Harvard University, USA 4. Senior Executives of Justice Administration, Class 19/2014, Office of the Judicial Training Institute
Dr. Lackana Leelayouthayotin		-	-	225/2016	-	-	1. Global Brand Forum 2. Unleashed the Power Within by Anthony Robbins, Singapore 3. Asia Pacific Chief Executive Grid Seminar, Grid Organization Development and Change Management 4. Advance Executive Program (AEP), Kellogg School of Management, North Western University, USA 5. Data-Based Competitive Benchmark in Marketing, Asia Pacific Marketing Federation, Philippines 6. Update in Strategic Management by University of California Berkley, Singapore 7. Developing the First-Class Manager, Hawksmere, Hong Kong 8. Marketing Manager, Queen's University, Canada
Miss Suwimon Chungjotikapisit	Director Member of the NRC	-	-	12/2001	-	-	
Mr. Sataporn Panichraksapong	Director Member of the CG	-	-	186/2014	-	-	

NRC = Nomination and Remuneration Committee

CDC = Chartered Director Class

DCP = Director Certification Program

FND = Finance of Non-Finance Director

DAP = Director Accreditation Program

ACP = Audit Committee Program

CG = Corporate Governance and Ethics Committee

Board of Directors' Meetings

The Board of Directors announced the Board meeting's schedule in advance for 1 entire year, to the directors and the relevant parties, requiring that a regular meeting be arranged at least once every quarter (4 times a year), with a special session meeting allowed to be convened as deemed necessary. Agenda items are also pre-determined and are clearly divided into categories such as issues for information, issues for approval and issues for consideration.

The Company screens the proposed items to make certain that all crucial issues are included in the agenda, whereas all board members are entitled to propose agenda items independently. The Company Secretary submits an invitation letter complete with the meeting agenda and accompanied by related documents to all board members at least 7 days ahead of the meeting date to allow the board members sufficient time to consider the issues. Where it is deemed essential or urgent, the meeting request can be notified by other method or the meeting can be arranged sooner. A meeting usually takes 1 - 2 hours. The Company Secretary takes the minutes of the meeting.

To promote the Board of Directors' performance, the Office of Corporate Secretary determined criteria and forms for the completeness, adequacy and suitability of information submitted to the Board of Directors, aiming to enable the Board of Directors' meetings to proceed smoothly, quickly and efficiently, in accordance with relevant laws and regulations, for all units concerned to use as reference and standards in preparing information before submitting to the Office of Corporate Secretary for compiling as a proposal to each Board of Directors' meeting.

In each meeting, the Chairman allows each director to express his/her opinions freely and allocates time appropriately and efficiently. In case of a director having a stake in a matter being considered, the director shall inform the meeting of such stake and shall not participate in discussing the matter and not exercise the voting right on the matter. At least 2/3 of the total number of directors shall be presented to form a quorum at the time of the Board passing a resolution.

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

Besides, the Board of Directors has a policy to encourage non-executive directors, independent directors and members of the Audit Committee to hold meetings among themselves as deemed fit in order to discuss about any crucial management issues without the presence of the management. In 2016, the Audit Committee members, held 1 meeting with the external auditor without the presence of the management on February 26th, 2016.

Merger and Segregation of Duties

The Board of Directors requires that duties be clearly segregated for the purpose of power distribution in decision making and directing, with balance and review in management. This has been continuously improved for suitability and coverage of the Company's activities, in line with changes in the notification or requirements of regulatory agencies, with management power being put under the Corporate Authorization Index for information and action by parties concerned.

Independence of Board of Directors and Management

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

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

2. Balance of power

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

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

Directorship in Other Listed Companies

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

1. Directorship in other listed company held by the Company's directors
 - 1) Each director is allowed to hold directorship in other listed companies not more than 5 listed companies, inclusive of the Company, to ensure the directors' efficiency and sufficient allocation of time to serve on the Company's Board of Directors.
 - 2) Directors should avoid holding directorship in any other listed company that could create a conflict of interest with the Company and in performing their duty as the Company's director.
2. Directorship in other listed company held by Group Chief Executive Officer and Top Management

The Board of Directors allows the Group Chief Executive Officer and top executives to take directorship in other companies and most of them are appointed as directors of companies in the Group; in all it is of benefit to the Company, not affecting the performance of their respective duties and responsibilities.

Annual Self-Assessment

1. The Board of Directors' Self-assessment

The Board of Directors regularly conducts a yearly Board and Director self-assessment to be a framework to monitor the performance of the duties of the Board, including reconsider processing commentaries on various issues related to the operations of the Company, and duties of the Board during the past year, a summary of the Company Secretary, and present the findings to the Board of Directors to be used to edit and enhance performance.

The Board self-assessment is divided into 5 rankings: 4 = Excellent, 3 = Very Good, 2 = Good, 1 = Unfavourable, 0 = Need Improvement.

The ranking results of Board self-assessment, broken down into 6 categories, for 2016 were as shown below:

	Board Assessment	Director Assessment
Assessment Category	<ol style="list-style-type: none"> 1. Structure and qualifications of the Board of Directors 2. Roles and responsibilities of the Board of Directors 3. Board of Directors' meetings 4. Performance as a director 5. Relationship with the management team 6. Director's personal development and development of the management 	<ol style="list-style-type: none"> 1. Qualifications, knowledge, ability 2. Independence 3. Performance as a director 4. Attention to duty and responsibility 5. Director's personal development
Average Score	3.74	3.81

2. The Sub-committees' Self-assessment

In 2016, 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 2016, all the Sub-committees performed their duties well with knowledge and abilities in accordance with the scopes of duties and responsibilities given in their respective charters and align with the regulator's best practice guidelines. The Company Secretary summarized the results of each Sub-committee's performance assessment for submission to the Board of Directors at the Board's Meeting No.1/2017 on February 27th, 2017. The Sub-Committees assessment is divided into 5 rankings: 4 = Excellent, 3 = Very Good, 2 = Good, 1 = Unfavourable, 0 = Need Improvement.

Results of the self-assessment

Sub Committee	Average Score in 2015
1. Audit Committee	3.97
2. Nomination and Remuneration Committee	3.46
3. Risk Management Committee	3.59
4. Corporate Governance and Ethics Committee	3.69

3. Group Chief Executive Officer's Evaluation

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

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

The Group Chief Executive Officer evaluation is divided into 5 rankings: 4 = Performed excellently, 3 = Performed very well, 2 = Performed reasonably, 1 = Performed partially, 0 = Not yet performed.

The overall evaluation, with total scores of 100%, can be classified into 5 levels:

More than 95%	=	Excellent
90% - 95%	=	Very Good
80% - 89%	=	Good
70% - 79%	=	Fair
Below 70%	=	Need Improvement

In 2016, the Nomination and Remuneration Committee evaluated the performance of Miss Boosaba Daorueng, the Group Chief Executive Officer for 2016 and reported to the Board of Directors' meeting No. 1/2017, held on February 27th, 2017, that the overall evaluation of the Group Chief Executive Officer was rated "Good", or equivalent to the average score of 84.86%.

Succession Plans

The Board of Directors sees the importance and need to support the development of a succession plan for the top executive, Chief Executive Officer and/or other key management positions, which is part of the Company's human resources management strategy. The Development planning of talented personnel is aimed to cope with any unexpected incapability or vacancy of those key positions to ensure uninterrupted operation.

Sub-Committees

The Board of Directors has appointed various sub-committees to help screen crucial issues with due care and efficiency. These committees hold meetings and report their findings to the Board of Directors for acknowledgement, approval or consideration, as the case may be, on a regular basis and report their performance for the shareholders' information in the annual report. This helps to support and enables the Company's overall operation to attain the established goals and comply with good corporate governance principles. The Board of Directors has approved the charter of each committee, clearly stipulating therein the committee objectives, qualifications, composition, terms of service, scope of power, duty and responsibility, reporting and meetings. The charter of each committee will be reviewed from time to time to ensure its appropriateness and is posted on the Company's Website (the details of the Board of Directors and Management Team are presented in the title "Management Structure"). There are 4 sub-committees as follows:

1. Audit Committee

The Audit Committee's composition and qualifications fully conform to the SET and the SEC's guidelines. It is composed of no fewer than 3 independent directors, at least one of whom has knowledge and understanding or experience in accounting or finance field sufficient for reviewing a financial statement. The committee members have terms of 3 years and may be re-appointed as deemed fit by the Board of Directors.

The Audit Committee holds or calls a meeting as deemed appropriate at least once every quarter (4 times a year). The meeting agenda is clearly pre-determined. Relevant documents are delivered in advance to the committee members and other attendees to allow them sufficient time to consider the issues or request additional information. The agenda covers all matters as assigned by the Board of Directors and as required by laws and/or regulations of the regulator bodies.

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

As of December 31, 2016, the Audit Committee comprised 4 independent directors who possessed qualifications as required by the SET and the SEC. In 2016, the Audit Committee held a total of 6 meetings. Members of the committee, appointment term and their attendance at the meeting are as follows:

Name	Title	Meeting Attendance (Times)
1. Dr. Naris Chaikasoot ¹	Chairman	6/6
2. Mr. Suwit Mapaisansin ¹	Member	6/6
3. Mrs. Veeranuch Thammavaranucupt	Member	4/6
4. Mr. Chanitr Charnchainarong	Member	5/6

¹ Dr. Naris Chaikasoot and Mr. Suwit Mapaisansin are the members of the Audit Committee who are knowledgeable and experienced in financial statement review.

The Audit Committee had performed its duty knowledgeably and to the best of its ability, within its scope of authority in accordance with the Audit Committee Charter and good corporate governance for Audit Committees. The meeting minutes have been duly recorded and endorsed by the members of the Committee, in readiness for inspection by any member of the Committee and related personnel.

Duties and Responsibilities of the Audit Committee

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

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of at least 3 members, a majority of whom (more than half of the total members) must be independent directors with one of them serving as the committee chairman. The committee composition is regularly reviewed to fit with the Company's organization structure and nature of business.

The Nomination and Remuneration Committee holds or calls a meeting as deemed appropriate at least once a year and has the power to additionally call a meeting as deemed fit.

The Nomination and Remuneration Committee performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the Nomination and Remuneration Committee Charter.

The Company has a policy to disseminate the Company's Nomination and Remuneration Committee Charter through the GRAMMY Group's Intranet to ensure it is communicated to all people across the organization.

As of December 31, 2016, the Nomination and Remuneration Committee's 3 reputable members comprised 1 Director and 2 Independent Directors. In 2016, the Nomination and Remuneration Committee held a total of 2 meetings. Members of the committee and their attendance at the meeting in 2016 are as follows:

Name	Title	Meeting Attendance (Times)
1. Dr. Naris Chaiyasoot	Chairman	2/2
2. Miss Suwimon Chungjotikapisit	Member	2/2
3. Mr. Suvit Mapaisansin ¹	Member	2/2

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

Duties and Responsibilities of the Nomination and Remuneration Committee

Nomination

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

Remuneration

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

3. Risk Management Committee

The Risk Management Committee is composed of at least 3 members appointed from the Company's directors and top executives with relevant knowledge, competence and experience that enable achievement of objectives. The committee composition is regularly reviewed to fit with the Company's organization structure and nature of business.

The Risk Management Committee holds or calls a meeting as deemed appropriate at least twice a year and has the power to additionally call a meeting as deemed fit.

The Risk Management Committee performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the Risk Management Committee Charter.

Moreover, the Board of Directors on February 28, 2008 approved GRAMMY Group's Risk Management Policy and Framework to serve as a guideline on group-wide risk management system development. The said policy and framework will be regularly reviewed to fit with the Company's organization structure and nature of business.

As of December 31, 2016, 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 2016, the Risk Management Committee held one meeting. Members of the committee and their attendance at the meeting in 2016 are as follows:

Name	Title	Meeting Attendance (Times)	Note
1. Miss Boosaba Daorueng	Chairman	1/1	-
2. Mrs. Saithip Montrikul Na Ayudhaya	Member	1/1	-
3. Mr. Krij Thomas	Member	1/1	-
4. Mr. Takonkiet Viravan	Member	1/1	-
5. Mr. Suwat Damrongchaitham	Member	1/1	-
6. Mr. Sataporn Panichraksapong	Member	-/1	-
7. Miss Chitralada Hengyotmark	Member	1/1	-
8. Mr. Fahmai Damrongchaitham	Member	1/1	-
9. Mrs. Montana Thawaranont	Member	1/1	-
10. Mrs. Jiraporn Rungsrithong	Member	-/1	Resigned, effective on July 1, 2016
11. Mrs. Karnsuda Sansuthi	Member	-/-	Was appointed, effective on February 26, 2016

Duties and Responsibilities of the Risk Management Committee

- 1) Assessing and presenting policies, set risk management policy and framework and propose to the Board of Directors for approval.
- 2) Examining and agreeing on acceptable risk levels, approve risk management plans and present to the Board of Directors.
- 3) Continuously monitoring, develop and comply with policies and the risk management framework so the GRAMMY Group will have a risk management system that is uniformly effective throughout the organization to ensure that policies continue to be observed.
- 4) Assessing risk identification and assessment procedures, report on significant risk management activities and enforce procedures to ensure that the organization has sufficient and appropriate risk management systems in place.
- 5) Coordinating with the Audit Committee about significant risk factors and appoint an internal risk assessment team to ensure that the GRAMMY Group's risk management system is appropriate to the exposure, adapted as needed and adopted throughout the organization.

- 6) Continually reporting to the Board of Directors on significant risks and risk management solutions.
- 7) Recommending and advising the Risk Management Committee and/or departments and/or the relevant working committees about significant risks about risk management, as well as evaluate the appropriate means to improve various databases that are related to the development of risk management solutions.
- 8) Appointing Sub-Committees and/or additional related personnel, or replacements in the Risk Management Committee and/or the Department and/or the working team that is related to managing risks as necessary, as well as determine their roles and responsibilities in order to achieve the objectives.
- 9) Executing other activities that pertain to managing risks as assigned by the Board of Directors.

4. Corporate Governance and Ethics Committee

The Corporate Governance and Ethics Committee composes 4 Company's directors with relevant knowledge, competence and experience in various business lines which is reviewed to fit with the Company's organization structure and nature of business.

The Corporate Governance and Ethics Committee holds or calls a meeting as deemed appropriate at least 2 times a year and has the power to additionally call a meeting as deemed fit and performs duties as designated by the Board of Directors and within the purview of power, duties and responsibilities defined in the Corporate Governance and Ethics Committee Charter.

As of December 31, 2016, the Corporate Governance and Ethics Committee had 4 qualified members, comprising 2 independent directors and 2 directors from management team with a 3 year term according to the Company's Corporate Governance and Business Ethics Manual. There was a total of one meeting in 2016. Members of the committee and their attendance in 2016 are as follows:

Name	Title	Meeting Attendance (Times)
1. Mr. Krij Thomas	Chairman	1/1
2. Mr. Sataporn Panichraksapong	Member	1/1
3. Mr. Suvit Mapaisansin	Member	1/1
4. Mrs. Veeranuch Thammavaranucupt	Member	1/1

Duties and Responsibilities of the Corporate Governance and Ethics Committee

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

Nomination and Appointment of Directors and Executives

(1) Nomination and Appointment of Directors

1. Policy and Criteria for Nomination and Appointment of New Directors
 - a. A composition, structure, qualifications and board diversity of the directors to fill any vacancies and/or to fill additional board seats which takes into account the lack of necessary skills on the Board in order to lead the Company to achieve business objectives under management with good corporate governance of international standards.
 - b. A qualified person as per the laws and regulating agencies, and the Company's announcement.
 - c. A qualified person with knowledge, leadership, courage to express opinions, decision making with information and reasons, morality and ethics, unblemished records.
2. Policy and Criteria for Nomination and Appointment of Current Directors who shall retired by rotation in each year
 - a. Understanding of the Company's business, meeting agendas, and ability to provide useful information.
 - b. His/Her dedication to the Company, such as, meeting attended, and activities participation.

Director nomination and appointment procedures

In nominating or selecting directors, the Nomination and Remuneration Committee follows the procedures as follows:

- 1) Preparing the Board Skill Matrix for determining the qualifications of a director according to the Company's policies and criterias of the selection process.
- 2) Selecting qualified directors who are suitable with the Company's business from the following sources:
 - 2.1) The proposing of nominations of directors by the shareholders in the Annual General Meeting of Shareholders which the Company inform shareholders through the SET and company's website.
 - 2.2) The list in the IOD Chartered Director database.
 - 2.3) Internal executives, outsiders who have the required qualifications.
- 3) The Nomination and Remuneration Committee approaches, interviews and discusses with the persons possessing the required qualifications to ensure that the persons will be willing to take directorship with the Company if appointed by the Board of Directors or a shareholders' meeting, as the case may be.
- 4) The Nomination and Remuneration Committee proposes the person who meets the nomination criteria to the Board of Directors for appointment or endorsement before submission to a shareholders' meeting for appointment individually, on the basis of
 - 4.1) share held is equivalent to 1 vote.
 - 4.2) Each shareholder may use all votes in clause 1 to elect 1 person or several persons as directors but cannot divide the votes for any persons.
 - 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.

In the event that the positions on the Board become vacant for some other reason than the normal expiration of a director's term of service such as resignation, the Nomination and Remuneration Committee may then

propose an appropriate person to the Board of Directors to elect as a replacement in the meeting of the Board of Directors within the time stipulated by law or regulators, to fill that position only for the remaining term, unless the remaining period is less than two months. However, the resolution of the designation shall receive votes of not less than 3/4 of the remaining directors.

(2) Nomination and Appointment of Executives

Human Resource Unit will recruit and select qualified individuals with knowledge, experience, skill and understanding of business and propose to authorized persons for consideration.

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

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

Supervision of Subsidiaries and Associated Companies' Operations

The Board of Directors has mechanisms to supervise and control the operations of subsidiaries and associated companies as follows:

- 1) Sending the Company's high-level executives with knowledge, abilities and experiences related to the business and management to be directors or executives of those companies at least in proportion to the number of shares held, with consent of the Board of Directors, Group Chief Executive Officer or Chief Executive Officer of each business line in accordance with the Corporate Authorization Index as specified in the scopes of duties and responsibilities of directors or executives representing the Company.
- 2) Requiring that a meeting of high-level executives be held once a month to jointly determine policies, strategies, operating guidelines, follow up on operations in accordance with the set strategies and report the operating results, problems and obstacles to the management to participate in determining policies on business operations. The meeting is divided into groups, such as Group Executive Committee Meeting, Executive Committee Meeting of each business line such as GMM Music, GMM Channel Digital TV (changed as GMM Media since 1 Jan 2017), and GMM ONE Digital TV 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 with knowledge and understanding about reporting of their securities holding and changes in securities holding in the Company to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535, whereby they must also provide such report to the Company Secretary for further notification to concerned parties. They must also be informed of punishment clauses for any violation or non-compliance with the said regulation.
- 2) The directors, members of Group Executive Committee and management (according to definitions of the SEC), including their respective related persons according to Section 59 of the Securities and Exchange Act, have the duty to report their holding of the Company's securities at the first chance of their being appointed to assume such position and upon any later change in their said securities holding. The Company Secretary is to submit a summary report on the said securities holding and changes in securities holding in the Company to the Board of Directors' meeting quarterly for acknowledgement.
- 3) It is stated in the employment contract, working principles and employee best practices towards the Company and also is deemed to be employees' business ethics, that employees shall strictly protect confidential information and shall not, due to their position in the Company, seek to benefit themselves or their related parties by unethically using or publicly disclosing the Company's information or news which is confidential and has not yet been released to the public, or to cause a decrease in the Company's benefits, or take any actions that create conflicts of interest.
- 4) Importance is attached to the strict and consistent protection of customers' confidential information and prevention of the use of such information for personal benefits or related parties' benefits, except for the information that must be disclosed publicly according to relevant laws.
- 5) In cases where external parties are involved in special projects dealing with information undisclosed to the public and is in the negotiation stage, such projects fall into the scope of insider information as it may affect the price of the Company's securities. These external parties must sign a confidentiality agreement with the Company until the information is disclosed to the SET and the SEC.
- 6) The Company has established a code of ethics on the use of computers, information and communication technology so as to control and protect data security in information systems and/or prevent outsiders from gaining access to such information. The Company also sets the levels of employees' data accessibility according to their authority and responsibility.
- 7) The Company will levy, according to its regulations, the maximum penalty on any member of the Management, employees or related parties found to have unethically used insider information or behaved in such a way that could cause damage to the Company.
- 8) The Management will report any unethical use of insider information or behavior that could cause damage to the Company to the Board of Directors for information on a yearly basis.

In 2016, 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 2016, the Group appointed EY Office Limited and Pro Trinity Ltd. as the Group's external auditors with auditing fees, amounting to 10,526,500 baht with a breakdown as follows:

- Auditing fees for EY Office Limited, amounting to 10,375,000 baht
- Auditing fees for Pro Trinity Ltd., amounting to 151,500 baht

2) Compensation for other services

There was no compensation for other services, whether in the past accounting period or in the future for unfinished services agreed in the past year accounting period.

Other Operations Under the Principles of Good Corporate Governance

In 2016, there are several matters that have not been disclosed or complied with the principles of good corporate governance as stipulated by the SET as follows:

Responsibilities of the Board of Directors

1. The Board of Directors should have independent directors who comment on the performance of the management independently. The number of independent directors should meet or exceed the SEC requirements. The remaining directors should be representatives of each group of shareholders. In case of the chairman is not an independent director, the number of directors should be proportionate to the ownership of each group. The independent directors should make up more than 50% of the Board.
 - The Independent Directors consist of 4 persons or one-third of total directors which is in compliance with the composition of the number of directors as defined by the Company.
2. Terms of service of directors should be clearly stated in the Company's CG policies.
 - The Board of Directors does not stipulate the working terms of directors due to the fact that a person qualified for the director position is difficult to find, especially a person with experience in entertainment industry. Term limits may cause the loss of experience and expertise important to the optimal operation of the Board.
3. The chairman of the Board of Directors should be an independent director.
 - The Board of Directors does not elect an independent director as a committee chairman due to the fact that there is no qualified person with appropriate experience, knowledge and business skills which is consistent to the Company's strategy.
4. The Board of Directors should clearly state the policies and procedures regarding board positions in other firms held by the Company's managing director and/or top executives, both in terms of director type (i.e., executive, outside, or independent) and the number of board positions that can be held. For example, the board of Directors may state that any board position held in other firms by the Company's managing director must be approved by the board of Directors.
 - The Board of Directors stipulates the policy regarding holding director position in other companies by the managing director and top executives in general without prior approval from the Board of Directors. As most of the cases, the Board of Directors designates each director to the company group which generates benefit to the Company and such designation does not impact their current duties and responsibilities. Such directorship must not breach the laws or prohibition of regulators.
5. The majority of remuneration committee members should be independent directors, including its chairman. This committee is responsible for setting the criteria and the form of payment to directors and top executives and presenting the results to the Board of Directors While the Board of Directors approves executives' remuneration, the shareholders must approve those of directors.
 - The Nomination and Remuneration Committee is responsible for setting the criteria and the form of payment to directors and Group Chief Executive Officer. While the criteria and form of payment to other top executives; Chief Executive Officer of Business Group; Chief Financial Officer; Chief Investment Officer, are based on the evaluation of their work performance which is connected to the operating result of the Company. The Human

Resource Department will process and submit the result of the evaluation to the Group Chief Executive Officer for acknowledgement and approval.

6. The Nomination and Remuneration Committee should be comprised entirely of independent directors. It is responsible for setting the criteria and process of nominating directors and top executives, selecting qualified candidates according to the predetermined criteria and process and presenting the results to the Board of Directors. Then, the Board of Directors will present the results to the shareholders' meeting for election. Therefore, the criteria used in selecting and the process followed in appointing new directors and senior management should be disclosed.
 - The Nomination and Remuneration Committee is composed of 2 independent directors and 1 executive director with one of the independent committee serving as the committee chairman. The duties of Nomination and Remuneration Committee are seeking and selecting appropriate persons to assume the position of the Company's directors as stipulated in the criteria and procedures disclosed. In regard to the nomination of top executives, the Human Resource Department will seek, select and propose to the Group Executive Committee or the Board of Directors for approval.
7. The Board of Directors should appoint an external consultant to facilitate a board assessment at least once every three years and assessment results should be disclosed in the annual report.
 - The Company has no policy because the expense is high.
8. Remuneration of the managing director and top executives should be in accordance with the board policy and within the limit approved by shareholders. For the best interests of the Company, executives' salaries, bonuses and other long-term compensation should correspond to the performance of each given executive. Type and level of compensation should be related to shareholders' benefit and the sustainability of the Company.
 - Remuneration of the managing director (Group Chief Executive Officer) and top executives is in accordance with the principles and policy stipulated by the Board of Directors based on the evaluation form of the operation result of the Company and performance of each executive, thus, the matter is not proposed to the meeting of shareholder for approval.



Internal Control and Risk Management

Recognizing the importance of an internal control system, the Board of Directors has put in place an internal control system that governs the financial, management and operational aspects for greater effectiveness and efficiency in accordance with related laws and regulations. Meanwhile, an emphasis is placed on continuous improvement according to COSO (The Committee of Sponsoring Organizations of Treadway Commission) with respect to organizational and control environment, risk assessment, control activities, information and communication and monitoring activities.

The Board of Directors has clearly defined in writing the duties and approval authority for the Management, and has controlled and ensured an efficient utilization of the Company's assets. To maintain proper checks and balances, the roles and duties of front-line operators, supervisors and evaluators are clearly delineated. In addition, the Company ensures that there is a financial reporting to those in the direct line of responsibility.

There is also the Audit Committee, which was appointed by the Board of Directors, by the Stock Exchange of Thailand's guidelines which currently consists of 4 independent directors and the Senior Director of Internal Audit Department acts as Secretary of the Audit Committee. The Audit Committee has the duties and responsibilities of auditing financial statements, disclosure of the financial reports and related transactions or any matters with conflicts of interest to be accurate, complete, reliable, and coordinate with the Internal Audit Department, auditors and management of the Company to review the internal control system and ensuring compliance with the relevant laws and regulations, as well as, to consider and approve an audit plan, performance evaluation and compensation of the Internal Audit Department, including selection and appointment of the auditor and audit fee. The Audit Committee shall also perform other duties as assigned by the Board of Directors, and conduct self-assessment to evaluate their performance to ensure that the Audit Committee has performed their duties effectively and completely.

The Board of Directors has implemented the Assessment Form of the Securities Commission as a guideline to assess the adequacy of the internal control systems of the Company and subsidiaries and a reporting of the assessment results to the Board of Directors' meeting on a yearly basis. The assessment results are also to be disclosed in the Company's annual registration statement (Form 56-1) and annual report.

All Board of Directors members and the Management, had collaboratively evaluated the sufficiency of internal control during 2016. The Board of Directors' Meeting on February 27, 2017 comprising of the Board of Directors, the Audit Committee, and the Management convened a meeting for the adequacy of the internal control systems of the Company and its subsidiaries as set up by the Management in five areas, namely, internal control, risk assessment, operation control, information and communication system and monitoring system. The Board of Directors and the Audit Committee shared the same opinion that:

"In general, the internal control system of the company and its subsidiaries was adequate and appropriate to the business operations of the Company. In addition, the Company has provided adequate personnel to follow the system effectively, as well as the internal control system for monitoring the operations of the subsidiaries in order to protect the assets of the Company and the subsidiaries from wrongful action of the directors and executives including transactions with persons who may have a conflict of interest and related persons. The Committee and the Management recognized the importance of good corporate governance, internal control, and continuous risk management, which would ensure good corporate governance principles of company, acceptable level of internal control and risk management, accurate and reliable accounting and financial reporting practices, together with compliance with the laws, the rules or announcements of the SET and regulations related to the Company's businesses."

Head of Internal Audit Department

The Board of Directors' Meeting No.3/2006 held on May 15, 2006 appointed Mr. Wichai Santadanuwat as a Secretary to the Audit Committee and Head of Internal Audit Department. The Audit Committee has considered and agreed that Mr. Wichai Santadanuwat has experience in performing the audit of the Company's including an understanding of the activities and operations of the Company as well, so that it is appropriate for him to perform such functions.

The appointment, termination and transfer, as well as performance evaluation and compensation for the Head of Internal Audit Department must be approved by the Audit committee. The qualifications of Head of Internal Audit Department appear in the attachment.

NOTE: Details of the Head of Internal Audit and Head of Compliance appear in "Details about the Head of Internal Audit, Company Secretary and Head of Compliance".



Connected Transactions

1. Parties which may have conflicts of interest that have entered into connected transactions with the Company and its subsidiaries

In 2016, The Company and its subsidiaries entered into connected transactions with the Company and connected persons where conflicts of interest may have occurred. These included both transactions which were the normal course of business by the Company and subsidiaries, and transactions which were not. Business that conducted connected transactions is divided into 3 categories as follows:

A) The Group

The Group composes of the Company and subsidiaries of the Company.

Details of the Group are as follows:

Company	Business Type	% Holding by the Company (As at December 31 st , 2016)
GMM Grammy Public Company Limited	Fully-integrate entertainment businesses, including music business, digital TV business, media business, movie business, home shopping business and others entertainment business	-
<u>Subsidiaries Directly held by the Company</u>		
GMM Media Public Company Limited	Production of radio programs	99.92%
GMM Holdings Company Limited	Holding company	100%
GMM Music Publishing International Company Limited	Management of music copyrights	100%
GMM Thai Hub Company Limited	Production of films and television programs	51%
Fan TV Company Limited (Another 49% is held by GMM Holdings, a subsidiary)	Production of satellite television programs	51%
3-RD Company Limited	Providing customer service via telephone	50%
GR Vocal Studio Company Limited	Vocal and music schools	100%
GMM CJ O Shopping Company Limited	Wholesale and retail by using advertising media and phone orders service	51%
GDC Company Limited	Providing service to games members, distribution of games playing cards	100%
Z Trading Company Limited	Production and distribution of satellite television and digital TV receivers	100%
GMM Channel Trading Company Limited (Formerly known as "GMM SD Digital TV Trading Company Limited")	Production of television programs and digital on-air	100%
Digistream Company Limited	Providing music in streaming	100%

Company	Business Type	% Holding by the Company (As at December 31 st , 2016)
<u>Subsidiaries Directly held by the Company (continued)</u>		
MGA Company Limited	Currently inactive	100%
Digital Gen Company Limited	Currently inactive	100%
Extraorganizer Company Limited	Currently inactive	100%
More Music Company Limited	Currently inactive	100%
GMM TV Company Limited (2014: 100% is held by GMM Media Public Company Limited, a subsidiary)	Production of television programs	100%
Deetalk Company Limited (2014: 100% is held by GMM Media Public Company Limited, a subsidiary)	Production of television programs	100%
GDH559 Company Limited	Production of film and television programs	51%
<u>Subsidiaries held by GMM Media Public Company Limited</u>		
A - Time Media Company Limited	Radio stations sub-leasing	100%
Teen Talk Company Limited	Currently inactive	100%
Bliss Publishing Company Limited	Closed down and in liquidation progress	100%
Exact Company Limited	Production of television programs	100%
<u>Subsidiaries held by GMM Holding Company Limited</u>		
GMM Studio Company Limited	Currently inactive	100%
Grammy Publishing House Company Limited	Distribution of education publication	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 Z Trading Company Limited</u>		
G S-one Company Limited	Currently inactive	100%
GMM Z Company Limited	Providing of satellite television network	100%

Company	Business Type	% Holding by the Company (As at December 31 st , 2016)
<u>Subsidiary held by GMM Channel Trading Company Limited</u> GMM Channel Company Limited (Formerly known as "GMM SD Digital TV Company Limited")	Production of television programs and digital on-air	100%

B) Associated Companies

<u>Associated companies held by the Company</u> Family Know-how Company Limited	Production of television programs and publishing media	50%
Lucks (666) Satellite Co., Ltd.	Currently inactive	25%
<u>Associated company held by GMM Media Public Company Limited</u> Scenario Company Limited	Production of television programs and plays	25%
<u>Associated companies held by GDH559 Company Limited</u> Siengdee Thaweesuk Co., Ltd.	Provider of recording movie sound and movie advertisement, produce sound and music for movie	45%
The Secret Farm Company Limited	Design and post production of advertising media	35%
Ngandee Thaweesuk Company Limited	Provision of public relation and organizer	40%
Good Thing Happen Company Limited (Another 0.6% held by associates - Na Dao Bangkok Company Limited)	Media advertising, public relations consultancy and marketing organizer	19%
Na Dao Bangkok Company Limited	Films production and talent agency services	30%
Sawasdee Thaweesuk Company Limited	Production post and design of advertising media and films and public relations for films	25%
<u>Joint Venture held by the Company</u> The One Enterprise Company Limited	Production of television programs on digital TV	51%



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. - Miss 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 an authorized director of Geurt Fah Company Limited - Miss Suwimon Chungjotikapisit, a director of the Company, is also an authorized director of Geurt Fah Company Limited.
Methee 1 Company Limited	Produces and directs theatrical plays on radio, television. Produces magnetic picture and sound recordings.	<ul style="list-style-type: none"> - Mr. Takonkiet Viravan, is an authorized director of the Company's subsidiary, is also a major shareholder (99.95%) of Methee 1 Company Limited.
A - Time Traveler Company Limited	Creative Travel Agency provides domestic and international travel	<ul style="list-style-type: none"> - Mrs. Saithip Montrikul na Audhaya, a director of the Company, is also an authorized director of A-Time Traveler Company Limited. - Miss Suwimol Chungjotikapisit, a director of the Company, is also an authorized director of A-Time Traveler Company Limited.
Weerawong, Chinnavat & Peangpanor Company Limited	Thailand's Leading Law Firm	<ul style="list-style-type: none"> - Mrs. Veeranuch Thammavaranucupt a director of the Company, is also a partnering lawyer and authorized director of Weerawong, Chinnavat & Peangpanor Company Limited
Suea Tid Peak Krub Company Limited	Production of television programs	<ul style="list-style-type: none"> - Miss Suwimon Chungjotikapisit, a director of the Company, is also an authorized director of Suea Tid Peak Krub Company Limited.
Me Miti Company Limited	Production of television programs	<ul style="list-style-type: none"> - Miss Boosaba Daorueng, a director of the Company, is also an authorized director of Me Miti Company Limited.

2. Characteristics of Connected Transactions

The Company operates the fully-integrate entertainment businesses, such as music business, digital terrestrial TV business, media business, etc. Many of the Company's subsidiaries operate a variety of media businesses to support the core business. Therefore, there are many connected transactions between the Company and its subsidiaries, as well as with the Group, associated companies and related companies with common directors.

Connected transactions can be divided into 2 major categories, as follows:

- Transactions which are the normal course of business consists of revenue from the sale of music products and copyrights, production and distribution of motion pictures, advertising fees, public relations and sales promotions, profit sharing from CDs VCDs DVDs sales, studio rental fees, artist management fees, production fees, rental of radio stations, event organization fees, etc.
- Transactions which are not the normal course of business such as rental of office space, loans to subsidiaries, shared administrative management fees, professional fees and purchase of assets which are not related to the Company's normal course of business.

3. Measures or procedures on approval of connected transaction

By virtue of Section 89/12 of the Securities and Exchange Act B.E. 2551 (No.4) which states that a director, executive or related person can enter into the transaction with the Company or its subsidiary only under approval by the meeting except for commercial transaction with terms as those an ordinary person would agree with any unrelated counter party under similar circumstances and/or criteria which has already been approved by the Board of Directors. In the Board of Directors' Meeting No. 1/2011, held on February 25, 2011, assembly passed its resolution to approve agreement and conditions of commercial transaction with related person. In addition, the Company has determined the Corporate Authorization Index (CAI) No. 1/2555 regarding the execution of connected transaction to be in compliance with the notifications of the Stock Exchange of Thailand.

4. Policy or Trend of Future Connected Transactions

The Company, on regular basis, enters into transactions which is considered as normal course of business operation or business supporting such as advertisement, publicity, sales promotion, distribution of copyrights, recording commission, studio service, artist management, hire of work, radio station rental, concert hosting service, activity hosting, production of video clips, production of stage play, lights and sound equipment rental. It is Company's determination that the future connected transactions will be executed as a normal commercial business, by taking into account the highest benefit of the Company.

The connected transaction which is not considered as normal business course, which may occur in the future such as grant of loan to the subsidiaries, central management expense and profession service fee, acquisition-disposal of assets irrelevant to normal business transaction or the price and commercial terms are not in compliance with general markets, must be reviewed and approved by the resolution of Board of Directors. In addition, the meeting requires Audit Committee's attendance to ensure the fair execution of connected transaction and appropriate pricing policy. The directors of interest will be waived the right to vote for such transaction. The Company at its best effort, will execute such connected transaction to be in compliance with notifications of the Security Exchange Commission and the Stock Exchange of Thailand, regulations on disclosure of connected transactions and acquisition and disposal of assets of the Company and its subsidiaries, as well as the accounting standards stipulated by the Federation of Accounting Professions.

Connected transactions between the Group and Related Companies with Common Directors, which are the normal course of business

Parties that may have conflicts of interest	Parties that may have conflicts of interest 1) Hou Yuu Company Limited (Operates a Japanese restaurant) 2) Geurt Fah Company Limited (Property rental and related services) 3) Methee 1 Company Limited (Produces and directs stage plays) 4) Suea Tid Peak Krub Company Limited (Production of TV programs) 5) A - Time Traveler Company Limited (Creative Travel Agency) 6) Me Miti Company Limited (Production of TV programs)	Relationship shown in 1. C) Relationship shown in 1. C) Relationship shown in 1. C) Relationship shown in 1. C) Relationship shown in 1. C)
Types of Transaction	1) Revenue from producing contents 2) Revenue from management fees and other services	
Total Consideration	14.09 million Baht, with reference to price setting based on mutual agreement (comprising the Company's service expenses of 0.09 million Baht and subsidiaries' service expenses of 14.0 million Baht).	

Outstanding Accounts Payables	As at December 31 st , 2016, the amount is 4.11 million Baht. (comprising the Company's accounts payable of 3.75 million Baht and subsidiaries' accounts payable of 0.36 million Baht).
Opinion of the Audit Committee	Audit Committee has the opinion that the revenues derived as above is based on mutual agreement which refers to the market price and is according to the normal course of business. The Audit Committee agreed that such price setting is reasonable and fair.

Connected transactions between the Group and Related Companies with Common Directors, which are the normal course of business (Continued)

Types of Transaction	<ol style="list-style-type: none"> 1) Food expenses for entertainment and meetings 2) Utilities and parking fees 3) Creative and director fees 4) A domestic and international travel agent services 5) Advertising
Total Consideration	122.19 million Baht, with reference to price setting based on market prices, and contractual prices according to market , as well as prices based on mutual agreement. (comprising the Company's service expenses of 19.54 million Baht and subsidiaries' service expenses of 102.65 million Baht).
Outstanding Accounts Payables	As at December 31 st , 2016, the amount is 10.64 million Baht. (comprising the Company's accounts payable of 3.57 million Baht and subsidiaries' accounts payable of 7.07 million Baht).
Opinion of the Audit Committee	Referring to the executives and management of the Company consideration and review of the other expenses upon market price, including expenses related to creative hiring and travel service both domestic and international travel under contractual prices aligned to the market together with prices based on mutual agreement, such price setting is in accordance with the normal course of business and deemed reasonable. The Audit Committee has the opinion that the price setting is likely to be appropriate and reasonable, as agreed by the management.

Connected transactions between the Group and Associated Companies, which are the normal course of business

Parties that may have conflicts of interest	1) Scenario Company Limited (Production of television programs and plays)	Relationship shown in 1. B)
	2) Good Thing Happen Company Limited (Media advertising, public relations consultancy, and marketing organizer)	Relationship shown in 1. B)
	3) The Secret Farm Company Limited (Design and post production of advertising media)	Relationship shown in 1. B)
	4) Na Dao Bangkok Company Limited (Films production and talent agency services)	Relationship shown in 1. B)
	5) Family Knowhow Company Limited (Production of television programs and publishing media)	Relationship shown in 1. B)
	6) Ngandee Thaweesuk Company Limited (Provision of public relation and organizer)	Relationship shown in 1. B)
	7) Sawasdee Thaweesuk Company Limited (Production post and design of advertising media and films and public relations for films)	Relationship shown in 1. B)

Parties that may have conflicts of interest	8) Siengdee Thaweessuk Company Limited (Provider of recording movie sound and movie advertisement, produce sound and music for movie)	Relationship shown in 1. B)
	9) The One Enterprise Company Limited (Production of television programs on digital TV)	Relationship shown in 1. B)
Types of Transaction	1) Revenue from producing television programs that generate revenue from advertisement sales 2) Revenue from producing satellite television programs that generate revenue from channel management 3) Revenue from producing digital TV programs 4) Revenue from organizing concerts and staging theatrical performances 5) Revenue from artist management 6) Revenue from studio rental, event organization 7) Revenue from management and advisory fee	
Total Consideration	In the amount of 162.47 million baht, the price is based on mutual agreement with reference to a market price. (comprising the Company's revenue at 103.47 million baht, while 59.0 million baht goes to its subsidiaries)	
Outstanding Accounts Receivable	As of December 31 st , 2016 the amount is 54.27 million Baht (comprising the Company's receivables at 24.18 million Baht, and its subsidiaries' at 30.09 million Baht.)	
Opinion of the Audit Committee	Audit Committee has the opinion that the revenues derived as above is based on price setting according to mutual agreement which refers to the market price and is in accordance with the normal course of business. The Audit Committee agreed that such price setting is reasonable and fair.	

Connected transactions between the Group and Associated Companies, which are the normal course of business (Continued)

Types of Transaction	Service expenses, consisting of: 1) Cost of advertisement spots on television and sponsorship fees. 2) Share of copyrights from the sale of television programs such as dramas and drama soundtracks on 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 251.97 million Baht. The price depends on negotiations between the service recipient and service provider which refers to market price. (The Company's cost of services is 109.52 million Baht and 142.45 million Baht to its subsidiaries).	
Account payables and other payables	As of December 31 st , 2016, 32.22 million Baht (comprising the Company's trade creditors at 13.11 million Baht and its subsidiaries' at 19.11 million Baht).	
Opinion of the Audit Committee	The Audit Committee has the opinion that the service expenses as above are based on price setting according to mutual agreement which refers to market price. The Audit Committee agreed that such price setting is reasonable and fair.	

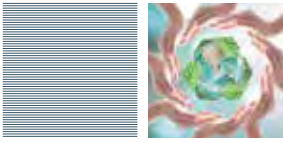
Connected transactions between the Company and its subsidiaries with directors

Parties that may have conflicts of interest	Directors in the Company and its subsidiaries who are skilled in composing music, serving as program hosts, directing and writing scripts.
Types of Transaction	The Group paid copyright fees, program host fees, director's fees and screenwriter's fees to these Directors.
Total Consideration	Amount of 2.34 million Baht. Prices are determined by the unit cost of products/goods sold at market prices. Prices also depend on the quality and services received. The final service fee will depend on negotiations between the companies receiving the services and service providers (comprising the Company's expenses totaled 1.13 million Baht and subsidiaries' expenses at 1.21 million Baht.)
Trade payables and other payables	As of December 31 st , 2016, 1 million Baht (The Company owed this entire amount)
Opinion of the Audit Committee	The Audit Committee has the opinion that song composing and other services provided by the directors who possess extensive expertise and experience in the business has benefited the Company. Audit Committee has the opinion that the fees charged to 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. Therefore, the Company has taken these factors into consideration in setting the preliminary price, but the final price depends on negotiations between the customer and service provider. The Audit Committee agreed that remuneration scheme by taking into consideration the scope, level of difficulty of the work, and the creativity to set the prices is reasonable and fair.



Connected transactions that are not the normal course of business between the Group and Related Companies with Common Directors

Lessee:	The Group
Lessor (Company or Individual that may of Conflicts of Interest)	Geurt Fah Company Limited
Relationship	<ol style="list-style-type: none"> 1. Mr. Paiboon Damrongchaitham is a director of the Company, is also an authorized director of Geurt Fah Company Limited. 2. Miss Suwimon Chungjotikapisit, a Director of the Company, is also an authorized director of Geurt Fah Company Limited.
Characteristic of connected transaction	The Group rents a 43 storey office building, located at 50 Asoke Road (Sukhumvit Soi 21), Khlongtoeinuea, Wattana, Bangkok from Geurt Fah Company Limited.
Size of rented space	Approximately 31,000 sq.m, accounting for 80% of total rental space.
Contract tenure	3 years (from May 1 st , 2016 to April 30 th , 2017), where the lessee can renew the lease another 3 times, for a period of 3 years each time.
Rental and service rates	Increased by 10.33 % from original rental and service rate of 503 Baht per sq.m per month to 555 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 2016	133.86 million Baht (The rental and service fees from the Company in the amount of 106.81 million Baht and subsidiaries in the amount of 27.05 million Baht).
Total consideration	Approximately 654.92 million Baht throughout the 3 year period (excluding VAT and related taxes).
Opinion of the Audit Committee	The Audit Committee has the opinion that the rental rate which the Company and subsidiaries paid to Geurt Fah Company Limited in the amount ranging between 555 - 615 Baht per sq.m per month is reasonable and fair. This rate is in the range of market rental rates, which currently runs between 550 - 620 Baht per sq.m per month, according to an appraisal report by Jones Lang LaSalle (Thailand) Limited, an independent appraiser on the SEC's approved lists.



Corporate Social Responsibilities (CSR)

Policy

The Board of Directors defined in the Company's business ethics for being norm of the Company to all stakeholders as the Corporate Governance and Business Ethics Policy and Manual (<http://www.gmmgrammy.com/cg-e-book/CG%20Manual%205-2556.pdf>) which is distributed through the various channels such as E-mail, the Group's intranet and the Company's website. Board of Directors has the policies and regulations about Ethics on Roles and Responsibilities towards Community, the Environment and the Society as follows:

1

Supporting CSR development through co-creation with all stakeholders by participating, inspiring and giving opportunities to other organizations to work together.

2

Supporting provision of knowledge and training for staff to instill conscience of responsibility toward the community, the environment and the society in employees at all levels and encourage employees to participate in activities arranged by the Company.

3

Having social participation by supporting and promoting activities which maintain good tradition and culture and behaving as a good religion follower by supporting religious activities consistently.

4

Participating in supporting activities relating to education, sporting capabilities, development of professional knowledge, for sustainable self-dependence.

5

Having social responsibility relating to public benefits, maintenance of the environment and development of the community as well as creative projects to promote and support better living of underprivileged, the elderly, children and youths.

6

Having social responsibility in different forms such as organizing campaigns against narcotics continuously, hence promotion and support of children and youths to stay away from narcotics, leading to a healthy community and narcotic-free society.

7

Holding various projects to assist and relieve misery of people who are in trouble in many ways.

8

Supporting the community surrounding the Company and other communities to be strong and self-dependent in a sustainable manner, give mutual help, have a good quality of life, be happy and live happily in harmony.

9

Campaigning and instilling in employees conscience of preservation and smart and efficient use of resources and energy.

10

Creating and supporting activities which are beneficial to maintenance, preservation and use of natural resources and energy on a consistent basis.

11

Not performing any acts which will impair the reputation of the country, natural resources and the environment.

12

Not cooperating with or support any persons or organizations conducting illegal business or being a threat to the society and national security.

13

Complying and monitoring to ensure strict compliance with relevant regulations and laws.

Operations and Report

The Group discloses information on corporate social responsibility in accordance with the Integrated CSR Reporting Framework, Version 2, set by Thaipat Institute and the Corporate Social Responsibility Guidelines prepared by the Working Group for the Promotion of Corporate Social Responsibility and Environment in Listed Companies.

Stakeholders

Stakeholders are the persons that involve with the Company in the value chain and should be treated with care following by their rights stated in relevant laws and regulations. The Company should not do any acts which can be regarded as violation of stakeholder rights and coordinate with them to create mutual prosperity, stability and sustainability. The Company separates stakeholders into 2 major groups as follows:

1. Primary Stakeholders such as shareholders, customers, suppliers, creditors, employees, etc.
2. Secondary Stakeholders such as regulatory agencies, government etc.

Stakeholders	Prospect	Activity/Channel of relationships in 2016
Shareholders Investors	<ul style="list-style-type: none"> • Return (dividends or stock dividends) and sustainable organizational growth • The Board of Directors have normative ethics 	<ul style="list-style-type: none"> • Organized Annual shareholder's meeting • Joined the activities of SET • Made press Release on the Company's investment or every significant business activities • Presented the Company's information and overall industrial condition to the domestic institutional investors • Organized site visit • Gave information and answered questions by E-mail, letter, phones

Stakeholders	Prospect	Activity/Channel of relationships in 2016
Business Partner	<ul style="list-style-type: none"> Financial strength Personnel's knowledge and expertise Fair and transparent business 	<ul style="list-style-type: none"> Meeting Company's visit Complaints filing and channels for submitting complaints, suggestions and recommendations
Analysts	<ul style="list-style-type: none"> Complete, correct and updated information used to analyze and recommend for investors 	<ul style="list-style-type: none"> Welcomed analysts who visit the Company to enquire about its operating results Organized site visit Made press release on the Company's investment or significant business activities Gave information and answered questions by E-mail, letter, phones
Customers Consumers	<ul style="list-style-type: none"> Good products and services delivered in time with fair price View TV programs and/ or radio programs with variety of news, information and entertainment Artists are role model for the society 	<ul style="list-style-type: none"> Assigned sale representative to visit customers' shop Organized meet and greet events for artist fan clubs Gave information, answered questions and gathered the claims via call center and sales
Competitors	<ul style="list-style-type: none"> Regulatory compliance among fair and moral competitions Non-infringement of intellectual property rights 	<ul style="list-style-type: none"> Met at business meetings on various occasions
Trade Partners	<ul style="list-style-type: none"> Fulfil obligations under the business contracts Fair trading practice 	<ul style="list-style-type: none"> Organized partner agreement discussion Organized business partner meetings with the executives Cooperated to organize social activities
Creditors	<ul style="list-style-type: none"> Fulfil the obligations under the loan contracts Receive the loan payment in time 	<ul style="list-style-type: none"> Organized meeting with banks and financial institution Welcomed bank to meet the executive Company's visit Invited creditors to join conference on business partnership
Employees	<ul style="list-style-type: none"> Compensation and privileges Promotion Seminars and trainings to develop employee skill Adequate facility, healthy and safety workplace 	<ul style="list-style-type: none"> Organized GMM Songkran festival with the executives Made merit in the Company anniversary Organized fire drill and first aid training Provided the channels and processes for any complaints Offered employees to attend seminars and trainings Monitored the operation of each business every month and learned from executive coaching Communication channels such as intranet, E-mail
Community	<ul style="list-style-type: none"> Transparent disclosure Safety and environmental preservation Corporate responsibility to improve quality of life 	<ul style="list-style-type: none"> Provided the channels and processes for any complaints Organized CSR activities such as "Music Therapy" to encourage prisoners to return to society with good deed every year Company's visit
Auditors	<ul style="list-style-type: none"> Fair compensation Complete and correct information 	<ul style="list-style-type: none"> Provided the meeting with the Audit Committee without the executives at least once a year Cooperated to give the information

Stakeholders	Prospect	Activity/Channel of relationships in 2016
Regulators Government	<ul style="list-style-type: none"> Compliance with laws and regulations Supporting the government projects 	<ul style="list-style-type: none"> Attended seminars and trainings Joined the event named “Thank You Thailand” under the concept of appreciating our country, “Tub Fah Khu Thai Puar Chaipattana”, etc.
Media	<ul style="list-style-type: none"> Transparent disclosure 	<ul style="list-style-type: none"> Made press release on the Company’s investment or significant business activities

Strategy for Sustainable Development

The Board of Director strongly believes in conducting business according to business ethics and good corporate governance principles alongside corporate social responsibility. This is carried by integrating with prospects of all stakeholders to define strategy for sustainable development for creating shared values between corporate and social which will create sustainable business growth.

The Group reinforces its role as a “content provider” covering television, radio, music, movies and showbiz. It is now ready to develop an online platform as a part of its “Total Media Solutions” strategy. In 2016, the company revised the management structure within each business segment in order to enhance its strength. For sustainable development, operating strategies include 3 aspects.

Economic

1. Branding by creating the relationship between business and customers with the impression, making customers feel happy and bound to the company.
2. Collaboration with domestic and international partners in order to expand contents to international markets including China, Korea, ASEAN and other countries.
3. Being the content provider and trendsetter in media industry, the Group targets to create high quality in terms of both commercial, art and culture in order to build up mutual benefit for both the corporate and society.
4. Presenting contents covering online, on-air and on-ground, especially focused online content.
5. Seeking investment opportunities to grow strongly and steadily.
6. Good corporate governance abide by business ethics includes transparent, fair and traceable operations to laws and regulations.

Social

1. Improving the quality of life of the communities and societies with attention, care and share.
2. Having social responsibility in organizing campaigns against narcotics continuously, hence promotion and support of children and youths to stay away from narcotics, leading to a healthy community and narcotic-free society.
3. Supporting and promoting activities which maintain good tradition and culture and behaving as a good religion follower by supporting religious activities consistently.
4. Holding various projects to assist and relieve misery of people who are in trouble in many ways.

Environment

1. Training, campaigning and instilling in employees conscience of preservation and smart and efficient use of resources and energy.
2. Creating and supporting activities which are beneficial to maintenance, preservation and use of natural resources and energy on a consistent basis.

The Group has conducted business according to business ethics and good corporate governance principles alongside with corporate social responsibility as follows:

1. Fair Business Operation

The Board of Directors has been adhering to the business operation under business ethics, related laws, standards and code of best practices as defined in the Corporate Governance and Business Ethics Manual and there are other actions as follows:

- 1.1 The Company has definite policies and practices on the treatments of all stakeholders as specified in the ethics of treatment of shareholders, ethics of treatment of customers and consumers, ethics of treatment of competitors, ethics of treatment of trading partners, ethics of treatment of creditors and ethics of treatment of employees, without a preference for any particular groups or persons.
- 1.2 The Company has definite operating procedures and practices for various matters such as purchasing and employment, with approval authorization powers clearly defined for respective matters so that operations can be carried out with transparency, justice and accountability.
- 1.3 Opening opportunity for all stakeholders to express their opinions for improvement of the Company's business operations at various occasions, such as annual general meetings of shareholders, business visits, press conferences, analyst meetings, etc.
- 1.4 The Board of Directors is committed to conduct business with integrity, transparency, fairness and equal treatment of all stakeholders and adopts a policy on confidentiality and treatment of insider information by instituting a code of ethics on confidentiality, protection of information and treatment of insider information.
- 1.5 The Board of Directors has a policy to respect intellectual property rights of other persons by not violating or supporting any acts which can be regarded as violation of intellectual property rights and copyrights of other persons, thus reflecting the Company's strong intention to conduct business with fairness and respect for and compliance with the laws relating to intellectual property rights, by instituting a code of Ethics on Intellectual Property and Copyright and the Company has a policy to promote the use of legal products by cooperating with state agencies and related private sector parties in a campaign against piracy titled Took, "Took Jai, Took Gohd Mai" (Cheap, Pleasing, Legal) to raise awareness of copyright protection among the public through various activities. The "Not Buy, Not Sell, Not Use Pirate Goods" slogan aims to encourage the public to be more aware of the intellectual property to help reduce the piracy problem in the long run.

The information technology was held to prevent software piracy, the rights to download software belongs to IT employees only.



- 1.6 The Group promotes free trade competition under fair play rules, not seeking confidential information of business competitors in a dishonest manner.
- 1.7 Treating trading partners equitably and fairly, not demanding or receiving any dishonest assets or benefits from trading partners, having definite operating procedures and purchasing committees responsible for the selection of trading partners and not cooperating with or supporting any persons or organizations engaged in illegal businesses or posing threats to society and national security.
- 1.8 Maintaining agreements and foster sustainable relationships with trading partners and contracting parties, adhering to trading conditions or agreements made with each other in a strict manner.

2. Anti-corruption

The Board of Directors adheres to transparent business operations under legal frameworks, principle of ethics and good corporate governance guidelines, supporting anti-corruption campaigns, with full awareness that corruption is detrimental to the development of the country's economic, social and national security systems as defined in the Corporate Governance and Business Ethics Manual.

The Company has supervisory measures in place to ensure that employees comply with anti-corruption policies and practices and provides channels where complaints and information on dishonest practices can be sent to the Audit Committee, which comprises independent directors, by posting and e-mail to auditcommittee@gmmgrammy.com, 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 2016, there were no reports or cases of fraudulent activities involving the Company and/or affiliated companies.

3. Respecting Human Right

The Board of Directors gives importance to respecting human right law and practice, as indicated in the Corporate Governance and Business Ethics Manual Re: Respect of Human Right Law and Practice. This could well signify the Board's commitment to conduct business in compliance with laws, while embracing human rights which are the basic rights ensuring that all human beings are born free and equal in dignity and rights without discrimination against birth, race, nationality, skin color, gender, religion, age, language, physical and health condition, personal status, economic and social status, social value, education or political opinion. The Board also promotes employees' awareness of their rights, duties and responsibilities to society and other fellows. In the past year, the Company treated all stakeholders equitably without discrimination as the policies and regulations about Ethics on Respecting Law and Human Right in the Corporate Governance and Business Ethics Manual, such as

- Among the Company's executives and employees are males and females, Buddhists, Christians and Muslims, who work together in a reconciliatory manner. Without discrimination, everyone has opportunity for promotion, based primarily on performance.
- As for receptions organized for employees and shareholders on various occasions, the Company places importance on the selection of foods for guests of all religions or vegetarians, at all times.
- The Company is not opposed to political expressions and exercises of rights under provisions of laws by employees at all levels.

4. Fair Treatment of Labor

The Board of Directors is conscious of the value of every employee as given in the policies and practices in the ethics on Treatment of Employees in the Corporate Governance and Business Ethics Manual.

In 2016, the Group organized welfare-related activities on personnel promotion and development in various areas, as follows:

- 4.1 Annual health check-up was arranged for employees with health examination choices suitable to the age of each employee and special health examination at discount prices at the Company's premises and provisions. The Company also encourage members of the employees' families to have special health examinations with discount prices.
- 4.2 Employee welfare in various forms, such as medical expenses (inpatient, outpatients, dental care, optical care), treatment room service, life insurance and group accident insurance, financial assistance and other welfare (financial assistance in case of the death of employees and the death of their parents, children or spouses under law; employee's marriage, employee's ordination, etc.).
- 4.3 Providing housing loan sources with special interest rates and benefits in other transactions with banks for employees.
- 4.4 Supporting and providing knowledge to employees on financial investment, tax management and savings for the future, by inviting experts from financial institutions to lecture on investment in interesting funds that have tax benefits such as Provident Funds.
- 4.5 Arranged and dispatched its employees to attend of 42 courses (522 hours) conducted by various institutions, focusing on managerial, professional and team-working skill development. The company's training course is divided into 2 parts;
 - The back office staffs were trained by several training courses. The training average hours are 3.7 hours/person/year.
 - The front office staffs, were trained in term of on the job training individually. The supervisor guide, teach and pass on knowledge and techniques to the staffs directly. This has more advantage than attending training course as they can practice, understand the process and solve the problems in real situation, but the training hours could not be recorded evidently.
- 4.6 Encouraging employees to participate in an array of activities regularly arranged by the Group such as GMM Songkran Celebration, Meditation Class, Corporate Anniversary Charity.



- 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 Board of Directors.

Besides, the Company has provided other assistance to the employees when needed, for instance, the Company decided to grant subsidy and accommodation at work during the previous heavy flood.

The Board of Directors has realized about safety and health at workplace as stated in Ethics on Workplace Safety and Health Policy to provide a safe and hygienic working atmosphere for management and employees.

In 2016, the Company took measures to ensure safety and health as follows:

- 1) Spraying insecticide at the office every month to prevent the build up of dirt, contagion insects.
- 2) Organizing First Aid Training courses by Samitivej Hospital.
- 3) Organizing training courses on fire drill and first aid for staffs who trapped in the building on a yearly basis at Head Office at GMM Grammy Place.
- 4) Organized seminar on Self-protection to stay away from office syndrome by PK physical therapists so that employee gained knowledge on preliminary self-care against disease and first-line handling of illness related to work i.e. fatigue and pain on neck, shoulder, arm and back.

With commitment to the safety and health of employees, in 2016, the Company did not have any report on injury or illness as a result of work.



5. Responsibility to Customers and Consumers

The Board of Directors is committed to create and produce all media and entertainment forms to bring satisfaction for customers continuously, provide distribution channels for all groups of customers to access goods and services at sufficient quantities and fair prices, as given in the policies and practices on customers and consumers in the ethics on treatment of customers and consumers in the Corporate Governance and Business Ethics Manual.

The Company is committed to the distribution of quality goods and services to customers by:

- 5.1 Disclosing detailed information of goods and services. The goods are not hazardous to consumers and can be returned in case of defects or failed behind the information on the label and advertisement, or they can be returned under normal commercial conditions of certain types of business. There are multiple channels for the changes or the returns of goods, depending on the characteristics of the distribution. Following are examples of the changes or returns of goods in the past by the Company.

- Returns of concert tickets which was cancelled by the Company, the audiences were informed in advance through various channel and allowed to return the ticket at the 13 main counters of Thaiticketmajor, or Call Center (662) 262 3456 or GMM Live at GMM Grammy Place, Asoke, call (662) 669 8846.
- Set-top boxes of GMM Z Trading Co., Ltd. can be changed within 1-year warranty conditions, new set-top box would be delivered to the customers free of charge within 15 days of the date of change agreement.

Customers may contact sale agent shops for change or directly return the boxes to GMM Z Trading Co., Ltd. Via Post Box 88, Phra Khanong, Bangkok, while wholesale customers have to contact sales representatives.

- Change of damaged CDs, VCDs or DVDs of Imagine shops, the Company's retail shops, can be made in seven days, with the shop's receipt being presented.
- Return of damaged or outdated CDs, VCDs, or DVDs, in case of wholesale, can be made through the Company's sales representatives under the agreement made between the customers and the Company.
- Change or return of goods of GMM CJ O Shopping Co., Ltd. can be made under the condition and time period for each product on a case by case basis such as errors in delivery, losses during delivery, change of color or size (for fashion goods). The Company is responsible for the delivery cost in case of change if the error is made by the Company. In case of the change of color or size is made by the request of the customer, the delivery cost shall be borne by the customer. The customer may call for information or request to return goods at (662) 817 9988 or e-mail care@gcj.co.th.

5.2 The Group is committed to develop goods and services of all categories, aiming to access every customer and bring about customer satisfaction by offering quality goods and service on a continued basis.

5.3 Considering the importance of the safety of employees, the Company takes measures to deal with violence activities. For example, for concert shows, the Company has plans in place and rehearses all staffs to brace for violence that may occur, such as deployment of staff to take care of the audience and escort them to safe places in case of a violent incident. Insurance is also bought to cover such activities.

5.4 The Group has a record of customers database and customer category in order to give discounts, privileges or offers sales promotion activities. The Company has a security system to protect the database. No information can be shared with others without consent of the customer.

5.5 With diverse businesses and customer databases, the Group has set up a call center to provide advices and information, answers, receiving complaints and solving problems for customers and interest parties. Customers can call the Group's call center at (662) 669 9000 and directly call each business's call center such as the call center for set-top boxes of GMM Z at 1629 and the call center of A-Time Media Co., Ltd. At (662) 669 9500. Besides, the Group has other communications channels such as e-mail and post, as may be deemed convenient to the customers.

5.6 With commitment to the development of goods and services, the Company does not only consider the profits but also responsibility to society and environment. Therefore, the Company introduce its professionalism to help solving social problems or social development to create economic and social values, such as:

- Bring back smile with "O hug love health" campaign, with donation based on customer purchase of O Shopping products given to Psychiatric Hospital at Loei province, along with the necessities including sweater and jacket, sporting equipment are provided to Ban Nonghin School in Loei and Ban Nong Ta Phaeng, Tha Ma Ka, Kanchanaburi province.
- Well-known songs in honor of His Majesty the King such as "Ton Mai Khong Phor" (Tree of the Father), "Khong Khwan Jak Kon Din" (Gift from the Soil), "Roop Thi Mee Yoo Thuk Baan" (The Photo Belonging to Every House), "Phra Racha Phu Songtham" (The Virtuous King) special songs in order to express our loyalty for the royal institution, upon the occasion of The 70th Anniversary Celebrations of His Majesty's Accession to the Throne, the company also released "Hetpon Kaung Por (The Reason of Our Father)" special song.
- Songs to create willpower, give spirit and positive attitude, leading life from the past until present, such as "Tham Dee Dai Dee" (Do Good, Receive Good), "Phalang Namjai Thai" (Power of Thai Spirit), "Cheewit Pen Khong Rao" (Life is Ours), "Saeng Sud Thai" (The Last Light) and "Rua Lek Khwan Ok Jak Fang" (Small Boats Should Leave the Shore), "Dharmajati" (The Natural), and "Rot Fai Kabuan Haeng Kwahm Fun" (Train of Dreams).

- Preserving traditional Thai country music. As one of Thailand's cultural heritages, the Thai Country music has unique characteristics, including the pronunciation and the way of use of language. Thai traditional country songs reflect Thai lifestyle, beliefs and society, which all contribute to the country's heritage. We elaborately composed quality Thai country songs, with touching lyrics and symphonic melodies and those songs have become timelessly renowned, for instance Nak Rong Baan Nok, Rak Khon Tro Ma, Tong Mee Sak Wan, Palangnan Jon, Kor Jai thur Laek Ber Tro, etc.
- Radio station, Green Wave F.M. 106.5 , owned by A-Time Media Company Limite, is a radio station which is the first and only station in Thailand focuses on environmental conscience. Green Wave also plays music which appeals to every generation and enjoys the longest popularity, focusing on reporting social and environmental information. It also campaigns for a healthy and green Earth. Green Wave organizes these activities by inviting listeners to do good deeds together, helping, and giving back to the community, like donating blood giving, unneeded items to be reused, providing public relations campaigns to raise funds for the sick, poor, and unfortunate and taking care of the environment as well.
- To Be Number 1 Project (as detailed in "The Anti-drug project").
- Programs on digital TV channels. Apart from dramas, variety shows, sitcoms, and game shows, they also offer news and documentaries which accounted not less than 25% for example: News content - Khao Chao, Khao Thiang, Khao Yen, Khao Kluk Kao, The Weekly Summary; News in ONE Channel i.g, Tuen Dtae Chao, Thiang Raiwan, Khao Rob Wan, Khaoden Lakorn Dung, Khao Rob Duek, Khao Nai Phra Racha Sam Nak, Dern Na Pra Ted Thai, H.M. King Bhumibol's Philosophy to Sustainable Developmet; Dhama content - Wannee Mee Dham, Tuen Pai Dham, Dham Ma Ha Kin; other informative contents - Fang Pleng Kao Lao Kwam Lung, Jab Ton Chon Plai, Pen Rueng, Arn Kao Sen, Loukgolf's English Room, Doctor Smith, Dream Up, Health Check, Healthy Workshop, Plan your money, Money No Stress, Hard Topic, Business Model, CEO Talk.

6. Environment Conservation

Considering the importance of environment protection, especially energy conservation (which will be discussed under Innovations and the Dissemination of Innovations in Corporate Social Responsibility Operations), the campaign and creation of awareness among employees in energy conservation and the wise and efficient use of resources and energy has been applied. The Board also creates useful activities for environment protection and supports the use of resources, environment and energy on a continued basis, where all employees are duty-bound to prevent the property under their care from degradation, loss or damage, as well as efficient use of other resources of the Company and the country. The Company has prepared guidelines for management and campaigns in various forms, with emphasis on the use of energy as necessary to reduce the waste of resources.

In 2016, the group creates and supports useful activities to the conservation of natural resources/environment such as organized Green Office guideline activity and project of changing 62 photocopiers. These photocopiers are 100% Toner Efficiency system which can save energy, reduce expenses and contamination. By using 100% toner efficiency system or recycling toner system 100%, there'll be no waste toner from copying. However, users need to input control codes before printing due to their energy saving system. No more wasting paper because these photocopiers allowed canceling a print job without reprinting. Furthermore, The Group also provides new smoking area in order to improve good environment and employees health.

7. Community and Social Development

During the past years, the Group had important roles on social responsibility and environment, with key persons in various areas taking part in activities as operators, organizers or supporters, aiming to enable communities to be self dependent, help each other, have good quality of life and live together with happiness continuously. In 2016, the Group's major projects on community and social responsibility were as follows:

Ceremony in paying homage and express condolences over the passing of the late King Bhumibol Adulyadej

Mr. Paiboon Damrongchaitham, Chairman of GMM Grammy Public Company Limited, led the executives, artists, actors, and staff in paying homage and express condolences in front of the portrait of the late King Bhumibol Adulyadej at GMM Grammy place.



Ceremony in expressing condolences over the passing of the late King Bhumibol Adulyadej, King Chulalongkorn Memorial Hospital.

King Chulalongkorn Memorial Hospital held the ceremony in expressing condolences for the passing of the late King Bhumibol Adulyadej at King Rama VI Monument court, Lumpini Park. With the participation of the executives of Thai Red Cross, King Chulalongkorn Memorial Hospital and Faculty of Medicine, Chulalongkorn University, College of Nursing, as well as over 5,000 of doctors, nurses, medical students, staff, publics, the artists from GMM Grammy Public Company Limited - (Eak) Thanachot Kusumrotnanan and (Ying) Linpita Jindapu, they cooperated with King Chulalongkorn Memorial Hospital in forming a shape of Thai number “9” and Red Cross sign and lighted the candle in paying homage to the portrait of the late King Bhumibol Adulyadej.



General Tanasak Patimapragorn, Deputy Prime Minister was the president with the participation of Grammy's artists in “All artists united for expressing condolences over the passing of the late King Bhumibol Adulyadej” which was held at Thailand Cultural Centre by the Ministry of Culture.



Grammy's artists participated in the memorable event - "The Commemoration of His Majesty the late King Bhumibol's royal grace and legacy 5 December 2016" held by Tourism Authority of Thailand (TAT) at Bhumibol Royal Bridge

Volunteer works: Grammy's artists distributed free food and necessities to the mourners who paid homage and expressed their condolences in front of the royal urn of His Majesty the late King Bhumibol.



Volunteer work at Sanam Luang

Mai Charoenpura, Grammy's artist, distributed free food and refreshment to the mourners who expressed their condolences over the passing of the late King Bhumibol Adulyadej at Sanam Luang.



Volunteer work: "Royal Kindness Project"

(Ploychompoo) Jannine Parawie, (Noom Kala) Noppasin Sangsuwan, (Getsunova's Name) Prakarn Raiva participated in "Royal Kindness Project" of National Council on Social Welfare of Thailand in distributing free food for the mourners who expressed their condolences over the passing of the late King Bhumibol Adulyadej at Sanam Luang.

Volunteer work: "Paddy Packaging: Sustainable Paddy" at the Government House

(Palapon) Thodchapon Ponkongseng, (Paowalee) Pornpimon Feungfoong participated in "Paddy Packaging: Sustainable Paddy" which was organized by the Prime Minister's Office. Bags of sufficiency paddy were given away to the mourners coming to pay homage in front of the royal urn as the memorial of His Majesty the late King Bhumibol Adulyadej's royal grace and sufficiency economy legacy, given as the guidance for sustainable good living of all Thai people, at the Prime Minister's Office.



Volunteer work: Princess Pa Foundation

The volunteers Earnkwan Waranya and the Prada cooperated with Princess Pa Foundation and Thai Red Cross Office in food packaging and distribution to the mourners coming to pay homage in front of the royal urn of His Majesty the late King Bhumibol Adulyadej at Princess Pa Foundation's booth in Sanam Luang area.



Volunteer work: “I was born in the reign of King Rama IX.” t-shirt screen printing

Peacemaker’s Boy and Justin Pong-amphai participated in free “I was born in the reign of King Rama IX.” t-shirt screen printing in commemoration of His Majesty the late King Bhumibol Adulyadej’s royal grace which was overwhelmingly welcomed by many interested participants.



Kathin ceremony as the tribute to King Rama IX

A-Time media Co., Ltd. and GMM Channel Co., Ltd. by (Chod) Ms. Saithip Montrikul Na Ayuddhaya and (Es) Worrarit Waijjaranai in cooperation with staff and the executives of both companies hosted Kathin ceremony in patronizing Buddhism at Ang Thong Temple, Amphoe Nakorn Luang and Chai Temple, Amphoe Maharat, Phra Nakhon Si Ayutthaya. The contribution was used for the restoration of religious places. It was also the tribute to the commemoration and remembrance of the royal grace of the late King Bhumibol Adulyadej.



Volunteer work: at To Be Number One’s booth

Grammy’s artists participated in free food and necessities distribution to the mourners coming to pay homage in front of the royal urn of His Majesty the late King Bhumibol Adulyadej at To Be Number One’s booth in Sanam Luang area.



GMM25 sent 10,000 bottles of water to Peacekeeping Operation Centers located around the Royal Palace for general purposes and for distribution to the mourners queuing up awaiting to pay homage to the late King Bhumibol Adulyadej on 21 December 2016 at Peacekeeping Operation Centers (Sanam Lung).



Volunteer work: Channel One distributed refreshing towels, inhalants, refreshment, snacks to the mourners at Sanam Luang.

King Bhumibol Adulyadej Commemoration Projects.



The artists of GMM Grammy Co., Ltd. performed at the 10th “**Air Force Concert for Chaipattana**” in expressing the loyalty and commendation to the late His Majesty the King and to dedicate the contribution in supporting His Majesty the King’s Chaipattana Foundation on June 2016.



The artists of GMM Grammy Co., Ltd. performed at the 10th “**Love Music Love Nation: You’re the Happiness**” concert by General Prem Tinsulanonda Foundation and the Royal Army Orchestra with the aim to raise the fund in supporting the foundation on September 2016.



The artists of GMM Grammy Co., Ltd. performed at the 43rd Red Cross Concert in commendation His Majesty the King and Her Majesty the Queen. All contribution without charge was presented to the charity fund started by the King in supporting Thai Red Cross on June 2016.



The Celebrations events for His Majesty the King, Her Majesty the Queen, and Her Royal Highness Princess Maha Chakri Sirindhorn

The artists of GMM Grammy Co., Ltd. participated in special celebration “To the Throne To the Heart: Saijaithai Day” held on April 2016 to honor and felicitate to His Majesty the King on the celebration of the 70th anniversary of His Majesty the King's accession to the throne, to Her Majesty the Queen on the celebration on the auspicious occasion of Her Majesty the Queen's 7th cycle birthday anniversary, and birthday celebration for Her Royal Highness Princess Maha Chakri Sirindhorn.



The Celebrations events for His Royal Highness Crown Prince Maha Vajiralongkorn

On the auspicious occasion of the 64th birthday of His Royal Highness Crown Prince Maha Vajiralongkorn, Kanchanabaramee Foundation organized “**64th birthday anniversary of H.R.H Crown Prince Vajiralongkorn**” on July 2016 in honoring and commemorating His Royal Highness' grace toward disadvantaged people and to educate the publics on cancer prevention and control as a charity. GMM Grammy Co., Ltd. and the artists participated in the celebration to show their loyalty with overwhelming grateful heart.

Blood Donation Project

The Company has regularly held a ‘**blood donation**’ activity with Thai Red Cross Society to offer a chance to the Company's executives, employees, artists, organizations and hereby communities and interested persons, to join this great giving activity every 3 months since 2005. In 2016, total number of blood donors was 732 units.



* Blood Donation Project: a Tribute for King Bhumibol



To celebrate Valentine's Day, the Green Wave FM 106.5 radio station and GMM25 organized “25 events doing good deeds for our beloved His Majesty the late King Bhumibol Adulyadej” encouraged people to join by giving away their blood at the Thai Red Cross Society’s National Blood Center; 1,440 unit donated blood, while 22, 32 and 40 people registered for becoming donors of eyes, organs and stem cell volunteers, respectively.

Anti- Drugs and Addictive Substances Project

Today, the spread of illegal drugs is becoming a national problem or even a global. The situation is getting more serious as time goes by and results in additional problems as knock-on effects. For example, crime, theft, and family problems - all of which impact economic and social stability. To solve these problems, cooperation from every party of society is required. It must be done systematically and continuously to fight against these issues and revitalize the affected groups.

Through the past years, the Group had followed and realized the key issues of surrounding illegal drugs. Therefore, they came into the role of campaigning; and supporting activities against illegal drugs of all kinds, by having the artists to be idols or role model for society - especially for at-risk youth and pooling energizing people to help address the issues. The “Just Say No Project” or “To be No. 1” Project are good examples to create a tide of opinion against illegal drugs, to imply to people that the expression of your potential in the correct way brings positive things in your life. Let them know that they can be number one without being dependent on illegal drugs. The project also consists of rehabilitation procedure “Whoever is addicted to drugs, raise your hand.” with aim to return better person to the society.

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 “World No Tobacco Day”, “World Drug Campaign”, “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 Princess Ubolratana Rajakanya and organized by Mental Health Department, Ministry of Public Health, by sending artists to join the concert shows with members of To Be Number One club.

The Music Therapy Project - To return better person to Society



Grammy Gold organized this project to encourage good people to return to society by using musical artists to encourage and raise awareness to help former inmates so they can have normal lives when they return to society and not get back to jail. Since 2012, similar activities have been arranged at prisons in several provinces, such as Sisaket, Nakhon Ratchasima, Ubon Ratchathani and Buriram. In 2016, the activity was held at the 114-year-old Phuket Prison, which holds approximately 3,000 inmates. Artists, including Earn Surattikarn, Pai Pongsatorn, Siriporn Umpaipong and Go Kai, entertained the attending inmates with music, singing and other recreation activities.

As a result of striving to campaign and support activities to fight illegal drugs of all kinds, the Group has earned variety of awards from many different organizations. (See in “Awards in 2016”).

Projects for Child and Youth

GMM Grammy Co., Ltd. supports the development of child and youth, who are the national power, to have good thoughts and attitudes toward themselves, people around them, and public, e.g. Gift for You project on National Children’s Day, food and support for disadvantaged children, and activities on National Youth’s Day etc.

Food support and donations to hill tribe children at Don Chan Temple School, Chiang Mai.



Walking campaign “Power of Youth for Society” and “Power of Youth Court” on 2016 National Youth Day organized by Development Promotion for Child and Youth Division, Department of Children and Youth, Ministry of Social Development and Human Security.



2016 Youth Day organized by Development Promotion and Welfare for Child, Youth and Family Division, Department of Children and Youth, Ministry of Social Development and Human Security.

Financial support for the youth small puppetry club - “Nataya Burapha” as Thai’s representative in the WORLD PUPPET CARNIVAL 2016 in Poland.



Greenwave 106.5 FM. and Green Charity-Greenwave's 25th year project organized the first project "Lunch Box" to raise the fund in distributing hygienic lunch containers to the students, who can't even afford one, in isolated schools.



Green Rain Coat" Green Charity - Greenwave's 25th year project encouraged Thai people in the donation to buy rain coats for needy children nationwide.

Lumyong Nonghinhao organized "Dancing Coyote for Community" to repay the community and give a chance for the academic poor children, and children with singing talent to win the award in this singing competition. In addition, sport equipment and school necessities were also provided for each school.



The projects for traditional and cultural support and practice of good Buddhism

The Group support and encourage continuing traditional cultural and good practice of Buddhism (Receiving awards for supporting the Religious Art and Culture shown as "Awards in 2016"), for example

- "Merit Making Ceremony giving alms to 9 temples" for employees and managers to make merit together by giving alms to monks to create auspiciousness and luck on New Year's Day and is to be held annually.





- Organizing an event “GMM Songkran Rejoice!” annually to have the employees preserve and continue the tradition of “Rod Nam Dam Hua” to enable employees’ chance to meet and be blessed by senior management.
- Organizing the meditation class for employees to practice.
- Organizing an event allowed the employees to listen to sermon and practice meditation along with pray for His Majesty The King by Phra khu Palad Mongkolwat.
- Organizing Wai Kru Ceremony (Teacher Appreciation Day) every year. The company invited executives, employees, and artists wearing white clothes for attending Wai Kru Ceremony. This ceremony is considered as maintaining Thai cultural heritage, also shows respect and gratitude to the teachers which is a distinctive tradition worth preserving.
- Grammy Gold organized the fourth annual “Parade Circulating Goodness” held at Klong Toei Nok Temple presented by Tai Orathai, Powali Pornpimon, San Naga, David Intee, Don Phalakul, Urnkhawan Woranna, James Chinakrij, etc. The actresses promoted Thai traditional outfits by wearing a Thai sarong or Thai silk together with drum parade from Thai Prasitsart School and fan club also joined to make merit, bring candles and money for temple maintenance, a total of 199 fishes were also released.

Projects in promoting good quality of life in society

Projects in promoting good quality of life in society were the cooperation of GMM Grammy Co., Ltd., government sectors, and other sectors in supporting society with many advantageous activities in 2016, such as campaigns in Cancer Day, relief projects under the operation of Thai Red Cross, World Blood Donor Day, eye donation project for lifesaving, supportive activities for the disabled, public relation project, Mahidol flag of Siriraj Foundation on Mahidol Day in raising fund for poor patients, and the project of Ramathibodi hospital on facility development and medical equipment supply for poor patients etc.



On occasion of the 50th anniversary of the Red Cross' Eye Bank of Thailand, **Mr. Paiboon Damrongchaitham, President of the company**, had donated eyes to the Red Cross' Eye Bank of Thailand. As “**the honorary presenter of Thai Red Cross' eye donation**”, he persuaded people to participate in the project and took photo with Dech Boonnak, Administrative Assistant Secretary of Thai Red Cross, in making campaign promotion poster.

The Poppy campaign for fundraising in supporting War Veteran Family Assist Foundation under the Royal Patronage of His Majesty the King.



Cancer prevention campaign on World Cancer Day (4 February of every years) in cooperation with National Cancer Institute of Thailand, Department of Medical Services, Ministry of Public Health.



“Ministry of Social Development and Human Securities for all families” campaign in stopping the abandonment in society.

“Road to the star” project organized by the Department for Empowerment of Persons with Disabilities, Ministry of Social Development and Human Securities in encouraging and providing chance to blind singers.



2016 Red Cross Fair by Thai Red Cross.



Cooperative activities with Thai Red Cross National Blood Centre, e.g. World Blood Donor Day, blood donation campaign on the celebration of the 84th birthday of Her Majesty Queen Sirikit, and ticket sales campaign for the 16th charity walk for health etc.



Mahidol flag sales campaign for poor patients organized by Siriraj Foundation.



"The 6th Volunteer Power" campaign for fundraising in supporting Chakri Naruebodindra Medical Institute, Faculty of Medicine, Ramathibodi Hospital, Mahidol University.

Contribution to the construction of the building to celebrate the 60th birthday of Her Royal Highness Princess Maha Chakri Sirindhorn and to "Her Royal Highness the Queen consort of King Rama IX Fund" for poor psychotherapy patients.



Donation campaign "Brooch of Ananda Mahidol Day" for fundraising presented to Her Majesty the Queen on the auspicious occasion of Her Majesty the Queen's 84th birthday and supporting "Ananda Mahidol Foundation" in helping sick monks, poor patients, and foundation for children.



Green Charity - Greenwave's 25th year project: "See with ears, Perceive with heart" was the volunteer activity in sharing multiple good storytelling for the blinds to listen to. Read For The Blind is a simple application which can be used with all mobile operation systems with the goal to acquire 1,000 volunteers within October.

"The 6th Music Therapy: Return Good People to Society" project at Amnat Charoen prison. Grammy Gold's artists from "Mun Muan Saeb 3" album led by Dok-Or Toongthong, Kanthong Tung-Ngern, Sorn Sinchai, Lumyong Nonghinhao, and Somboon Pakfai, visited prisons nationwide to entertain, sing, and play games to encourage the prisoners. It's warm welcomed and supported by Mr. Somboon Matpramoot, the Chief of Amnat Charoen prison. Dok-Or and Kanthong presented a Buddha figure to be placed at Amnat Charoen prison as the spiritual anchor of the staff and publics who came to the prison.



Greenwave 106.5 FM.'s Oxygen Running was the cooperative activity with Burabha Foundation. It's one of the activities under "25 activities in pursuit of His Majesty's footsteps" of Greenwave 106.5 FM. and GMM 25. It's the charity run for the establishment of the first Oxygen Bank of Thailand.



Grammy Gold led by Paowalee Pornpimol and her fellow label artists participated in the 24th "Remembrance of the passing of the queen of Thai country music: Pumpuang Duangchan" at Thap Kradan Temple in Suphan Buri.

Ramathibodi Foundation cooperated with Volunteer Music: "Giving is Limitless" project. The artists of GMM Grammy Co., Ltd. joined mini concert for patients and their family at Music Court, Somdech Phra Debarat Building, Ramathibodi hospital. They also randomly raised fund for Ramathibodi Foundation in supporting Chakri Naruebodindra Medical Institute's scholarship of Faculty of Medical, Ramathibodi hospital.



“Warm Up against the Cold” of “Tai Orathai” who collected tips from her performance and contribution from her fans to buy 1,000 blankets warmly given to children in 14 schools, elders, and people in Amphoe Dan Sai, Loei.



(Paowalee) Pornpimon and her fans contributed free meal and necessities to the elders at elder social welfare development center, Pathum Thani.



Pee Saderd participated in charity concert “Thai-Loas Music” to conserve the Mekong riverine traditions in respectfully housing Luang Pho Phra Sai at Wat Pho, Amphoe Mueng, Nong Khai on 16th April of every years. It’s the tradition of Nong Khai people which has been long practiced.

Mike Piromporn led volunteers for fundraising in supporting “Srinagarind Day” fund. They set up the donation in supporting the fund of Faculty of Medicine, Khon Kaen University for poor patients of Srinagarind hospital, Khon Kaen.



(Nang) Siriporn pleasingly offered free lunch to the elders and happily entertained them with live music at Baan Phrapradaeng for the Disabled and other necessities, such as adult diapers, fabric pants, tool and other necessities.



Satien Tummue visited his 3-stage cancer patient fan - Ms. Wanthana Ongsarm, who lived in Baan Phum Salon, Srisaket and wanted to meet with him once as her encouragement to fight with the disease.



Earnkwan Waranya was the volunteer in Love Hometown project by organizing big religious ceremony - Tod Phapa auspicious ceremony in supporting the education of Baan Pho Sawang Yang Chum School, Sakon Nakhon of which she's an alumni during kindergarten to the sixth grade.



GMM CJ O Shopping Co., Ltd. with over 50 staff entertained students from Baan Nong Ta Pang School, Khanchanaburi in cognitive activity "Pan Pan Hug" which they could bike around ancient city in Samut Prakan. It's a healthy relationship activity which shared opportunity to youths.



Happiness Day project contributed blankets and clothes at Mae Salong, Chiang Rai.



O hug for health project by O Shopping for psychotherapy patients at Loei Ratchanakharin psychiatric hospital, Loei and contributed warm clothes and various types of sport equipment to the students at Baan Nong Hin school and Baan Nong Ta Pang School, Amphoe Thamaga, Khanchanaburi.

O Shopping collaborated with coach **Choi Young Seok** (Thai national Taekwondo head coach) and **(View) Yaowapa Boorapolchai**, bronze medalist from Olympics in Athens continued O hug for health project with “Raising the Stars to Thai National Team”. There were many cooperation with volunteer groups from many departments in visiting mountain school at Baan Pang Daeng, Amphoe Chiang Dao, Chiang Mai. Warm clothes and deficient sport equipment were filled and good relationship with diverse tribal communities were made. The youths were inspired by the interest in Taekwondo with good cooperation from community, family, and teachers.



O Shopping has been focusing on the sustainability to emphasize on the main objective which is supporting good health in the people of all genders and ages by trying to create sustainability of the family. O Shopping believes that voluntary will of staff is expanding the power of community development to regional level with efficient growth in home shopping TV business.

Awards in 2016

Corporate Governance Report of Thai Listed Companies 2016

GMM Grammy Public Company Limited got the highest score, which is **excellent or 5 stars**, in **Corporate Governance Report of Thai Listed Companies 2016**, rating by Thai Institute of Directors (IOD).



Dr. Uttama Savanayana, Minister of Industry was the president and presented Distinguish Awards of **Thailand Corporate Excellence Awards 2016**, category **Corporate Management and Administration Excellence** to **Boosaba Daorueng**, Chief Executive Officer GMM Grammy with the participants, Visit Tantisunthorn and Prapawadee Maneein at Siam Kempinski Hotel Bangkok.



Police General Adul Saengsingkaew, Minister of Social Development and Human Security presented plaque of honor to GMM Grammy Co., Ltd. as the organization which supports the administrative strategy of Ministry of Social Development and Human Security.

GMM Grammy Co., Ltd. has received 2016 IP Champion award on Copyright of Big Business on Inauguration Day of the Department of Intellectual Property for the outstanding performance in implementing intellectual property in commercial benefits.



Artist award in 2016

GMM Grammy Co., Ltd. received plaque of honor from Her Royal Highness Princess Soamsavali for the constant participation and support to National Council on Social Welfare of Thailand under her royal patronage.



Warawut Poyim received National Outstanding Youth Award on Mass Media for Child and Youth's Social Problem Prevention organized by Department of Children and Youth, Ministry of Social Development and Human Security.

The artists from GMM Grammy Co., Ltd., i.e. (Peacemaker's Boy) Anuwat Sanguansakpakdee, (Tae) Teetach Janyasiriku, (Ying) Linpita Jindapu, and (Pu) Kittipong Pleumpreeda received award from the "7th Artist, Star, and Media for Thai Tobacco Free Society" held by Thai Health Professional Alliance Against Tobacco and Thai Health Promotion Foundation.

(Ploychompoo) Jannine Parawie and (Noona) Nuengthida Sophon were chosen from National Council on Social Welfare of Thailand to receive the honor award for 2016 Outstanding Filial Piety Award from Her Royal Highness Princess Soamsavali on Mother's Day 12 August 2016.





The artists of GMM Grammy Co., Ltd., comprising (Noom Kala) Yuthapong Sangsuwan, (Preaw) Kanitkul Netboot, (Ar) Arnutpol Sirichomsaeng, (Cherreen) Nutjaree Horvejkul, (Dew) Aroonpong Chaiwinit, and actors from Beauty and the Bitch series received Brooch of Ananda Mahidol from Her Royal Highness Princess Maha Chakri Sirindhorn as the “supporter” in the donation on 2016 “Brooch of Ananda Mahidol Day” for fundraising presented to Her Majesty Queen Sirikit on the auspicious occasion of Her Majesty the Queen’s 84th birthday anniversary.



(Noona) Nuengthida Sophon and Kangsom Tanatat Chaiat received a “Diamond in the Song” award by Office of Literature and History, Faculty of Fine Arts, Ministry of Culture in honoring people of music field for their Outstanding Use of Thai Language.

DJ Un - Puwanart Kunpalin was a representative of quality radio station - Greenwave 106.5 FM. in receiving Thailand Energy Awards 2016 on the Supporter of Energy Conservation and Alternative Energy, category mass media (radio) from Air Chief Marshal Prajin Juntong, Deputy Prime Ministry. It’s organized by Department of Alternative Energy Development and Efficiency, Ministry of Energy.



DJ Dada - Warinda Dumrongpol, DJ Art - Maruj Chunechomboon and DJ Bookko - Thanatchapun Buranacheewawilai from 94 EFM were awarded honorable “Role Model Child” in the 4th Honorable Award for People of the Country 2016 on the auspicious occasion of Her Majesty the Queen Sirikit’s 7th cycle birthday anniversary. His Serene Highness Prince Jirakom Kitiyakorn was the president and presented award at Chulabhorn Research Institute Convention Center.



DJ Beau - Thanakorn Chingul and DJ Joke - Kiettiyot Kietsoongsong from 94 EFM received honorable award from Doing Good Deeds Role Model Project under the Royal Prestige of Father of the Nation activity 2016. The 3rd “Thai Role Model” organized by Broadcaster and Journalist Assembly of Thailand [BJAT]. Major General His Serene Highness Prince Chulcherm Yugala was the president and presented award at Chulabhorn Research Institute Convention Center.



DJ Matoom - Techin Ploypetch from 94 EFM was awarded with plaque of honor from the 1st “Thai Diamond Award” 2016 on the Outstanding Entertainer in the 2nd “Nation Award” 2016. M.L. Panadda Diskul was the president at the conference room, Chulabhorn Research Institute Convention Center.

DJ Ong - Khemmarat Soontoranonda from 94 EFM and Wiwi - Sarunnnanut Phradukuyamdee, the actress from GMM25 channel were awarded as the ambassador on Asalha Puja Day and Buddhist Lent Day 2016 for their acts as role models for general Buddhists. Ms. Pimkarn Chaijitsakul, Deputy Director of Department of Religious Affairs was the president in the ceremony at the event plaza of Buddhism Week, 1st floor Imperial World Samrong on 8 July 2016.



Ms. Saithip Montreekul Na Ayuddhaya from GMM25 digital TV and A-Time Media radio, (Es) Worrarit Waijarnai - film production director GMM25 channel, and other GMM25 artists participated in the 7th Nattarach Award 2015 on 12 June 2016 at Navy Hall. They received awards in both television and radio categories. For television category, they received **The Best Series from Club Friday the Series 6** for two consecutive years. For radio category, **Greenwave 106.5 FM.** received the award for **The Best Entertaining Program** for seven consecutive years and **(DJ Put) Puttichai Kasetsin** from Chill FM. 89 also received **The Best Host for Entertainment Program**.



Ms. Saithip Montreekul Na Ayuddhaya, Chief Executive Officer GMM Channel Digital TV, GMM Channel Co., Ltd. (GMM25 Channel) won Women's Award on Mass Media on television category from the selection by Department of Women's Affairs and Family Development, Ministry of Social Development and Human Security on International Women's Day 2016.



"Club Friday To Be Continued: Friend Enemy" series on GMM25 Channel won Most Popular Series from Siam Dara Stars Awards 2016 on 30 June 2016 at Crystal Ballroom, Crystal Design Center. (Toy)

Patompong Reunchaidee also won New Rising Star Award and Rasmeekae Fahkeulon won Scene Stealer Award.

Ms. Saithip Montreekul Na Ayuddhaya and DJ Pee Aoy - Napaporn Traiwarekul won People Choice's Female Host Award on nationwide votes from Club Friday Show on GMM25 Channel from MAYA Awards 2016 on 30 August 2016 at the Auditorium, Thailand Cultural Centre.



(Kang) Worrakorn Siriorn won New Rising Star Award in 2015 from drama "Torfun and Marvin". (Cherreen) Nutjaree Horvejkul won TopFancy Award 2015 from "Ban Lang Mek". Khun Por and Pook Pan Thep won Top Talk About Drama while "Ban Lang Mek" won "Most Talked Drama" from MThai. 4 Po Dum won "The Best Television Program 2015" from Daradaily the great awards 5.



Pakpoom Punsathit won Mekhala Award 2016 on Best News Host Award from Association Reporter of Entertainment Thailand.



(Gun) Napat Injaiuea won People Choice's Actor Award from the 13th Komchadluek Award. **(Gam) Wichayanee Piaglin** won Best Female Artist from The guitar mag awards 2016 on the 13th Komchadluek Award.



Piyada Jutharattanakul won Best Actress from drama "Ban Lang Mek". **Chomchai Chatwilai** received an Honor Award for Television Crew from the 30th Television Golden Award.



(Kem) Lapussarada Chuaykua won Best Supporting Actress from drama "That woman named Boonrod" on the 13th Komchadluek Award.



(Pangpond) Akkarawut Mungkolsoot and **(Vivi) Sarunnanut Phradukuyamdee**, the artists from GMM25 Channel received award from the 5th Nyanasamvara Siam People 2016 on Monday 3 October 2016 at Chulabhorn Research Institute Convention Center, Lak Si, Bangkok.

Narakorn Tiayayond, the news host of One 31 Channel was awarded The excellent Use of Thai Language.





(Gam) Wichayanee Piaglin won Best Female Artist. (Gun) Napat Injaiuea won Best Male Artist. 4 Po Dum won Best Variety Show. (Tono) Phakin Khumwilaisak and (Son) Yuk Songpaisarn won Most Popular Award from Kazz Magazine.



Thakonkiet Weerawan was awarded Honorary Doctorate of Art (Performing Arts) from Bangkok University.

(Tono) Phakin Khumwilaisak and (Koy) Ratchawin Wongsiriya, main actor and actress from drama "Petchakard Doa Jon" were awarded Best of Piety of "The honorable people of 2016" from Daily News newspaper.



(Gig) Mayurin Pongputpan received the Royal Award on Dharma-Entertainment Award from Nine Entertainment Award 2016.



(Gybzy) Wanida Termthanaporn won Favorable Villian from drama Ruean Roi Rak from Siam Dara. (Tono) Phakin Khumwilaisak won Most Charming Man from Siam dara awards 2016.



Leng Sarangun, the champion from Suek Wan Duan Pleng received the plaque of honor - golden inscription.



Actors and the executives of One 31 Channel received the royal memento from Her Royal Highness Princess Maha Chakri Sirindhorn at the Royal Monument. Joh Jai won 2 awards; Best Anchor and Best Talk One 31 Channel, from the 7th Nattaratth Award.



(Noona) Nuengthida Sophon was awarded Best of Piety from Her Royal Highness Princess Soamsavali by National Council on Social Welfare of Thailand.



(Gun) Napat Injaiuea won People Choice's OST Award from Ban Lang Mek's Khon Mai Sum Khan. (Pond) Niphon Phewnen won People Choice's Drama Director from Maya Awards 2016.



The 26th Supannahong Awards is the main national film award in Thailand in 2016, held by The Federation of National Film Associations of Thailand at KBank Siam Pic-Ganesha, Siam Square One. FNFAT was supported by Ministry of culture, Ministry of Digital economy and Society and Electronic Transactions Development Agency (Public Organization). The 26th Supannahong Awards "7 decades of Thai film in 2016" which belongs to GMM Grammy 4 awards of 2 Films i.e., 1. A Gift film, category Best Original Song by Hualampong Riddim and Best Recording & Sound Mixing by Ekkarat Juengsanga and 2. Fanday, category Best Actress and Best Actor belongs to Nittha Jirayungyurn and Chantavit Dhanasevi.



(Zeenan) Kulatida Pringkasemchai won New Gen Awards from Daradaily.

8. Innovation and the Dissemination of Innovation through Corporate Social Responsibility

The Company cooperated with Geurt Fah Company Limited, the owner of GMM Grammy Place building, has joined a campaign on producing personnel for building energy conservation or Building Energy Awards of Thailand 2010 Project (BEAT 2010), aiming to instill awareness on energy conservation among the public, produce personnel on energy conservation as an important force for the country in the long run and encourage the general public to become aware of energy conservation from real examples of known buildings. As the detail of measures in the Company's annual registration statement (Form 56-1).

Company has received awards from the projects as follows:

1. **ESCO Project Award 2012**, No. 1, under the energy service company promotion project for the success in energy conservation through the use of ESCO system of the Institute of Industrial Energy, the Federation of Thai Industries and the Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy on January 17, 2012.
2. **The Ministry of Energy's BEAT Awards 2010** on innovation and creation of mass awareness on energy conservation on March 8, 2012.

Dissemination of innovation

The Company has disseminated innovation on energy conservation to the mass of people by

1. Publication of works in the book, "Join Forces to Conserve Building Energy," published by Energy Policy and Planning Office, Ministry of Energy.
2. Publication of works in Eworld Magazine, Issue 2013-02 of February 2013, under the topic, "GMM Grammy uniting all green building sciences for sustainable energy saving".
3. Sending representatives to join hands with the Federation of Thai Industries in giving lectures on the topic, "Break Energy Crisis by ESCO Service," in various regions such as Bangkok, Pattaya, Nakhon Ratchasima, Rayong, Phetchaburi, etc.
4. Sending representatives to give lectures on energy conservation technology transfer to graduate students on energy conservation at Thammasat University.
5. Welcoming interested parties from various sectors, including universities and business, to visit the Company's Energy Conservation Project in GMM Grammy Place Building, such as Airports of Thailand Public Company Limited, CP All Public Company Limited, PTT Public Company Limited, Energy Policy and Planning Office, Ministry of Energy, King Mongkut's University of Technology Thonburi, Thammasat University, Tesco Lotus Company Limited, Siam Paragon Department Stores, Bangkok Metro Public Company Limited, etc.

The Group is committed to the implementation of various activities on a continue basis for sustainable development of Thai society throughout the time.

Business Operations with Impacts on Social Responsibility

The Board of Directors adheres to business operations in accordance with the principle of ethics and guidelines on good corporate governance, with responsibility to community, society and environment and therefore has never breached laws related to social responsibility operations.

Activities Beneficial to Society and Environment

The Group and its artists have carried out activities for society and environment; these include donations, charitable activities for society, anti-drug campaigns, support to the Thai Red Cross Society's activities, party organizing for children at welfare centers and support to brave soldiers, as given in the Company's website under "Corporate Social Responsibility."

Additional Guidelines on the Prevention of Corruption Involvement

The Risk Management Committee has determined additional guidelines on the prevention of corruption involvement, with three measures as follows:

Fraud risk assessment process

The Company has put in place a risk management system suitable to the Company's business nature, aiming to prevent and combat fraud and corruption by identifying incidents of high fraud and corruption risks that may arise from business operations, estimating possibility and impact determining proper measures to combat fraud and corruption, suitable to the assessed risks, methods to measure the success and resources utilized in risk mitigation and evaluating the performance under the established risk management plan.

Supervision and control practices to prevent and monitor fraud risk

The Company has established supervision and control practices to prevent and monitor fraud and corruption risks, which can be summarized as follows:

1. Put in place the audit process, internal control and risk management systems covering key operating systems, such as, sales and marketing, purchasing, contract preparation, account recording, payment systems, etc., aiming to prevent and monitor fraud and corruption risk and provide suitable guidelines in solving problems.
2. Provide channels for receiving information, clues or complaints on breaches of laws or the Company's business ethics or guidelines on the prevention of corruption involvement or suspicious abuse in financial reports or internal control systems, with a policy to protect the providers of information or clues and treat the received information with confidentiality, including measures on investigation and punishment under the Company's discipline and/or related laws. In case the provider of information or clues or the complainant can be contacted, the Company will give a written reply on the Company's action for information.
3. The relevant department's head is responsible for monitoring the action, correcting the error (if any) and reporting to the authorized person.

Guidelines on monitoring and evaluating compliance with the guidelines on the prevention of corruption involvement

The Company has determined guidelines on monitoring and evaluating compliance with the guidelines on the prevention of corruption involvement as follows:

1. Executives and employees are required to regularly appraise their own performance in compliance with the Good Corporate Governance and Business Ethics Manual of the Company, which contains policies on good corporate governance, business ethics, ethics on support to fraud and corruption counteracting, guidelines on the prevention of corruption involvement and employees' ethics and code of conduct.
2. Internal Audit Office is set up to oversee the internal control system, risk management and corporate governance, to provide recommendations continuously by conducting audit in accordance with the annual audit plan approved by the Audit Committee and report significant results with recommendations to the Audit Committee.
3. Risk Management and Internal Control Department is responsible for testing and evaluating fraud and corruption risk on a regular basis to ensure that anti-corruption measures are implemented effectively, including monitoring, reviewing and improving anti-corruption measures on a continued basis, with the assessment results being presented to the Risk Management Committee and reported to the Board of Directors regularly, on a timely basis.
4. In case of the facts from the investigation or complaints present the evidence with a reasonable cause to believe that there exists a transaction or abuse that may have a significant impact on the Company's financial position or operations, including an offense or breach of laws or the Company's business ethics or guidelines on the prevention of corruption involvement or suspicious abuse in financial reports or internal control system, the Audit Committee will report the findings to the Board of Directors for correction and improvement within a period of time deemed appropriate by the Audit Committee.

The Company has provided various channels for the communication of guidelines on the prevention of corruption involvement, such as the Group's intranet and the Company's website so that all executives and employees can acknowledge and follow.

Details of the Head of Internal Audit and Head of Compliance

As of December 31, 2016

Mr. Wichai Santadanuwat (41 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):**

- Director Certification Program (DCP) 229/2016
- How to Develop a Risk Management Plan (HRP) 07/2015
- Anti-Corruption: The Practical Guide (ACPG) 2014
- Handling Conflict of Interest: What the Board Should do? (2008)

The Institute of Certified Accountants and Auditors of Thailand (ICAAT):

- Fundamental SAP R3 Auditing (2007)
- Risk Assessment for Better Audit Planning (2007)
- Introductory to Computer Assisted in Auditing (2003)

Thai Listed Companies Association (TLCA):

- Risk Management Conference (2009)

Other Institutes:

- IT Audit for Non IT Audit, NSTDA Academy (2012)
- Cyber Defense Initiative Conference (CDIC), ACIS Professional Center (2009)
- Risk Management, Price Waterhouse Coopers (2004)
- New COSO Enterprise Risk Management, Price Waterhouse Coopers (2004)

Number of Share Holding (%)

-None-

Experience during the past 5 years

Listed Companies

Sep 2014 - Present	Internal Audit Senior Director/ Secretary of the Audit Committee GMM Grammy Plc.
Jan 2007 - Aug 2014	Internal Audit Director/ Secretary of the Audit Committee GMM Grammy Plc.
Jan 2005 - Dec 2006	Internal Audit Department Manager 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 Plc.

Other Companies

Jun 1996 - Mar 1997	Internal Audit Staff Bara winsor Co., Ltd
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Mrs. Somsuda Ruampumsuk (44 Years)

Corporate Secretary and Head of Compliance ^{/2}

Education

- Bachelor of Engineering : Computer Engineering
King Mongkut's Institute of Technology Ladkrabang

Seminar Accomplishment:

The Thai Institute of Directors (IOD):

- Company Secretary Program (CSP) Class 71/2016
- Board Reporting Program (BRP) Class 19/2016
- Company Reporting Program (CRP) Class 16/2016
- Effective Minute Taking (EMT) Class 36/2016

TLCA Executive Development Program (TLCA):

- Fundamentals for Corporate Secretaries
- Advances for Corporate Secretaries

The Securities and Exchange Commission (SEC)

- Smart Disclosure Program (SDP)
- SCP Straight Through
- CSR for Corporate Sustainability:P01 Class 8

Thai Investor Association

- AGM Assessment Project

Experience during the past 5 years

Listed Companies

Aug 10, 2016 - Present	Secretary of the Corporate Governance and Ethics Committee GMM Grammy Plc.
Jan 1, 2016 - Present	Director, Office of Corporate Secretary GMM Grammy Plc.
May 13, 2015 - Present	Corporate Secretary GMM Grammy Plc.
May 13, 2015 - Dec 31, 2015	Manager, Office of Corporate Secretary GMM Grammy Plc.
Mar 2013 - May 2015	Co-ordinator Manager GMM Grammy Plc.
Jun 2012 - Aug 2013	Procurement Director TT&T Plc.
2009 - 2012	Acting Regulatory Affair Director TT&T Plc.
2005 - 2009	Concession Management Manager TT&T Plc.
1994 - 2005	Engineer TT&T Plc.

Number of Share Holding (%)

-None-

Remarks:

¹ Duties and Responsibilities according to the Audit Committee's Charter regarding Head of Internal Audit

- Supervising the Internal Audit Department policies and operations, by evaluating the Internal Audit Charter, the independence of its audits, the scope of work and audit schedules.
- Evaluating, appointing, transferring, and terminating the Head of Internal Audit Department, as well as assessing the performance and approving compensation for the Internal Audit Department in accordance with evaluation performed by the Head of Internal Audit Department and top executives of the Company.
- 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)

- 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.
- Being responsible for disclosing the Company's information in line with SET's and SEC's regulations, and other regulatory bodies.
- 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.
- 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.
- 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.
- Coordinating with related parties to ensure that the resolutions from the Board of Directors Meetings and the Shareholders Meetings are carried out.
- Executing additional duties as assigned by the Board of Directors.

General and Other Information

General Information

Company Name	:	GMM Grammy Public Company Limited (“The Company”)
Head Office	:	50 GMM Grammy Place, Sukhumvit 21 Road (Asoke), Khlongtoeinuea, Wattana, Bangkok 10110
Business	:	Entertainment and media
Company Registration	:	PCL. 0107537000955
Telephone	:	(66) 2669 9000
Facsimile	:	(66) 2669 9009
Company Homepage	:	www.gmmgrammy.com
Authorized capital	:	819,949,729 baht consisting of 819,949,729 common shares with a par value of 1 baht each (as December 31 2016)
Authorized & Paid-up capital	:	819,949,729 baht consisting of 819,949,729 common shares with a par value of 1 baht each (as December 31 2016)

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 business, media business, satellite television business, digital TV business and other entertainment businesses	Common Shares	819,949,729
Subsidiaries			
1. GMM Music Publishing International Co., Ltd.	Management of music copyrights	Common Shares	50,000
2. Fan TV Co., Ltd.	Production of satellite television programmes	Common Shares	2,000,000
3. GDH 559 Co., Ltd.	Production of films and television programmes	Common Shares	1,500,000
4. GMM Tai Hub Co., Ltd.	Production of films and television programmes	Common Shares	2,625,000
5. GMM Studio Co., Ltd.	Studio service	Common Shares	500,000
6. GR Vocal Studio Co., Ltd.	Vocal and music schools	Common Shares	50,000
7. 3-RD Co., Ltd.	Providing customer service via telephone	Common Shares	180,000
8. GMM Holding Co., Ltd.	Holding company	Common Shares	2,500,000
9. GMM Media Plc.	Production of radio programmes	Common Shares	200,255,500
10. A-Time Media Co., Ltd.	Radio stations sub-leasing	Common Shares	10,000
11. Exact Co., Ltd.	Production of television programmes	Common Shares	600,000
12. GMM TV Co., Ltd.	Production of television programmes	Common Shares	200,000
13. Deetalk Co., Ltd.	Production of television programmes	Common Shares	10,000
14. GMM Z Co., Ltd.	Satellite television platform provider	Common Shares	6,400,000
15. Z Trading Co., Ltd.	Production and distribution of satellite television and digital TV receivers	Common Shares	59,350,000
16. GMM Channel Co., Ltd.	Production of television programmes and digital on-air	Common Shares	6,000,000
17. GMM Channel Trading Co., Ltd.	Production of television programmes and digital on-air	Common Shares	6,000,000
18. GMM CJ O Shopping Co., Ltd.	Wholesale and retail by using advertising media and phone orders service and receiving phone orders	Common Shares	5,400,000
19. Digistream Co., Ltd.	Providing music in streaming	Common Shares	10,000
20. GDC Co., Ltd.	Providing service to games members, distribution of games playing cards	Common Shares	500,000
21. Grammy Publishing House Co., Ltd	Distribution of education publication	Common Shares	1,650,000
22. Bliss Publishing Co., Ltd.	Dissolution, liquidation is being in process	Common Shares	425,000

23. MGA Co., Ltd.	Currently non-active	Common Shares	1,200,000
24. More Music Co., Ltd.	Currently non-active	Common Shares	160,000
25. GMM Digital Domain Co., Ltd.	Currently non-active	Common Shares	500,000
26. Digital Arms Co., Ltd.	Currently non-active	Common Shares	7,000,000
27. Digital Gen Co., Ltd.	Currently non-active	Common Shares	50,000
28. Global Music and Media (China) Limited	Currently non-active	Common Shares	1,507,500
29. Extraorganizer Co., Ltd.	Currently non-active	Common Shares	10,000
30. Magic Film Co., Ltd.	Currently non-active	Common Shares	22,000
31. G S-one Co., Ltd.	Currently non-active	Common Shares	1,150,000
32. Mifah Co., Ltd.	Currently non-active	Common Shares	450,000
33. GMM Fitness Club Co., Ltd.	Currently non-active	Common Shares	4,000,000
34. Teen Talk Co., Ltd.	Currently non-active	Common Shares	400,000
Associated companies			
1. Scenario Co., Ltd.	Production of television programmes and plays	Common Shares	14,000,000
2. Nadao Bangkok Co., Ltd.	Films production and talent agency services	Common Shares	20,000
3. Sawasdee Thaweesuk Co., Ltd.	Design and post production of advertising media and films and public relations for films	Common Shares	50,000
4. Siengdee Thaweesuk Co., Ltd.	Provider of recording movie sound and movie advertisement, produce sound and music for movie	Common Shares	1,200,000
5. Ngandee Thaweesuk Co., Ltd.	Public relations and organizer	Common Shares	100,000
6. The Secret Farm Co., Ltd.	Design and post production of advertising media	Common Shares	20,000
7. Good Things Happen Co., Ltd.	Provide advertising media, public relations consulting, and organizer	Common Shares	50,000
8. Family Know-How Co., Ltd.	Production of television programmes and publishing media	Common Shares	2,500,000
9. Lucks (666) Satellite Co., Ltd.	Currently non-active	Common Shares	200,000
Joint Ventures			
1. GMM One TV Co., Ltd.	Production of television programmes and digital on-air	Common Shares	12,000,000
2. The ONE Enterprise Co., Ltd.	Production of television programmes and digital on-air	Common Shares	19,050,000
3. Acts Studio Co., Ltd.	Studio leasing	Common Shares	4,050,000
4. Me Miti Co., Ltd.	Production of television programmes	Common Shares	60,000
5. Exact Scenario Co., Ltd.	Artist managements	Common Shares	10,000
Other companies			
1. A-Time Traveller Co., Ltd.	Domestic and international trip service provider	Common Shares	50,000

1. GMM Grammy Plc., subsidiaries, associated companies and joint ventures have registered office at 50 GMM Grammy Place, Sukumvit 21 Rd. (Asoke) Kholngtoeinuea, Wattana, Bangkok except the following companies

1.1 GDH 559 Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnua, Wattana, Bangkok
1.2 GMM Tai Hub Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnua, Wattana, Bangkok
1.3 3-RD Co., Ltd	Office : 222 14 th - 16 th Fl., Voravit Building, Sipraya, Bangrak, Bangkok
1.4 GMM CJ O Shopping Co., Ltd.	Office : 88/8 Rama 9 Rd., Huaykwang, Bangkok
1.5 Global Music and Media (China) Limited	Office : Level 12, 28 Hennessy Road, Wanchai, Hong Kong
1.6 Scenario Co., Ltd.	Office : 99 Ratchadaphisek Rd., Din Daeng, Din Daeng, Bangkok
1.7 Nadao Bangkok Co., Ltd.	Office : 92/14 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnua, Wattana, Bangkok
1.8 Sawasdee Thaweesuk Co., Ltd.	Office : 92/44 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnua, Wattana, Bangkok
1.9 Siengdee Thaweesuk Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnua, Wattana, Bangkok
1.10 Ngandee Thaweesuk Co., Ltd.	Office : 92/11 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnua, Wattana, Bangkok
1.11 The Secret Farm Co., Ltd.	Office : 357 Soi Sukhumvit 31 (Sawasdee), Sukhumvit Rd., Klongtonnua, Wattana, Bangkok
1.12 Good Things Happen Co., Ltd.	Office : 132 Soi Charoen Mit, North Prakanong, Wattana, Bangkok
1.13 Family Know-How Co., Ltd.	Office : 93 Ratchadaphisek Rd., Khlongtoei, Bangkok
1.14 Lucks (666) Satellite Co., Ltd.	Office : 1417 Soi Ladprow 94 (Panjamitr), Plub-Pla, Wangthonglang, Bangkok
1.15 Acts Studio Co., Ltd.	Office : 9/9 Moo 1, Bang khu wat, Mueng Pathumthani, Pathumthani

2. The registered office of the other companies are follows;

2.1 A-Time Traveller Co., Ltd.	Office : 50 GMM Grammy Place, Sukumvit 21 Rd. (Asoke), Khlongtoeinuea, Wattana, Bangkok
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Other Reference Persons

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