

THE LEADER IN  
CREATIVE  
BUSINESS  
SOLUTIONS

**Annual Report 2017**

Far East DDB Public Company Limited

The company changed its name to Far East Fame Line DDB Public Company Limited on January 3, 2018.





THE LEADER IN

# CREATIVE BUSINESS SOLUTIONS

# Exceeding Targets. Achieving Success.

Not a difficult task with the great partner.

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**Far East DDB.**

By your side, building success together.









# BRAND SWITCHING MATRIX

One of our proprietary tools that can build a strong foundation of success for our clients. It targets the 'Switching Point' – the point at which Brand Switching behavior occurs among consumers – by analysing their Pain Point and thoroughly understanding their perspectives. The Brand Switching Matrix has the power to increase sales for clients, especially those in critically competitive markets.







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Investors are able to access more information of the Company from the Annual Registration Statement (Form 56-1) publicized in [www.sec.or.th](http://www.sec.or.th) or the Company's website [www.fareastddb.com](http://www.fareastddb.com)

REPORT  
FROM THE BOARD  
OF DIRECTORS

## Report from the Board of Directors

2017 was a challenging year for advertising as a whole as the industry faced rapid and unrelenting change. This year the company and its subsidiaries gained revenues of 742.20 million Baht from services and commissions, an increase of 2.24 million Baht, or 0.30%, from 2016. Net profits were 126.78 million Baht, an increase of 11.20 million Baht, or 9.69%, from 2016.

The management and staff will continue to give their all and strive forward boldly towards the future. We will never cease innovating new methods of working that will improve productivity and creativity. We are committed to giving our all in order to keep Far East DDB Plc. growing from year to year.

Far East DDB Plc. would like to express its gratitude to all our shareholders, customers, suppliers, executives, employees, business partners and stakeholders who stood by our side during a year of difficult circumstances. We will continue to operate according to the principles of good corporate governance, which we firmly believe creates a strong foundation for continued and sustainable success.

# REPORT OF THE AUDIT COMMITTEE

## Dear Shareholders of Far East DDB Public Company Limited,

The Audit Committee of Far East DDB Public Company Limited was appointed by the Company's Board of Directors Meeting No.221(5/2017) on June 22, 2017 with four independent and non-executive members: Mr. Khachornsakdi Vanaratseath as Chairman of the Committee, Mr. Amorn Asvanunt, Mr. Vichit Tantianunanont and Mrs. Chatpong Tipayakalin as member of the Audit Committee, and Miss Rachadawan Ritthirong is the Committee's secretary. Their term ends in one year.

In 2017 the Audit Committee had a total of 5 meetings.

1. Mr. Khachornsakdi Vanaratseath	Attended	5/5	meetings
2. Mr. Amorn Asavanunt	Attended	4/5	meetings
3. Mr. Vichit Tantianunanont	Attended	5/5	meetings
4. Mrs. Chatpong Tipayakalin	Attended	5/5	meetings

In carrying out its tasks and duties throughout 2017, the Audit Committee held a total of 5 meetings, including meetings with auditors, the management, Accounting Managers and Internal Audit Department. During these meetings, they discussed issues that could significantly affect the company's financial statements, as well as collected suggestions from the auditors and followed up on the progress of Internal Audit. The following summary outlines what have been done during these meetings according to the Charter of the Audit Committee.

**1. Review the important information of quarterly and yearly financial reports as of 2017.** The committee was in the meeting with management, accounting department, internal and external auditors to review the important financial report, including issues related to critical accounting policies, changes in the past year and potential impact in the future, abnormal transactions, observation and opinion of auditors on financial report, financial statement and the performance of the company and its subsidiaries in order to ensure that such Information are accurate, complete and reliable. The preparation of financial statements is in accordance with generally accepted accounting standards. The disclosure of financial statements is adequate and did not find any items that may have a substantial impact on the financial statements.

**2. Review the connected transaction.** The Audit Committee has reviewed the connected transaction in comply with the laws and regulations of the SET and the SEC on disclosure of information and other acts of listed companies concerning the potential conflict of interest. The Committee is of the opinion that the transaction was conducted under normal commercial terms. There is no reasonable conflict of interests, no unusual transaction and there is adequate disclosure of information.

**3. Appoint the auditors of the Company for the year 2017.** The Audit Committee has considered the appointment of auditors considering from the independence, ability, experience, performance and the remuneration of the auditor and presented to the Board of Directors to consider before proposing to the shareholders' meeting for approval.

The Ordinary Meeting of Shareholders for the year 2017 had the resolution to appoint Dr. Virach Aphimeteetamrong, Certified Public Accountant No.1378 and/or Mr. Chaikorn Aunpitipongsa, Certified Public Accountant No. 3196 and/or Mr. Apiruk Ati-anuwat, Certified Public Accountant No. 5202 and/or Dr. Preecha Suan, Certified Public Accountant No. 6718 of Dr. Virach & Associates Office Co.,Ltd. to be the Auditor of the Company for the year 2017. By the reasons that they are independent and fully qualified in compliance with rules and regulations of The Company's Article of Association and the Federation of Accounting Professions, as well as the Securities and Exchange Commission and the Stock Exchange of Thailand. Moreover, the Audit Committee had considered and compared workloads and audit fee of other listed company in the same level and found that the audit fee is reasonable. In addition, the aforementioned auditors have no relationship or any interest with company / subsidiaries / executive / major shareholder or any related person.

**4. Review the internal control system.** The Audit Committee has reviewed the Company's internal control system and its affiliates for the year 2017 and has found that it is adequate and appropriate to run the business. There are no significant issues that could affect the Company's operations.

**5. Supervise internal audit control.** The Audit Committee has considered the approval of the audit plan of the Internal Auditor for the year 2017 and has given the recommendations of the internal audit to achieve the plan which includes a check fraud and corruption according to the company's policy against fraud and corruption.

**6. Review the implementation of the law.** The Audit Committee has reviewed and supervised the Company and its affiliates' operation to comply with the law and regulation of Securities and Exchange Commission of Thailand and related law to the Company's business.

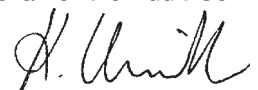
**7. Review and update the Audit Committee Charter.** In consideration of the Charter and offer more scope of duty to review and manage risk in line with its current duties.

**8. Report the issue that was in doubt.** The Committee is responsible for reporting to the Board of Directors when they found or suspect the item that which may have a significant impact on the financial position and the company's operations. The committee did not find any indication of such issue in 2017.

**9. Review the risk management.** The Committee received the report on activities or circumstances that may affect the company's operation from the risk management committee. They often has the follow-up, risk assessment of the situation and measurement for risk reduction regularly in order to have adequate and efficient risk management, according to company policy.

Overall in 2017, the Audit Committee has performed its duties with diligence, independence and without restriction in the line of duty. The committee gets information and cooperation from all parties involved to perform its duties efficiently under the Charter of the Audit Committee appointed by the Board of Directors.

On behalf of the Audit Committee



(Mr. Khachornsakdi Vanaratseath)  
Chairman of the Audit Committee

# REPORT OF THE RISK MANAGEMENT AND ANTI-CORRUPTION COMMITTEE

**Dear Shareholders of Far East DDB Public Company Limited,**

In the year 2017, The Risk Management and Anti-Corruption Committee performed duties as fully as possible to support the Board of Director to oversee corporate risk management in order to achieve business goals, create confident of investors and stakeholders in the company's business, and manage the business with transparency and anti-corruption of all forms.

In year 2017, the Company has announced its intention to fight against all types of corruption and appointed the Risk Management and Anti-Corruption Committee which consisted of : Mr. Vichit Tantianunanont, Chairman of the Risk Management and Anti-Corruption Committee, Mrs. Chailada Tantivejakul, Mrs. Malee Leelasiriwong, Mr. Arthorn Maeknoparat, Mr. Wichar Ladallisakool, Miss Waraporn Kulsawatpakdee, Mr. Anupol Pawapoonpol as the members of the Risk Management and Anti-Corruption Committee. Miss Sujitra Makanit as a secretary to the Risk Management and Anti-Corruption Committee, with a one-year term.

In 2017, The Risk Management and Anti-Corruption Committee held 4 meetings as below :

Mr. Vichit	Tantianunanont	meeting attending 4/4 times
Miss Waraporn	Kulsawatpakdee	meeting attending 4/4 times
Mrs. Chailada	Tantivejakul	meeting attending 3/4 times
Mrs. Malee	Leelasiriwong	meeting attending 4/4 times
Mr. Arthorn	Maeknoparat	meeting attending 4/4 times
Mr. Wichar	Ladallisakool	meeting attending 4/4 times
Mr. Anupol	Pawapoonpol	meeting attending 4/4 times

## **Performance of The Risk Management & Anti-Corruption Committee in 2017.**

The Risk Management and Anti-Corruption Committee has set the guidelines of management and review the Company's risk management framework in according to the Charter of the Risk Management and Anti-Corruption Committee. The committee has set up the policy, goals, plan and arrange suitable risk management system for effective business operation. It also invariably supports and develops the risk management system in every units and improves or amends the Risk Management and Anti-Corruption Committee Charter in accordance with the change of business and then presents to the Board for consideration.

In summary, there were 4 meetings of the Risk Management and Anti-Corruption Committee. It is of the opinion that in the past 2017, the Company has managed the Company's risk to cover all risk factors in line with changing circumstances. The company's risk management is effective, appropriate and being controlled to an acceptable level.



(Mr. Vichit Tantianunanont)

Chairman of the Risk Management and Anti-Corruption Committee



## SUMMARY OF IMPORTANT FINANCIAL INFORMATION

(Unit : Thousand Baht)

	2017	2016	2015
Revenue from service & commission	742,201	739,966	737,352
Total Revenue	835,718	831,486	823,726
Gross Income	343,061	326,717	326,400
Net Profit before Interest & Income Tax	155,157	135,098	128,113
Net Profit	126,784	115,584	110,165
Total Assets	1,680,365	1,645,842	1,453,040
Total Liabilities	483,903	544,882	437,282
Shareholders' Equity	1,196,462	1,100,961	1,015,757

### **FINANCIAL RATIO**

#### **LIQUIDITY RATIO**

Liquidity Ratio (times)	1.84	1.72	1.80
Quick Liquidity Ratio (times)	1.81	1.69	1.79
Cash Flow Ratio (times)	0.53	0.25	0.40
Customer Turnover Ratio (times)	4.62	4.32	4.93
Average Collection Period (Days)	79	84	74
Payable Turnover Ratio (times)	3.55	3.18	3.68
Average Payment Period (Days)	102	115	99

#### **PROFITABILITY RATIO**

Gross Income (%)	46.22	44.15	44.27
Return on Revenue from service & commission = EAT/REV (%)	17.08	15.62	14.94
Return on Total Assets = EAT/TA (%)	7.55	7.45	7.82
Return on Shareholders' Equity = EAT/EQUITY (%)	10.60	10.50	11.16
Earnings Per Share (Baht)	16.19	14.10	13.61
Cash Dividend Per Share (Baht)	*10.00	7.00	6.00
Book Value Per Share (Baht)	159.53	146.79	135.81

\*According to the Board of Directors' Meeting, a proposal has been made to the Ordinary Meeting of Shareholders for approval in April, 2018

# BUSINESS GROUP



# BUSINESS GROUP

## POLICY AND BUSINESS OVERVIEW

Far East DDB and its One Stop Communication subsidiary conduct business, which is mutually complementary with One Stop operating primarily in a consultancy capacity as outlined below:

### One stop communication consultant service

The Company specializes in integrated communications. It aims to build on the success of its clients with creativity, as its positioning as “The Leader Creative Business Solutions”, covering the analysis based on fundamental study of key factors that could affect the brand, aided by the use of global DDB licensed tools, known as Brand Conviction Springboard. and ROI Springboard. Brand Conviction Springboard. is one of the Company’s proprietary tools that has been developed to help give a brand a clear future direction and provide guidelines for all actions, while ROI Springboard. provides guideline for communication planning. The Company provides services in creating the advertising materials and media planning strategy both traditional and digital media, including coordinating with other subsidiaries and associates to create public relations plan and events Moreover, the Company also provides market and consumer with quantitative and qualitative research and observation by the professional research team through Far East DDB Insights Springboard., another company’s proprietary tool.

### Production Advertising-related services

The Agencies provide services in creating and producing advertising films and radio spots, creating layouts and producing print ads, direct mails, brochures, digital media etc. according to the communication plan as well as coordinate with production supplies. It includes coordinating with other subsidiaries and associates to create public relations plan and events for customers

### Advertising agent/broker

Acting as agent or broker, the Agencies deal with media owners such as television, radio, newspaper, cinema, digital media and magazine for media placements. A commission-based payment in the form of Agency Fee is earned in the process.

### Major Change and Development in 2017

The Extraordinary Meeting of Shareholders No. 1/2017 held on December 29, 2017 passed a resolution to approve the Company to accept the entire business transfer of Fame Line Company Limited and approved the change of the Company’s name from Far East DDB Public Company Limited to Far East Fame Line DDB Public Company Limited. The Company registered the change of its name with the Ministry of Commerce on January 3, 2018 and registered the dissolution of Fame Line Company Limited on January 12, 2018.

### The Far East DDB Group

#### Far East DDB Public Company Limited

These days Far East DDB Public Company Limited has become much more than just an advertising agency. It has become a major totally integrated marketing communication consultant. Its services focusing on supporting customers to achieve business success through the effective communication plan and creative work. These operations include product, market and consumer analysis, strategic planning to define the concept of communication, advertisement production, effective planning and purchasing of media. This will also involved working and coordinating with other media companies as well as evaluating the total marketing communication plan. The Company clearly determined its positioning as “The leader in Creative Business Solutions”, to build on the success of its clients with creativity.

## **Fame Line Company Limited**

Fame Line Co., Ltd. is a subsidiary of Far East DDB Plc., with the registered capital of 4,000,000 baht, in which the Company holds 99.99% shares. It is a full-serviced brand engagement agency, established for business competitiveness and growth. Fame Line provides comprehensive marketing communication services both off-line and on-line media including strategic brand planning, creation of advertising materials and brand activation, planning and purchasing of media, as well as digital services ranging from digital strategy and planning, design and social network creation. At best, Fame Line Co., Ltd. commits to generate best results to our clients' needs by working closely with clients, and intently focusing to provide best business solutions possible. Fame Line's management team is highly flexible, enabling the Company to extensively engage and respond to a variety of today's business demands.

## **Springboard Plus Company Limited**

Springboard Plus Co., Ltd. is established as a subsidiary of Far East DDB Plc. with registered capital 6,511,000 baht, with 99.99% investment rate by Far East DDB. The Company provides service in creating and producing public relations and advertising materials with quality and professional service in reasonable price to respond to customers who need differentiated solutions in the changing and highly competitive situation nowadays and in the future.

## **Business Goals**

1. The Company focuses on creating an efficient communication service to help our customers achieve their business goals. One of our working tools is ROI..

R (Relevance) the idea that meets the consumers' needs.

O (Originality) an original concept like no other.

I (Impact) a concept that has resulted in consumers' feedback.

2. The Company focuses on providing effective consulting and integrated marketing communications service, covering branding, strategic planning, communications, advertising, public relations and customer relationship management (CRM).

3. The Company has a policy of acquiring new customers constantly. The study and management of these new clients makes our employees more expertise in a wider variety of goods and services.

4. The Company is committed to acquire excellent talent and consistently develop its existing employees as we believe that good personnel can create quality work that led to the company's growth.

5. The Company realizes the importance of adapting to the rapid changing situation of the advertising and communications industry. Therefore, the company focuses on developing the organization and it's employee's capacity to cope with such changes in order to continue growth and outstanding performance.

## **Relationship with major shareholders.**

The Company's core business operation has no significant relationship or connection with other business operations of the Company's major shareholders. Only some major shareholders use the advertising services of the Company such as producing of advertising materials, planning of advertising and public relations strategies and media buying.

## NATURE OF BUSINESS

Shareholding & Revenue Structure of The Company / Subsidiary and Associated Companies

(Unit: Thousand Baht)

Product / Service	Operation by	% of Share holding	2017		2016		2015	
			Revenue	%	Revenue	%	Revenue	%
<b><u>Advertising Agency</u></b>	Far East DDB							
Revenue from Service & Commission	Plc.		264,177	58.00	285,041	77.60	302,233	80.96
Dividend Income			134,896	29.62	54,236	14.76	43,732	11.71
Other Income			56,378	12.38	28,060	7.64	27,345	7.33
<b>Total Revenue</b>			<b>455,451</b>	<b>100.00</b>	<b>367,337</b>	<b>100.00</b>	<b>373,310</b>	<b>100.00</b>
<b><u>Advertising Agency</u></b>	Fame Line	99.99						
Revenue from Service & Commission	Co., Ltd		311,086	92.01	319,943	92.36	320,356	93.02
Other Income			27,014	7.99	26,484	7.64	24,021	6.98
<b>Total Revenue</b>			<b>338,100</b>	<b>100.00</b>	<b>346,427</b>	<b>100.00</b>	<b>344,377</b>	<b>100.00</b>
<b><u>Advertising Agency</u></b>	Springboard Plus	99.99						
Revenue from Service & Commission	Co., Ltd.		27,492	99.99	11,774	99.99	11,922	99.99
Other Income			4	0.01	1	0.01	1	0.01
<b>Total Revenue</b>			<b>27,496</b>	<b>100.00</b>	<b>11,775</b>	<b>100.00</b>	<b>11,923</b>	<b>100.00</b>
<b><u>Public Relations</u></b>	Integrated	40.00						
Revenue from Service & Commission	Communication		157,550	99.24	132,068	99.36	112,698	98.82
Other Income	Co., Ltd.		1,210	0.76	848	0.64	1,343	1.18
<b>Total Revenue</b>			<b>158,760</b>	<b>100.00</b>	<b>132,916</b>	<b>100.00</b>	<b>114,041</b>	<b>100.00</b>
<b><u>Media Buying, Selling &amp; Planning</u></b>	Media Intelligence	30.00						
Revenue from Service & Commission	Co., Ltd.		105,851	34.99	110,379	35.78	133,318	41.22
Discount Received			189,227	62.54	193,385	62.69	181,572	56.13
Other Income			7,475	2.47	4,734	1.53	8,565	2.65
<b>Total Revenue</b>			<b>302,553</b>	<b>100.00</b>	<b>308,498</b>	<b>100.00</b>	<b>323,455</b>	<b>100.00</b>
<b><u>Advertising Agency</u></b>	Diginakorn	40.00						
Revenue from Service & Commission	Co., Ltd.		28,954	99.97	5,846	97.89	-	-
Other Income			9	0.03	126	2.11	-	-
<b>Total Revenue</b>			<b>28,963</b>	<b>100.00</b>	<b>5,972</b>	<b>100.00</b>	<b>-</b>	<b>-</b>



# THE CLIENTS AND THE PRODUCTS

Bangkok Athletic Co., Ltd.  
Bangkok Broadcasting & TV. Co., Ltd.  
Bank of Thailand  
DHASiamwalla Ltd.  
I.C.C. International Plc.  
IRPC Plc.  
Johnson & Johnson Consumer (Thailand) Ltd.  
Krung Thai Bank Plc.  
Lion Corporation (Thailand) Ltd.  
NS Blue Scope (Thailand) Limited  
Pacific Sugar Corporation Co., Ltd.  
Pacific Healthcare (Thailand) Ltd.  
Pepsi-Cola (Thai) Trading Co., Ltd.  
President Bakery Plc.  
Saha Pathanapibul Plc.  
Srinanaporn Marketing Co., Ltd.  
T.C. Pharmaceutical Industrial Co., Ltd.  
Thai President Foods Plc.  
Tourism Authority of Thailand  
Thailand Convention and Exhibition Bureau  
Unilever (Thai) Trading Co., Ltd.

## Food & Beverages

- Aquafina Vitza
- Farmhouse Bakery
- Jele
- Kratingdang Extra Energy Drink
- Lipton Ice Tea
- Mama Instant Noodle
- Mama Jok Cup
- Mama Oriental Kitchen
- Mama Ramen
- Mitrphol Sugar
- DG Goat Milk
- Ready Energy Drink
- Richesse Yogurt
- Rivon Soygurt
- Starr Infiniti
- Som Plus
- Wall's

## Apparel & Personal Accessories

- Arrow Apparel Products
- Pan Sport Shoes
- PS.Junior Shoes
- Wacoal Lingerie
- K Bra Underwear

## Household Products Personal Care

- 108 Shop Detergent
- BSC Cosmetology
- Clean & Clear Facial Care Products
- Falless Shampoo
- Fresh & Soft
- Hi-Class Softener
- Kodomo Baby Products
- Lipon F Dishwashing Liquid
- Neutrogena Facial Care Products
- Q'lean Shampoo

## Construction Materials & Consumer Durables

- BluescopeZacs Metal Sheet
- JingjoeLek Metal Sheet

## Stationery

- Elephant Correction Pen / Elephant File
- MasterArt Color Pencil
- Quantum Clutch-Type Pencil / Quantum Correction Pen / Quantum Pen

## Service

- Bank of Thailand
- Krung Thai Bank Product & Services
- Tourism Authority of Thailand (TAT)

## Others

- BSC 20TH Anniversary
- Ch7 HD
- I.C.C. International Plc. (King Project)
- IRPC
- LION Corporation (Social & King Project)
- Sahapathana Inter Holding Plc. (King Project)
- Sahapathanapibul Plc. (King Project)
- Thai Wacoal (King Project)
- Thailand Convention and Exhibition Bureau (TCEB)

## THE RISK FACTORS

The company realizes the importance of risk management in operating the business under the changes of internal and external factors that affect the company's operations. The company has the systematic surveillance and consistent measurement of risk reduction. The risk factors that may cause a significant impact on achieving the Company's business goal are as follows :

### **1.Economic Risk**

The economy slowdown of caused a decrease in overall consumption, therefore, the impact on the sales of customers. The costs of advertising are the cost or expense that directly affects the customer. As a result, customers are slow to advertising or cut advertising budgets. It is more difficult for the company to acquire new clients as well.

### **2.Marketing competition Risk**

With fierce competition in advertising industry to acquire new clients, the company must adapt itself to keep pace with the changing situation and develop new communication strategy and technology. Now, there are many new media outlets such as online media. Therefore, the potential risk is a shortage of skilled personnel or online media expertise. The Companies need to develop their staff. To increase the potential of production and advertising planning for the customer satisfaction and success in the promotion of the target customers.

### **3.Risk from receiving new customers**

Due to the situation of marketing competition, it is necessary to find new customers to increase revenue for the company. Management has given importance to the financial position of the company that is expected to be a customer and the risk that the company will be affected by the collection of money that must be analyzed and considered carefully.

### **4.The risk of unexpected event, accident, unrest or natural disasters**

In the end of year 2016 continuing through October 2017, indulgence in the death of His Majesty King Phumibhols Adulyade, In October, a royal burial ceremony was held. This has an impact on the activities. There is a delay in advertising to show the final disappointment. Therefore, the activities of advertising, public relations or product launch of the customer must be suspended.

The risk of unpredictable accidents, unrest or natural disasters that may occur. The happening of these incidents will affect the company operation and revenues inevitably.

## GENERAL INFORMATION

### COMPANY INFORMATION

#### **Far East DDB Public Company Limited**

<b>Registered No.</b>	0107537001528
<b>Head Office</b>	465/1-467 Si Ayutthaya Rd., Ratchathewi District, Bangkok 10400 Tel. (66)-2354-3333 Fax. (66)-2644-9551
<b>E-Mail Address :</b>	fareast@fareastddb.com
<b>Website :</b>	www.fareastddb.com
<b>Nature of Business</b>	Advertising Agency
<b>Authorized Capital</b>	Baht 75,000,000 (7,500,000 ordinary shares at par value Baht 10)

### JURISTIC PERSONS THAT THE COMPANY HOLDING SHARES OF 10% UPWARDS

#### **1. Fame Line Co., Ltd.**

465/1-467 Si Ayutthaya Road, Ratchathewi District, Bangkok 10400 Tel. 0-2354-3555 Fax. 0-2354-3556

<b>Nature of Business</b>	Advertising Agency
<b>Authorized Capital</b>	Baht 4,000,000 (40,000 ordinary shares at par value Baht 100)
<b>Shares Held</b>	99.99%

#### **2. Springboard Plus Co., Ltd.**

465/1-467 Si Ayutthaya Road, Ratchathewi District, Bangkok 10400 Tel. 0-2354-3577 Fax. 0-2354-3578

<b>Nature of Business</b>	Advertising Agency and Direct Marketing
<b>Authorized Capital</b>	Baht 6,511,000 (651,100 ordinary shares at par value Baht 10)
<b>Shares Held</b>	99.99%

#### **3. Integrated Communication Co., Ltd.**

465/1-467 Si Ayutthaya Road, Ratchathewi District, Bangkok 10400 Tel. 0-2354-3588 Fax. 0-2354-3589-90

<b>Nature of Business</b>	Public Relations
<b>Authorized Capital</b>	Baht 5,000,000 (500,000 ordinary shares at par value Baht 10)
<b>Shares Held</b>	40%

#### **4. Diginakorn Co., Ltd.**

465/1-467 Si Ayutthaya Road, Ratchathewi District, Bangkok 10400 Tel. 0-2354-3573 Fax. 0-2644-9551

<b>Nature of Business</b>	Digital Advertising
<b>Authorized Capital</b>	Baht 10,000,000 (1,000,000 ordinary shares at par value Baht 10)
<b>Shares Held</b>	40%

#### **5. Media Intelligence Co., Ltd.**

208 Wireless Road, Patumwan District, Bangkok 10330 Tel. 0-2651-5377 Fax. 0-2651-5370

<b>Nature of Business</b>	All media buying, selling and planning
<b>Authorized Capital</b>	Baht 20,000,000 (2,000,000 ordinary shares at par value Baht 10)
<b>Shares Held</b>	30.00%

## **Other Referees**

### **Company Registrar**

Thailand Securities Depository Co., Ltd.  
The Stock Exchange of Thailand Building,  
93 Rachadapisek Road,  
Din Daeng, Bangkok 10110  
Tel. 0-2009-9000 Fax. 0-2009-9991

### **Auditors**

Dr. Virach Aphimeteetamrong and/or Mr. Chaiyakorn  
Aunpitipongsa and/or Mr. Apiruk Ati-anuwat and/or  
Dr. Preecha Suan.

Dr. Virach & Associates Office Co., Ltd.  
7th Floor, Maneeya Center Building,  
518/3 Ploenchit Road, Lumpini,  
Pathumwan, Bangkok 10330  
Tel. 0-2252-2860 Fax. 0-2253-8730

## CROSS SHAREHOLDING STRUCTURE

FE Holding Shares in Other Firms			Other Firms holding Shares in FE
	Names	Proportion of Shareholding %	Proportion of Shareholding %
<b>1.</b>	<b>Holding of shares exceeding 50%</b>		
	<p>A) Other firms hold shares in the Company exceeding 50%, the Company must not cross shareholding in other firms.</p> <p>B) The Company holds shares in other firms exceeding 50%, the other firms must not cross shareholding in the Company.</p> <p>C) The Company holds shares exceeding 50% between two or more other firms, any other firms must not cross shareholding each other.</p> <p>1. Fame Line Co., Ltd.</p> <p>2. Springboard Plus Co., Ltd.</p>	<p>99.99</p> <p>99.99</p>	<p>-</p> <p>-</p>
<b>2.</b>	<b>Holding of shares exceeding 25% not exceeding 50%</b>		
	<p>A) Other firms hold shares in the Company exceeding 25% but not exceeding 50% of shares, the Company must not cross shareholding in other firms exceeding 10%.</p> <p>B) The Company holds shares in other firms exceeding 25% but not exceeding 50% of shares, the other firms must not cross shareholding in the Company exceeding 10%.</p> <p>1. Diginakorn Co., Ltd.</p> <p>2. Integrated Communication Co., Ltd.</p> <p>3. Media Intelligence Co., Ltd.</p>	<p>40.00</p> <p>40.00</p> <p>30.00</p>	<p>-</p> <p>-</p> <p>-</p>
<b>3.</b>	<b>Holding of shares not exceeding 25%</b>		
	<p>A) Other firms hold shares in the Company not exceeding 25%, the Company must not cross shareholding in other firms exceeding 25%.</p> <p>B) The Company holds shares in other firms exceeding not exceeding 25%, the other firms must not cross shareholding in other firms exceeding 25%.</p> <p>1. Saha Pathanapibul Plc.</p> <p>2. Saha Pathana Interholding Plc.</p> <p>3. I.C.C. International Plc.</p>	<p>0.33</p> <p>0.28</p> <p>0.29</p>	<p>12.30</p> <p>14.08</p> <p>10.64</p>

*Remark : The Company has the cross shareholding structure; however the cross shareholding not conflict with the principles as prescribed in the Notification of the Capital Market Supervisory Board Tor For 28/2551 Re: The Request for Approval and the Approval of Initial Public Offering Article 14.*



## SHAREHOLDERS

### Registered Capital and Paid up Capital

The Company had total registered capital and paid-up capital of Baht 75,000,000 (7,500,000 ordinary shares with par value of Baht 10 per share).

### Structure of Shareholders and Management

#### Shareholders

As at the close of share register on December 7, 2017

Type	Person	Share	%
<b>Juristic Persons</b>			
Thai	27	3,933,703	52.45
Foreign	2	821,800	10.96
<b>Private Individuals</b>			
Thai	314	2,738,497	36.51
Foreign	1	6,000	0.08
<b>Total</b>	<b>344</b>	<b>7,500,000</b>	<b>100.00</b>

### 10 Major Shareholders as at the close of share register on December 7, 2017

	No. of Shares	%
1. Saha Group	2,776,150	37.02
2. Mr. Samrerng Manoonpol	866,000	11.55
3. GERLACH & CO.- COMERICA BANK US CLIENT	750,000	10.00
4. Chokwatana Co., Ltd.	505,075	6.73
5. Mr. Boonchai Chokwatana	350,000	4.67
6. Mrs. Chailada Tantivejakul	315,404	4.21
7. Mr. Chailadol Chokwatana	230,000	3.07
8. I.D.F. Co., Ltd.	171,000	2.28
9. Mr. Verapat Poonsakudomsin	128,500	1.71
10. Mrs. Sirina Pawarolarnwithaya	101,250	1.35

### Note

Saha Group are as follows:

	<u>No.of Shares</u>	<u>%</u>
Saha Pathana Inter - Holding Plc.	1,055,700	14.08
Saha Pathanapibul Plc.	922,650	12.30
I.C.C. International Plc.	797,800	10.64

## COMPANY'S DIVIDEND PAYMENT POLICY

The Company intended to allocate dividends to the shareholders at the rate of Baht 3 per share per year, subjecting mainly to the economic situation and the Company's results of operation.

Nevertheless, during the past five years, the Company had paid dividend to shareholders fairly with the rate is suitable to each period economy situation and in accordance with the dividend payment policy as follows:

Year	2016	2015	2014	2013	2012
Value of share (Baht)	10.00	10.00	10.00	10.00	10.00
Dividend per share (Baht)	7.00	6.00	5.00	7.00	8.00
Total amount (Baht)	52,500,000.00	45,000,000.00	37,500,000.00	52,500,000.00	60,000,000.00
Ratio (%) net profit	67.16%	67.10%	80.64%	82.53%	73.02%

### Company subsidiaries' Dividend Payment Policy

The Company subsidiaries intended to allocate dividends at the rate of 50% of the profit after tax.

## STRUCTURE OF MANAGEMENT

Name/Position	Age	Education	% Shares Holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
1. Mr.Boonchai Chokwatana - Chairman - Authorized Director	70	- The Doctoral Honorary Degree in Communication, Naresuan University Business Administration, Maharakham University - Bachelor of Arts in Political Science Ramkhumhaeng University - Bachelor of Business Administration Wisconsin State University at Superior, U.S.A. - Director Accreditation Program (DAP) 3/2003 from IOD - Director Certification Program (DCP) 68/2005 from IOD	4.73	Mrs. Chailada Tantivejakul and Mr. Chailadol Chokwatana's father	1972 -Present	<u>Listed companies</u> - Chairman of the Executive Board	- Saha Pathanapibul Plc.
					2010 -Present 2007-Dec 1, 2014	- Chairman - Independent Director/Audit Committee	- MFC Asset Management Plc.
					2011 -Dec 11, 2012	- Chairman	- Pan Asia Footwear Plc.
					Dec 2012-Apr 2014	- Director	
					2011 -Present	- Director	- Thai President Food Plc.
					Apr 23, 2012 - Present	- Director	- Saha Pathana inter-holding Plc.
						<u>Non Listed Companies</u> <u>Competitive Business related to Company's Business</u>	- 16 companies
					1989 -Present 1996 -Present	- Chairman - Chairman	- Fame Line Co., Ltd. - Integrated Communication Co., Ltd.
					1996 -Present	- Director	- SPA-Today-Far East (Thailand) Co., Ltd.
					1996 -Present	- Director	- Myanmar SPA-Today-Far East Co., Ltd.
2010 -Present	- Director	- Munk Production Co., Ltd.					
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted					- None -		

Name/Position	Age	Education	% Shares Holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
2. Mr. Wasin Teyateeti - Vice Chairman - Authorized Director	69	- Bachelor of Accountancy, Chulalongkorn University - Director Accreditation Program (DAP) 3/2003 from IOD	0.23	- None -	1997 - Present	<u>Listed companies</u> • Independent Director / Audit Committee <u>Non Listed Companies</u> <u>Competitive</u> <u>Business related to Company's Business</u> - Director	- Saha Pathanapibul Plc.  - 4 companies
					1996 - Present	- Director	- SPA-Today-Far East (Thailand) Co., Ltd.
					1996 - Present	- Director	- Myanmar SPA-Today-Far East Co., Ltd.
					1999 - Present	- Chairman	- Media Intelligence Co., Ltd.
					2003 - Present	- Chairman	- Springboard Plus Co., Ltd.
					2015 - Present 2012 - Present	- Director - Director	- MIM (Thailand) Co., Ltd. - Media Insight Co., Ltd.
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.					- None -		
3. Mr. Wichar Ldalitsakool - President - Risk Management and Anti-Corruption Committee - Authorized Director	63	- Bachelor of Arts, Porchang Campus Rajamangala University of Technology Rattanakosin - Mini MBA Executive Development Program the 30th, Thammasat University - Director Accreditation Program (DAP) 106/2013 from IOD	0.08	- None -	2003 - Present	<u>Listed companies</u> <u>Non Listed Companies</u> <u>Competitive</u> <u>Business related to Company's Business</u> - Vice President	- None - - None -  - Fame Line Co.,Ltd.
					Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.		

					Experiences			
Name/Position	Age	Education	% Shares Holding	Family Relationship Between Directors	Period	Position	Company	
4. Mrs. Chailada Tantivejakul - Vice President - Chief Financial Officer - Risk Management and Anti-Corruption Committee - Authorized Director	41	- Master's Degree in International Commerce and Policy, George Mason University, USA. - Director Accreditation Program (DAP) 55/2006 from IOD - Risk Management Program for Corporate Leaders (RCL) 8/2017	4.21	Mr. Boonchai Chokwatana's daughter	2011 - Present	Listed companies - Director Executive Director Non Listed Companies <u>Competitive Business related to Company's Business</u> - Director	- Saha Pathanapibul Plc. - 5 companies	
					2004 - Present	- Director	- Spa-Today-Far East (Thailand) Co.,Ltd. - Media Intelligence Co.,Ltd.	
					2008 - Present	- Director		
					Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.			- None -
5. Mrs. Malee Leelasiriwong - Director - Human Resource and Legal Director - Risk Management and Anti-Corruption Committee - Authorized Director	63	- Bachelor of Law, Chulalongkorn University - Director Accreditation Program (DAP) 2/2003 from IOD	0.03	- None -		Listed companies Non Listed Companies <u>Competitive Business related to Company's Business</u> - Director - Director - Director - Director	- None - - 1 company  - Fame Line Co.,Ltd. - Data First Co.,Ltd. (Image First Co.,Ltd.) - Springboard Plus Co.,Ltd. - Integrated Communication Co.,Ltd.	
					1989 - Present			
					1990 - Present			
					2003 - Present			
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.			- None -					
6. Mr. Khachornsakdi Vanaratseath - Independent Director - Audit Committee Chairman	70	- Master's Degree in Accountancy, Western Illinois University, U.S.A. - Graduate Diploma in Auditing, Chulalongkorn University - B.Se. Accountancy, Chulalongkorn University - Director Accreditation Program (DAP) 3/2003 from IOD	-	- None -	1996 - Present	Listed companies - Independent Director / Audit Committee - Independent Director / Audit Committee Chairman - Independent Director / Audit Committee Chairman Non Listed Companies <u>Competitive Business related to Company's Business</u>	- Saha Pathanapibul Plc. - S&J International Enterprise Plc. - People's Garment Plc.	
					1993 - Apr 26, 2017			- 1 company - None -
					Apr 2017- Present			
					Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.			- None -



Name/Position	Age	Education	% Shares Holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
<b>7 . Mr. Amorn Asvanunt</b> - Independent Director - Audit Committee	69	- Master's Degree of MBA, Bowling Green State University, Ohio, U.S.A. - B.Se. Accountancy Chulalongkorn University - Director Accreditation Program (DAP) 4/2003 from IOD	-	- None -	1999 - Present	<u>Listed companies</u> - Independent Director/Audit Committee - Chairman of Risk Management Committee - Independent Director / Audit Committee Chairman	- I.C.C. International Plc.
					2006 - Present	- Chairman of Risk Management Committee	- People's Garment Plc.
					2002 - Present	- Independent Director / Audit Committee Chairman	
					2003 - Present	- Independent Director/Audit Committee	- Saha Cogen (Chonburi) Plc.
					2005 - Present 2008 - Present	- Independent Director - Risk Management Committee	- Krungdhep Sophon Plc.
					2015 - Present	- Chairman of the Remuneration Committee	
					2015 - Present	- Independent Director Committee	- MFC Asset Management Plc.
					Apr. 26, 2017 - Present	- Independent Director / Audit Committee Chairman	- S&J International Enterprise Plc. - 1 company
						<u>Non Listed Companies</u> <u>Competitive Business related to Company's Business</u>	- None -
						- None -	
<b>8. Mr. Vichit Tantanunant</b> - Independent Director - Audit Committee - Chairman of Risk Management and Anti-Corruption Committee	71	- Assumption Commercial College, Bangkok - Joint Venture Management Course, Insead University - Director Accreditation Program (DAP) 3/2003 from IOD	-	- None -	1997 - Present 2015 - Present	<u>Listed companies</u> - Director - Audit Committee  <u>Non Listed Companies</u> <u>Competitive Business related to Company's Business</u>	- Somo Japan Nipponkoa Insurance (Thailand) Plc. - 1 company - None -
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.							
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.							

Name /Position	Age	Education	% Shares Holding	Family Relationship Between Directors	Experiences	
<b>9. Mrs. Chattong Tippayakalin</b> - Independent Director - Audit Committee	65	- Bachelor of Economics (Finance) University of the Thai Chamber of Commerce - Master of Business Administration (Management) Kasetsart University - National Defence College - Director Accreditation Program (DAP) 99/2012 from IOD - Advanced Audit Committee Program Class 23/2016	-	- None -	2015 - Present	<u>Listed companies</u> - Director - Audit Committee - Risk Management Committee <u>Non Listed Companies</u> - None - <u>Business related to Company's Business</u> - None - - None -
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.					- None -	
<b>10. Mr. Arthorn Maeknoparat</b> - Director - General Manager - Risk Management and Anti-Corruption Committee - Authorized Director	58	- Bachelor of Arts, Faculty of Communication Arts, Major in Mass Communication, Chulalongkorn University - Director Accreditation Program (DAP) 87/2011 from IOD	-	- None -	Mar 8, 2016	<u>Listed companies</u> <u>Non Listed Companies</u> Competitive <u>Business related to Company's Business</u> - Director - None - - None - - Diginakorn Co., Ltd.
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.					- None -	
<b>11. Mr. Chailadol Chokwatana</b> - Director - Authorized Director	40	- Bachelor of Graphic Design, Marymount University, USA - Director Accreditation Program (DAP) 106/2013 from IOD	3.07	Mr. Boonchai Chokwatana's son	2010-Present	<u>Listed companies</u> <u>Non Listed Companies</u> Competitive <u>Business related to Company's Business</u> - President - None - - None - - Munk Production Co., Ltd.
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.					- None -	

Name /Position	Age	Education	% Shares Holding	Family Relationship Between Directors	Experiences	
<b>12. Miss Waraporn Kulsawatpakdee</b> - Director - Risk Management and Anti-Corruption Committee - Authorized Director	59	- Master of Public and Private Management (M.P.P.M) The National Institute of Development Administration (NIDA) - Bachelor of Arts(Honour), Faculty of Communication Arts, Chulalongkorn University - The National Defence Course for the State, Private and Political Sectors Class 6, The National Defence College (NIDA) - Director Certification Program (DCP) 154/2011, Thai Institute of Direction	0.03	- None -	1994 - Present 2016 - Present	Listed companies Non Listed Companies Competitive Business related to Company's Business - Chief Executive Officer and Managing Director / - Independent Director / Audit Committee  - Integrated Communication Co., Ltd. - Thai Wacoal Plc.
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.						
<b>13. Mr. Anupol Puwapoornpol</b> - Managing Director - Risk Management and Anti-Corruption Committee	57	- Bachelor of Arts, Faculty of Communication Arts, Major in Advertising and Public Relations, Chulalongkorn University	-	- None -	2015 - Present 2016 - Present	Listed companies Non Listed Companies Competitive Business related to Company's Business - Director - Director  - None -  - None - - None -  - Springboardplus Co., Ltd. - Diginakorn Co., Ltd.
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.						
<b>14. Mrs. Pornwilai Pinvanichkul</b> - Accounting Manager	57	- Master of Business Administration, Ramkhumhaeng University	-	- None -		Listed companies Non Listed Companies Competitive Business related to Company's Business  - None - - None -  - None -
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.						

Name/Position	Age	Education	% Shares Holding	Family Relationship Between Directors	Experiences		
<b>15. Mrs. Sunee Chajiraraks</b> - Executive Creative Director	56	- Bachelor of Arts, Faculty of Communication Arts, Chulalongkorn University	-	- None -	2016 - Present	Listed companies Non Listed Companies <u>Competitive Business related to Company's Business</u> - Director	- None - - None - - Diginakorn Co., Ltd.
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.							
<b>16. Mr. Gongpan Uphathumprungpong</b> - Executive Creative Director	54	- Master's Degree of Arts, Faculty of Communication Arts, Chulalongkorn University	-	- None -		Listed companies Non Listed Companies <u>Competitive Business related to Company's Business</u>	- None - - None - - None -
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.							
<b>17. Miss Rachadawan Ritthirong</b> - The Company's Secretary	57	- Master's Degree of Business Administration, Thammasat University - Bachelor of Arts (Honour), Faculty of Communication Arts, Chulalongkorn University - Company Secretary Program (CSP) 74/2016	0.004	- None -		Listed companies Non Listed Companies <u>Competitive Business related to Company's Business</u>	- None- - None- - None-
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted.							
- None -							

## THE BOARD OF DIRECTORS

The Company's management structure as of December 31, 2017 consists of the Company's Board of Directors, Audit Committee, Risk Management and Anti - Corruption Committee.

Names		Position	Appointed Year	Period of Company's Director (Years)
1. Mr. Boonchai	Chokwatana	Chairman	1970	47
2. Mr. Wasin	Teyateeti	Vice Chairman	1974	43
3. Mr. Wichar	Ldallitsakool	President	2013	4
4. Mrs. Malee	Leelasiriwong	Director	2000	17
5. Mrs. Chailada	Tantivejakul	Vice President	2005	12
6. Mr. Khachornsakdi	Vanaratseath	Independent Director	2002	15
7. Mr. Amorn	Asvanunt	Independent Director	2002	15
8. Mr. Vichit	Tantianunanont	Independent Director	2002	15
9. Mr. Arthorn	Maeknoparat	Director	2010	7
10. Mrs. Chatlong	Tippayakalin	Independent Director	2011	6
11. Mr. Chailadol	Chokwatana	Director	2013	4
12. Miss Waraporn	Kulsawatpakdee	Director	2014	3
Miss Rachadawan	Ritthirong	The Company Secretary	2016	

### Charter of the Company's Board of Directors

The Company's Board of Directors recognizes an on duty as directorship with responsibility, carefulness and integrity as fiduciary that operates such business commencing to good corporate governance's principles to achieve utmost benefit for the Company, shareholders and all parties concerned. The Company's business is complied with the policy, law, objective, regulations, the Company's Board of Directors' resolution and resolution of the Shareholders' Meeting. The Company's Board of Directors has duty and responsibility as follows:

#### Authority

1. To appoint, remove and delegate authority to the Company's Board of Directors' adviser, the committees and other parties for further practice.
2. To approve loans of the amount greater than the authority of the executive committee, to the companies with a business relation to the companies as shareholders, or to affiliated companies with a trading relation or other companies.
3. To approve guarantee of loans of the amount greater than the authority of the executive committee, to companies with a business relation with the companies as shareholders, or to affiliated companies with a trading relation or other companies.
4. To approve engagement in a legal act, that is not a financial transaction, of the amount greater than the authority of the executive committee.
5. To approve acceptance or cancellation of loans of the amount greater than the authority of the executive committee.
6. To approve investment, sale of investment capital in ordinary shares and/or any other securities of the amount greater than the authority of the executive committee.
7. To approve sourcing and investment in fixed assets of the amount greater than the authority of the executive committee.
8. To approve amendment, destruction and disposal of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, deteriorated and out of date, which are out of the amount greater than the authority of the executive committee.

9. To approve amendment, change of price and destruction of raw materials and / or remaining inventories which are deteriorated or out of date, which are of the amount greater than the authority of the executive committee.

10. To approve compromise or settlement of dispute by arbitration, complaint, filling of lawsuits and / or any legal proceeding on behalf of the Company on matters which are not/or normal business course with an amount exceeding the authority of the executive committee.

11. To propose a capital increase or decrease of, change in stock value, amendment of the memorandum of association, articles of association, and / or objectives of the Company to the General Shareholders Meeting.

12. To invite the management, executives and employees of the Company involved in any particular issues to provide some explanations, to give comments, to participate in the meeting, or to provide any documents as necessary.

13. To seek advice and consultation by experts or advisers of the Company (if any), or to commission an external adviser or expert in any necessary cases under expenses of the Company.

14. To appoint and remove the Company Secretary.

15. All authority of the board of directors as mentioned above that is related to the grant and distribution of assets and connected transaction will act in accordance with the announcement of Capital Market Supervisory Board.

### **Scope, Authorities and Duties of the Company Directors**

1. To establish directions, goals and business policies of the Company.

2. To approve plans and annual budgets, to supervise the performance of the management in order to ensure effectiveness and compliance with the laws and desired policies and plans.

3. To encourage the development of business supervision policy and written business code of ethics in order for Company directors, executives and employees to observe as guideline in the conduct of the Company's business.

4. To arrange for a sufficient internal control system in order to ensure that transactions are approved by authorized individuals, reviewed and recorded in accurate books of accounts, and to implement systems preventing inappropriate use of Company's assets.

5. Transactions with possible conflict of interests must be carefully reviewed, with a definite guideline to ensure the interests of the Company and the shareholders. Individuals with interests may not be involved in the decision-making process. They must observe the requirements on the proper procedure and disclosure of transactions with possible conflict of interests.

6. To approve the reviewed and/or audited financial statements by external auditor, which have been approved by the Audit Committee.

7. To be equally responsible to all shareholders, and to correctly and transparently disclose information to shareholders and investors.

8. To acknowledge business management reports from the Executive Committee.

9. To convene shareholders meetings by specified date, time, location and agenda as well as dividends (if any), and to provide shareholders with opinions of the Board of Directors on the matters proposed to the shareholders. During the twenty-one days prior to each shareholder meeting, the Company may refuse share transfer registration by transfer registration suspension. Alternatively, a record date (RD) may be determined no longer than two months prior to the day of any shareholders meeting, and the shareholder's register book at the closing date must be one day after the record date. This is to compile a list of names under Section 225 of the Securities and Exchange Act, in order to determine the right to attend shareholders meeting and to receive dividends.

10. To prepare the report of "Responsibility of the Board of Directors towards Financial Reports" and disclose it in the annual report of the Company (Form 56-2) and the annual registration statements (Form 56-1).

11. To follow up on documents to be submitted to relevant regulatory agencies, in order to ensure that the statements or the items are correct as per the data appearing in the books of accounts, the registration or other documents of the Company.

12. To approve the Board of Directors Charter and/or other committees Charters.

13. To engage in any other action, which is beyond the authority of the Executive Committee, or which the Board of Directors deems appropriate.

In the year 2017, the Board of Directors held 10 meetings; the attendance of each Board member on such meetings was as follows:

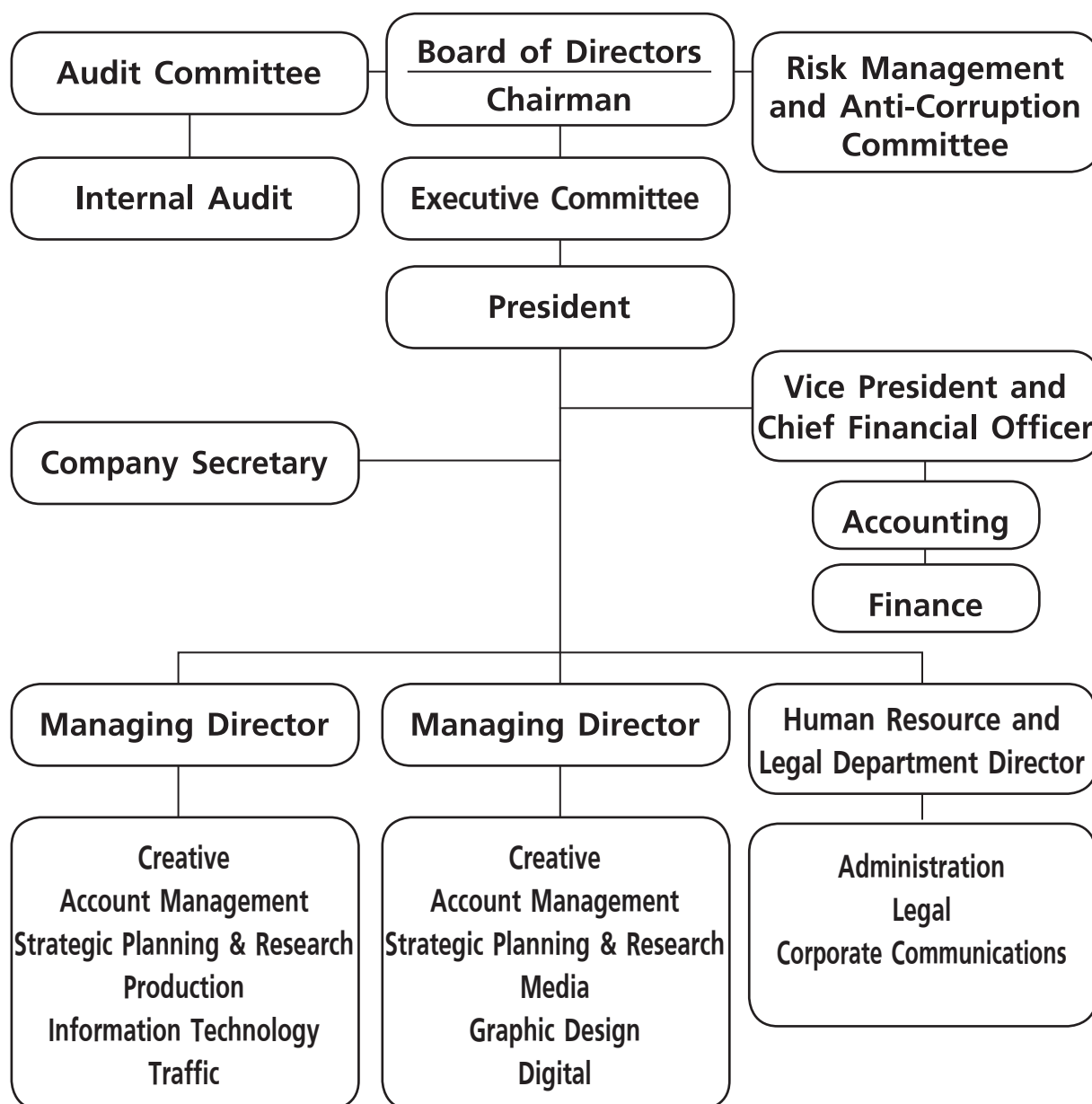
Names		Position	The Board of Directors' Meeting	Ordinary Meeting of Shareholders
1. Mr. Boonchai	Chokwatana	Chairman	10/10	1/1
2. Mr. Wasin	Teyateeti	Vice Chairman	5/10	1/1
3. Mr. Wichar	Ldallaitsakool	President	10/10	1/1
4. Mrs. Chailada	Tantivejakul	Vice President	10/10	1/1
5. Mrs. Malee	Leelasiriwong	Director	10/10	1/1
6. Mr. Arthorn	Maeknoparat	Director	6/10	1/1
7. Mr. Chailadol	Chokwatana	Director	8/10	1/1
8. Miss Waraporn	kulsawatpakdee	Director	9/10	1/1
9. Mr. Khachornsakdi	Vanaratseath	Independent Director	10/10	1/1
10. Mr. Amorn	Asvanunt	Independent Director	9/10	1/1
11. Mr. Vichit	Tantianunanont	Independent Director	10/10	1/1
12. Mrs. Chattong	Tippayakalin	Independent Director	8/10	1/1

### **Executives**

Number of Executives as at December 31, 2017

Name	Position
1. Mr. Boonchai Chokwatana	Chairman
2. Mr. Wichar Ldallitsakool	President
3. Mrs. Chailada Tantivejakul	Vice President and Chief Financial Officer
4. Mr. Anupol Puwapoonpol	Managing Director
5. Mr. Arthorn Maeknoparat	General Manager
6. Mrs. Malee Leelasiriwong	Human Resource and Legal Director
7. Miss.Waraporn Kulsawatpakdee	Public Relations Advisor
8. Mrs. Sunee Chaijiraraks	Executive Creative Director
9. Mr. Gongpan Uphathumprungpong	Executive Creative Director
10.Mrs. Pornwilai Pinvanichkul	Accounting Manager

## MANAGEMENT STRUCTURE OF THE COMPANY



### The Company's Secretary

The Company has assigned Miss Rachadawan Ritthirong as the Company's secretary to take full responsibility of this position in order to conduct the Company's business efficiently with good corporate governance.

The scope of duties and responsibilities of the Company's secretary are as follows:

1. preparing and keeping the following documents:
  - a) a register of directors;
  - b) a notice calling director meeting, a minute of meeting of the Board of Directors and an annual report of the Company;
  - c) a notice calling shareholder meeting and a minute of shareholders' meeting;
2. keeping a report on interest filed by a director or an executive;
3. performing any other acts as specified in the notification of the Capital Market Supervisory Board.



**Number of Shares held by the Directors and Executives of Far East DDB Public Company Limited as at December 31, 2017**

Name			2016		Increase/ Decrease During the year	2017 Total	%	2017	
			Director	Spouse				Director	Spouse
1.	Mr. Boonchai	Chokwatana	296,260	118,500	(59,760)	355,000	4.73	350,000	5,000
2.	Mr. Wasin	Teyateeti	14,850	2,250	-	17,100	0.23	14,850	2,250
3.	Mr. Wichar	Ldallitsakool	2,000	4,000	-	6,000	0.08	2,000	4,000
4.	Mrs. Chailada	Tantivejakul	306,044	-	9,363	315,404	4.21	315,404	-
5.	Mrs. Malee	Leelasiriwong	-	2,100	-	2,100	0.03	-	2,100
6.	Mr. Chailadol	Chokwatana	179,600	-	50,400	230,000	3.07	230,000	-
7.	Mr. Khachornsakdi	Vanaratseath	-	-	-	-	-	-	-
8.	Mr. Amorn	Asvanunt	-	-	-	-	-	-	-
9.	Mr. Vichit	Tantianunanont	-	-	-	-	-	-	-
10.	Mr. Arthorn	Maeknoparat	-	-	-	-	-	-	-
11.	Mrs. Chattong	Tippayakalin	-	-	-	-	-	-	-
12.	Miss Waraporn	Kulsawatpakdee	2,500	-	-	2,500	0.03	2,500	-
13.	Mr. Anupol	Puwapoonpol	-	-	-	-	-	-	-
14.	Mr. Gongpan	Uphathumprungpong	-	-	-	-	-	-	-
15.	Mrs. Sunee	Chaijiraraks	-	-	-	-	-	-	-

**Number of Shares held by Director of Springboard Plus Co., Ltd as at December 31, 2017**

Name			2016		Increase/ Decrease During the year	2017 Total	%	2017	
			Director	Spouse				Director	Spouse
1.	Mr. Wasin	Teyateeti	8	-	-	8	0.00	8	-

## **Remuneration for the Directors**

### **Remuneration for the Board of Directors:**

- Directors' compensation	Baht	2,400,000.00
- Directors' meeting allowance	Baht	840,000.00
- Audit Committee Meeting allowance	Baht	285,000.00
- Risk Management and Anti-Corruption Meeting allowance	Baht	108,000.00

**Totalling** **Baht 3,633,000.00**

Names		Directors' compensation (Baht)	Directors' meeting allowance (Baht)	Audit Committee Meeting allowance (Baht)	Risk Management and Anti-Corruption Meeting allowance (Baht)
1. Mr.Boonchai	Chokwatana	200,000.00	80,000.00		
2. Mr.Wasin	Teyateeti	200,000.00	40,000.00		
3. Mr.Wichar	Ldallitsakool	200,000.00	80,000.00		16,000.00
4. Mrs.Malee	Leelasiriwong	200,000.00	80,000.00		16,000.00
5. Mrs.Chailada	Tantivejakul	200,000.00	80,000.00		12,000.00
6. Mr.Khachornsakdi	Vanaratseath	200,000.00	80,000.00	75,000.00	
7. Mr.Amorn	Asvanunt	200,000.00	72,000.00	60,000.00	
8. Mr.Vichit	Tantianunanont	200,000.00	80,000.00	75,000.00	16,000.00
9. Mrs.Chattong	Tippayakalin	200,000.00	64,000.00	75,000.00	
10. Mr.Arthorn	Maeknoparat	200,000.00	48,000.00		16,000.00
11. Mr.Chailadol	Chokwatana	200,000.00	64,000.00		
12. Miss Waraporn	Kulsawatpakdee	200,000.00	72,000.00		16,000.00
Mr. Anupol	Puwapoonpol				16,000.00
<b>Total</b>		<b>2,400,000.00</b>	<b>840,000.00</b>	<b>285,000.00</b>	<b>108,000.00</b>

## **Remuneration for Executives**

Remuneration payment to 10 Executives is equal to Baht 22,126,214.00 for the year 2017, which is in the form of salaries and bonus.

## **Employees**

As of December 31, 2017, the number of employees are 95 persons with staff in key departments are as follows:

- Creative Departmen	18 persons
- Account Management Department	18 persons
- Production Department	7 persons
- Strategic Planning & Research Department	5 persons

For the year 2017 the Company has paid to employees (excluding employees who serve as directors and executives) as 68,478,915 Baht compensation as salary, bonus and allowances.

In the past year. There are no labor disputes arise.

## CORPORATE GOVERNANCE

One mission of the Board of Directors is to implement a good corporate governance system which ensures transparency, honesty, accountability, competitiveness, fairness to all relevant parties, with consideration to all stakeholders as well as added value for shareholders. To this end, we observe the good corporate governance principle as promoted by both the Stock Exchange of Thailand and by the sufficiency economy philosophy, which teaches us to feel happy with what we have, to be reasonable, and to be careful. Our operation plans are developed and executed with expertise and great caution. And, most importantly, all executives and employees are encouraged to be honest, dedicated, patient, careful and willing to share. These measures have positioned us very well to accommodate any economic, political, cultural and social change, and, to achieve balanced and sustainable results.

Our good corporate governance principle was approved by the Board of Directors composed of three parts: Corporate Governance Policy, Business Ethics and Ethics for the Committees, Managers and Employees. The Board of Directors, executives and employees of all levels of the Company value the significance of the observance of the Good Corporate Governance Principle, which is constantly reviewed and improved. As a result, in the year 2017, we have been given positive ratings in the following areas:

- “Good” rating for the 2017 evaluation of corporate governance of listed companies.
- “Very Good” rating for the 2017 evaluation of annual general meeting of shareholders quality.

The Board of Directors has considered and improved the corporate governance of the Company in accordance with the “Principles of Good Corporate Governance for Listed Companies in 2012” guideline to comply with ASEAN Corporate Governance Scorecard rules as follows :

1. Corporate Governance Policy
2. Corporate Governance 5 Sections
3. Business Ethics
4. Ethics for the Committees, Managers and Employees

### **Corporate Governance Policy**

The Board of Directors believes that good, transparent, and auditable management system, balance of power, sufficiently and appropriately internal control system, respect and shareholder and stakeholder equality are the major factors that contribute to the corporate immune system as well as sustainable and balance growth.

Therefore, the Board of Directors set the following corporate governance policies that are the practical guidelines for all directors, managers, and employees. The Company has distributed guideline to Directors, Executives and employees and posted on the Company website [www.fareastddb.com](http://www.fareastddb.com) to acknowledge and perform the business operations in the same way. Details are as follows:

1. All directors, managers, and employees dedicate to comply with the corporate governance policies, corporate morals, and managerial ethics.
2. All directors, managers, and employees must responsibly, carefully, and honestly perform their duties according to laws, the company’s regulations, and relevant announcements.
3. The Company’s management structure must clearly specify the authorities, duties, and responsibilities of directors and managers
4. The internal control and risk management systems must be suitable for the Company. The accounting and financial systems must be reliable.
5. Important information must be sufficiently, reliably, and promptly disclosed as long as the information does not affect the legal benefits for the Company.
6. The ownership rights of the shareholders must be aware of and respectable. The shareholder equity must be sustained.
7. Corporate activities must be conduct with responsibilities for the shareholders, stakeholders, communities, and environment.

8. Corporate excellence must be a goal that can be achieved with customer satisfaction by listening to the customers and revising ourselves in order to maximize the management and creativity potentials.
9. Morals, ethics, conscious, and fairness are fostered. The employee capabilities are regularly improved.
10. Fraud, corruption, and intelligent property infringement must be prevented. Laws and human rights must be followed.
11. Conflicts of interests must be carefully and reasonably handled by considering the Company's interests.

**The corporate governance policies are divided into the following five sections.**

**1. Rights of the Shareholders**

1.1 The Board of Directors is aware of and respects the ownership rights of the shareholders. The rights of the shareholders must not be violated or deprived. The Board of Directors fairly protects the interests of the shareholders as well as support and encourage all groups of the shareholders including local and foreign ones, major and minor ones, and institutional ones to use their rights including the fundamental rights, the right to sufficiently and promptly access information, and the right to attend shareholder meetings in order to set directions and make decisions regarding significant effects on the Company.

1.2 The Board of Directors provides opportunities for the shareholders to posting meeting agendas and their questions before meetings on company's website.

1.3 The Board of Directors states the details including description and rationale, date, time, location, and agenda of each meeting in each notice calling for the meeting for the shareholders' convenience.

1.4 The Board of Directors entitles the shareholders to annually approve the pays or the directors by setting payment criteria.

1.5 The Board of Directors encourages the uses of technologies in the shareholder meetings in order to correctly and quickly obtains a resolution for each issue. The Board of Directors encourages entitle the shareholders to elect a director by voting and appointing an independent person to count the votes.

1.6 The Board of Directors posts the resolution and voting results of each shareholder meeting on the day after the meeting on the Company's website.

1.7 The Board of Directors posts the information about each shareholder meeting on the Company's website. The information includes the voting procedure; the names of the directors, subcommittees, managers who attended and did not attend the meeting; voting results; and questions and answers without agendas that were not include in the notice calling for the meeting.

In addition to the basic rights, the Board of Directors takes into account the statutory rights of shareholders and engages; ensures that their rights are not violated or subjugated; and, facilitates the exercise of their rights as follows:

**1. Right to be informed :** All shareholders have an equal right to be informed. Therefore, information is made available to shareholders in English and in Thai via the Stock Exchange of Thailand and our web site at [www.fareastddb.com](http://www.fareastddb.com) This is to ensure that the shareholders are well informed of matters such as operational results, related transactions, significant sales and purchases of assets, names of ten major shareholders as of registration book closing date for the purpose of an annual general meeting, shareholders meeting minuted within 14 days after the meeting, and other information necessary for their decision making.

**2. Right to attend shareholders meetings :** The Company arranges for the annual general meeting of shareholders every year within four months from the last day of an accounting year of the Company. This meeting takes place on a date and time and at a location which allow ease of attendance by the shareholders.

In the year 2017, the Company has had the 23<sup>rd</sup>, annual general meeting of shareholders on April 27th, 2017 at the Conference Room of Far East DDB Plc., 465/1-467 Si Ayutthaya Road, Ratchathewi, Bangkok 10400. This venue is used every year to save the shareholders from confusion. A map is enclosed with the meeting notice with agendas. Addition-

Additionally, an annual general shareholders meeting notice with agendas in Thai and English was published via the information system of the Stock Exchange of Thailand and the Company's web site at [www.fareastddb.com](http://www.fareastddb.com) on March 24<sup>th</sup>, 2017 in order to inform the shareholders 34 days in advance.

### **Before the meeting day**

1. The Company gives shareholders the opportunity to be involved in the meetings. Minor shareholders can submit matters for inclusion as meeting agendas and/or nominate individuals for the Company director election.

For the 2017 annual general meeting of shareholders, the Company has allowed shareholders to submit matters for inclusion as meeting agendas and/or nominate individuals for election as the Company's Director from December 1<sup>st</sup>, 2016 to December 30<sup>th</sup>, 2016. This was announced in Thai and English via the information system of the Stock Exchange of Thailand and on the Company's web site at [www.fareastddb.com](http://www.fareastddb.com). Never the less, no shareholders has come forward with any submission or nomination.

2. The Company publishes the meeting notice and supporting documents on the Company's web site at [www.fareastddb.com](http://www.fareastddb.com) prior to the actual delivery of such information in printed form in Thai and English to the shareholders. This was carried out on March 24<sup>th</sup>, 2017 or more than 30 days before the meeting date in order to allow Thai and foreign shareholders to access information more quickly and conveniently, as well as to have more time to review pertinent information.

3. The Company delivers meeting notice with agendas, facts, rationales and opinions of Board of Directors on each agenda on April 10<sup>th</sup>, 2017 to allow shareholders time to review the matters. This was delivered together with supporting documents which include the annual report, financial statements, the profiles of company director candidates, definition of independent directors, profile of Audit Committee members proposed by the Company as proxies, map to the meeting venue, description of documents and identification evidence to be produced by the shareholders for admittance into the meeting, the section of Company Regulation which concerns shareholders meetings; and, the "B" proxy form, announcements was published in a newspaper seven days prior to the meeting for three consecutive days from April 18<sup>th</sup>, 2017.

Foreign shareholders were delivered on English translation together with the Thai version of meeting notice and supporting documents.

Further, if it was possible for shareholders to download either "A", "B" or "C" proxy form of their choice. They have all been prepared in accordance with the relevant announcement of the Ministry of Commerce.

### **On the meeting day**

1. The Board of Directors appreciates the significance of shareholders meetings and their responsibility to the shareholders. It is the duty of directors to attend the meetings and offer shareholders the opportunity to ask questions pertaining to the Company.

For the 23<sup>rd</sup>, annual general meeting of shareholders on April 27<sup>th</sup>, 2017, 12 directors or 100% were present at the meeting. The Chairman of the Board of Directors and the chairmen of subcommittees, executive directors, accounting manager and the Finance Manager were present. The meeting was also attended by the Company's auditors who served as witnesses to the vote counting. The names of directors, executives and auditors present at the shareholders meeting were recorded in the meeting minutes which is subsequently published on the Company's web site at [www.fareastddb.com](http://www.fareastddb.com).

2. The Company practices and equal treatment of all shareholders. Upon the meeting commencement, the Company secretary announces the number and the ratio of attending shareholders. The Vice Chairman acts as the Chairman of the meeting declares commencement of the meeting, introduces company directors, members of the subcommittees, executives and auditors then asks the Company secretary to explain all rules including those concerning voting and the counting of the votes of the shareholders on each agenda in accordance with the Company Regulation. Attending

shareholders are given the chance to inquire, opine and make suggestions on all agendas. Questions are answered clearly and precisely. For votes, against votes and abstentions are accounted for using the barcode system. A meeting minute is clearly, correctly and thoroughly produced.

3. At the 23<sup>rd</sup> annual ordinary meeting of shareholders on April 27<sup>th</sup>, 2017, a barcode system was used for the purpose of registration and voting to facilitate all attending shareholders. The barcode vote counting on each agenda was witnessed by the auditors of ANS Audit Co., Ltd. to guarantee transparency. Additionally, it was possible for all shareholders and proxies to see the voting results (for votes, against votes and abstentions) on the screen at the same time. The shareholders received the ballot paper and voting card at registration, by dividing into the case as follows:

**Any agenda, except, the election directors agenda.** Shareholders who are disapprove or abstain should raise the ballot paper, the officer would count the votes including distribute the voting card. Please fill specify an opinion with the signature in the voting card and the officer would collect the voting card promptly.

**The election of directors agenda.** Please specify opinion to election director individually with signature. In case of shareholders who are disapprove or abstain vote in the election of director, the shareholders/ proxies have to raise the ballot paper, the company officers will count the votes. The officers collect voting card from all shareholders/proxies at the end of this agenda.

Shareholders' votes on each agenda of the 2017 meeting can be viewed from the 23<sup>rd</sup> annual ordinary meeting of shareholders as published on the Company's web site.

4. The Company conducts the meeting in the order of the agendas, without any switching of the agendas or inclusion of additional agendas other than those specified in the meeting notice. Significant information is not changed without prior notice to the shareholders

5. The Company records a video of the shareholders meeting throughout the duration of it. Shareholders can ask to see it with the Company secretary. The video is published on the Company's web site as well.

6. Important agendas at shareholders meetings.

1) *Dividend payment:* The Company proposes details pertaining to profit allocation and dividend payment rate together with rationales and supporting information in accordance with the dividend payment policy of the Company. Comparisons are made between the paying dividend and the policy, and, between the paying dividend of the current year and the paid dividend of the previous year. The dates of dividend entitlement and book-closing date.

2) *Directorial election:* The Company gives shareholders the rights to vote on the election of individuals company directors; and, to nominate individuals for the Company director election. Nominated candidates for independent director position must possess the qualifications as required by the Company and the announcement of the Equity Market Committee. Shareholders are provided preliminary information on the candidates, the number of companies for which they serve as company director, position held in other listed companies or competitive/connected businesses, and, criteria and procedure for the selection, type of director.

In the case where a current company director is nominated, the information on his/her meeting attendance in the previous year and the number of terms/years he/she has held a directorial position are included as well.

3) *Directors' Remuneration:* Although the Company has not appointed a remuneration committee. The Company suggests the amount and the form of remuneration to the shareholders meeting for their approval on an annual basis. This is determined by the Nomination and Remuneration Committee and based on operational outcome, performance, remuneration limit approved by the shareholders meeting, remuneration paid in the previous year, the benchmark of other companies in the same sector, and, the duties and the responsibility of the Company directors. Policy and criteria for the determination of remuneration for each position of company director is presented. A summary is provided on approved remuneration limit, the actual amount paid, the form of payment and the exact amount paid to individual company

directors and members of the Audit Committee and the Risk Management Committee. This can be viewed from the annual registration statement (56-1 form) and the annual report (56-2), under the “Directors Remuneration” section.

4) *Appointment of auditors and determination of auditor’s fee:* The Company proposes the appointment of auditors and an audit office, independence, together with their operational outcome and the number of years they have been in service or the reason for the changing of auditors. Audit fee of the current year is compared with the previous year. The same is true for other service fees incurred from the use of services provided by the audit office with which the auditors are associated. Comparison is made with the amount of work and the audit fee of other listed companies of the same size as well. Auditors and the audit office are screened by the Audit Committee.

### **After the meeting day**

The Company produces detailed minutes for the general meeting of shareholders in Thai and English with clear, complete and factual information for each agenda. The names of company directors, members of the subcommittee, executive directors, top management from the accounting and finance department and, auditors who are present at the meeting are listed. Procedures for voting and vote counting, as well as the number of for votes, against votes and abstentions are recorded. The same is true for inquiries and the responses to them. Such a meeting minute is reviewed by the Legal Department and the Vice Chairman of the Board of Directors before execution of signature in the capacity as the chairman of the meeting. The minute is subsequently delivered to the Stock Exchange of Thailand and the Office of Securities and Exchange Commission, as well as published on the Company’s web site at [www.fareastddb.com](http://www.fareastddb.com) in Thai and English within fourteen days from the day of the shareholders meeting. This gives shareholders the opportunity to review information without having to wait until the next meeting. A copy is submitted to the Business Development Department and the Ministry of Commerce within the statutorily specified timeframe as well.

## **2. Equitable Treatment for the Shareholders**

2.1 The Board of Directors fairly and equally treats each shareholder. The shareholders who hold the same type of shares have the same right to vote (i.e. one share for one vote).

2.2 The Board of Directors encourages the shareholders who cannot attend each meeting to authorize a person(s) to attend and vote in the meeting by providing a proxy(s) stating that the shareholders can set the direction of the voting and by nominating at least one independent committee.

2.3 The Board of Directors provides opportunities for the minor shareholders to nominate directors in the annual general meetings of the shareholders.

2.4 The Board of Directors posts the notices calling for shareholder meetings in Thai and English on the Company’s website for at least 30 days before the meetings.

2.5 The Board of Directors encourages all shareholders to use their rights as the shareholders by providing the notices calling for shareholder meetings and supporting documents in English for the foreign shareholders in advance.

2.6 The Board of Directors set internal information policies and measures in order to prevent illegal exploitation of the information. The committees, managers, and employees are prohibited to access the internal information and trade the Company’s properties one month before the Company’s financial disclosure.

2.7 The Board of Directors assigns the committees and managers to report about their gains and losses as well as assigns the responsible person to carefully handle conflicts of interests according to the criteria of the Securities and Exchange Commission.

The Company places great importance on treating shareholders with equality and fairness, and this for treatment can be detailed as follows:

### **Shareholders meetings**

1. Votes are determined by the number of shares held by the shareholder. One share represents one vote.



2. For the shareholders meetings, minor shareholder can submit matters for inclusion as meeting agendas and/or nominate individuals for election as the Company's director election prior to the meeting from December 1, 2016 to December 30, 2016 in accordance with the established criteria, channels and timeframe. This is announced in Thai and English via the channels of the Stock Exchange of Thailand and on the Company's web site. There was not any shareholders propose agenda and nominate candidates, to be elected as directors.

3. For the 23<sup>rd</sup> annual general meeting of shareholders on April 27<sup>th</sup>, 2017 the Company has delivered a notice with supporting documents on April 10<sup>th</sup>, 2017 or 17 days prior to the meeting. It included agendas, the annual report, financial statements, the "B" proxy form, steps of the proxy process, profile of company director candidates and a map to the meeting venue. This is the same set of information published on the Company's web site more than 30 days prior to the meeting in order to allow shareholders sufficient time to review the information.

Foreign shareholders were delivered on English translation together with the Thai version of the meeting notice and supporting documents.

4. The Company encourages all shareholders to be involved in the review and the voting on important matters of the Company in accordance with the meeting agendas. Shareholders who are not able to participate in the meeting on their own may assign another person or a member of the Audit Committee who is an independent director to attend the meeting on their behalf. Names, addresses and interests of all four members of the Audit Committee are declared in the meeting notice. Shareholders can view the information on the four members of the Audit Committee in the annual report, enclosed with the meeting notice, as well.

Shareholders who are not able to participate in the meeting on their own may use the "B" proxy form, enclosed with the meeting notice. This allows shareholders to be involved in the voting. Documents and identification evidence required for the proxy process are described. The proxy process is not associated with any inconveniencing criteria. Alternatively, shareholders can download the proxy form, prepared in accordance with the relevant announcement of the Business Development Department, the Ministry of Commerce, from the Company's web site at [www.fareastddb.com](http://www.fareastddb.com). The three versions available are "A", "B" and "C" proxy forms. (The latter is used only by foreign investors who have appointed a custodian in Thailand as a depository and manager of their shares.)

The 23<sup>rd</sup> Ordinary Meeting of Shareholders for the year 2017 was held on April 27<sup>th</sup>, 2017.

	Shareholders	Shares	%
<b>Total number of shareholders as per the registration</b>	<u>359</u>	<u>7,500,000</u>	<u>100.00</u>
Attending Shareholders	41	5,636,179	75.15
Shareholders attending the meeting	15	930,804	12.41
In person Proxy attendance	26	4,705,375	62.74
• Audit committee members	-	-	-
• Other individuals	26	4,705,375	62.74

5. The Company provides duty stamps to the shareholder at no cost for the affixation on the proxy form.

6. The Company fully facilitates shareholders in their exercise of right to participate in shareholders meetings and to vote. Shareholders can register for the meeting at least two hours in advance. Shareholders joining the meeting after it has begun are given the right to vote on agendas which have yet to be reviewed. They are accounted as a part of the quorum from the agenda on which they have voted.

Sufficient personnel and technology are provided to facilitate meeting registration and voting on each agenda. A barcode system is used for convenience, timeliness and transparency.



### **Insider information usage control**

Measures relating to the use of insider information are covered in the Company's code of business ethics. Insider information usage control is a responsibility of directors, executives and staff towards the Company and Shareholders. They must be individuals of integrity, accountability and moral consciousness. Under no circumstance should they exploit their authority for the benefit of themselves and/or others. All relevant employees must protect the interests and the assets of the Company. They must not use information or assets of the Company for the benefit of themselves and or others. All relevant employees must protect the interests and the assets of the Company. They must not use information or assets of the Company for the benefit of themselves and/or others nor should they engage in any action which assists any individual in business that competes with the Company. Copies of these measures have been distributed to all directors, executives and staff for their observance. They are also available on the Company's website [www.fareastddb.com](http://www.fareastddb.com) As a guideline for them to conduct themselves as they function in their capacity.

The most serious disciplinary punishment established in the Company regulation is the termination of employment. All directors, executives and staff are aware of this and act accordingly.

### **Supervision of the Company's security trading transaction and report of stake holding**

We have in place a measure for the monitoring of our security trading transactions. Our code of ethics has prescribed a prohibition for directors, executives and staff in possession of insider information from selling or purchasing company share within one month before disclosing the financial statements to the public. Every quarter, the Company secretary sends a letter reminding this to directors, executives and relevant individuals. Additionally, directors and executives, as well as, their spouses and under-aged children are required to report their shareholding. Any transaction must be reported to the Securities and Exchange Commission, with a copy sent to the Company secretary for subsequent notification of the Board of Directors at the next meeting. One mandatory agenda to be present at all Board of Directors meetings involves the holding of company shares by directors and executives. A shareholding report form is enclosed with the invitation to the meeting. Directors and executives are well aware that it is their duty to comply.

In the year 2017 directors and executives have complied strictly with the policy. There has been no incidence of trading during the prohibited period.

Further, we have a measure for the monitoring the vested of interest of directors and executives who are required to report to the Chairman of the Board of Directors and the Chairman of the Board of Directors and the Chairman of the Audit Committee, the vested of interest of themselves and individuals related to them using the provided from any change must be reported as well within one month.

All directors and executives have complied strictly with the criteria in 2017.

### **Conflict of Interests**

Conflicts of interests are handled cautiously and rationally, with the greatest benefit to the Company as the key concern. Determination of prices is in compliance with normal fair trade conditions, just like doing business with an outsider. Measures have been implemented to ensure transparency and compliance with the criteria of the Stock Exchange of Thailand. This is a part of good corporate governance and an ethical responsibility towards the Company and the shareholders. To ensure that all parties are equally well informed, disclosures are made of connected transactions in accordance with the Stock Exchange of Thailand Commission announcement on disclosure of information and action of listed companies pertaining to related transactions. Directors with potential interests in the matter being reviewed are required to leave the room and refrain from voting. This is to allow directors without interests to freely voice their opinions and cast their vote. The Company's Secretary would announce the name of directors who are required to leave the room for the agenda at hand. The names and relationship with connected person, the determination of prices under the transaction and the directors with differing opinion from that of the Board of Directors (if any) are reported to the Stock Exchange of Thailand within the specified timeframe. The information is posted on our website as well for the purpose of transparency and also recorded in the minutes for subsequent reviews.

### **3. Roles of the Stakeholders**

3.1 The Board of Directors is aware of and respects the rights of the shareholders by considering their legal rights and agreements they made with the Company in order to ensure that the mentioned rights are protected and treated fairly and equally. Thus, the Board of Directors set the policies that are the practical guidelines for treating the shareholders, communities, and environment in order to sustainably develop the Company, prevent corruption and intellectual property infringement, and respect human rights.

3.2 The Board of Directors encourages the shareholders to prepare reports that stating their social responsibilities as parts of the annual reports.

3.3 The Board of Directors provides channels and sets procedures for all shareholders to report and submit their complaints about issues that may damage the Company including the accuracy of financial reports or unfair practices. It can communicate through the Company's Secretary to the direct line no. 0-2354-3333 or by email address [rachadawan@fareastddb.com](mailto:rachadawan@fareastddb.com) The Company's Secretary is responsible for the information and documents, submitting the specific issue to the relevant person and report to the Board of Directors. In this respect the where about or the complaint will be protected and preserved the right to protect the confidentiality of the best.

3.4 The Board of Directors set policies or practical guidelines for protecting the employees or persons who report about issues that may damage the Board of Directors including unfair practices.

### **4. Disclosure and Transparency**

4.1 The Board of Directors controls information disclosure in order to accurately, transparently, promptly, and legally discloses information including reports in accounting periods, situation reports that affect the rights and interests of the shareholders, and other information according to the principles of good corporate governance of the Stock Exchange of Thailand as long as the disclosure does not affect the legal interests of the Company. The information are disclosed through the company's website, the Stock Exchange of Thailand's communication channels in Thai and English, and other channels that provide equal access to the information.

4.2 The Board of Directors assigns an organization(s) or person(s) responsible for investor relations in order to communicate with third parties equally and fairly.

The Company recognizes the importance of accurate financial information disclosure on time in compliance with the standard accounting principles, including non-financial information, to be disclosed with transparency and in completion under law and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, and other government units concerned. The Company also constantly monitors and updates such regulations for investors' confidence on the Company's business conduct while adds on benefits to the shareholders. Interested persons may access such information on various channels such as the annual report, the annual registration statements (Form 56-1), the website of the Stock Exchange of Thailand [www.set.or.th](http://www.set.or.th), and the Company's website [www.fareastddb.com](http://www.fareastddb.com). Any shareholders or investors shall query any concerned issues at the Company's investor relations by calling our Vice President, Mrs. Chailada Tuntivejakul, at tel. 0-2354-3333, fax 0-2644-9550, or email address: [Chailada@fareastddb.com](mailto:Chailada@fareastddb.com).

The Company has a policy for any transaction which may fall under conflicts of interest which the audit committee shall participate and recommend on such related transaction. The director who has conflicts of interest on such transaction does not participate or vote on that agenda in order to let other directors fairly vote and make a decision by considering the best benefits of the shareholders. The Company summarizes and discloses the resolution on such transaction by specifying its value, contract, reason, and other information concerned accurately, completely and on time according to the criteria of the Stock Exchange of Thailand, with a full report on the annual report and Form 56-1.

The Company constantly follows up, examines, and balances power for ultimate transparency with an internal control system covering management, operation, and finance audited by the Company's auditor. The auditor shall audit the Company's operation according to the conditions required by the Board of Directors in order to prevent problems, suggest practical improvements, find out the causes, and recommend solutions endorsed by the auditing team, including disclose sufficient information for good corporate governance by reporting directly to the audit committee.

The Company discloses its Financial Statement and other information to the public via various channels as complied by the law strictly, completely and timely. Furthermore, the Company also discloses information to express of its' transparency in operating business as follows:

1. Disclosure of each Committee's duty such as numbers of the meeting.
2. Disclosure of share holding's structure and ratio of the Directors and Executives.
3. Disclosure of remuneration's type, description and paid amount in individual.
4. Disclosure of corporate governance, business and employee's ethics.

5. Provide the channels that stakeholders are able to inform a clue or provide information of the significant issue about the accuracy for financial report, internal control deficiency, or illegal and unethical practice. It can communicate through the Company's Secretary to the direct line no. 0-2354-3549 or by email address [rachdawan@fareastddb.com](mailto:rachdawan@fareastddb.com). The Company's Secretary is responsible for the information and documents, submitting the specific issue to the relevant person and report to the Board of Directors. In this respect the whereabouts or the complaint will be protected and preserved the right to protect the confidentiality of the best.

#### **5. Responsibilities of the Board of Directors**

5.1 The Board of Directors defines the structure of the committees including any gender of persons who have various knowledge, capabilities, and experiences as well as the qualities required by laws. The Board of Directors must have at least one member or independent committee who is not a director and has experiences in the Company's business according to the announcements of the Securities and Exchange Commission.

5.2 The Board of Directors gives the definition of the independent committee according to the criteria of the Securities and Exchange Commission and other criteria.

5.3 The Board of Directors appoints sub-directors who screen issues before submitting the issues to the Board of Directors.

5.4 The Board of Directors provides charters for the committees stating their service terms and scope of duties and authorities in order to clearly define the duties and responsibilities of the committees, subcommittees, and managers.

5.5 The Board of Directors sets policies requiring that the committees and managers who the committees of other companies must report their statuses to the Board of Directors.

5.6 The Board of Directors appoints the secretary of the board who performs legal and assigned duties. The secretary should have legal or accounting knowledge and received trainings about secretary's duties. The secretary should regularly receive trainings and improve his/her knowledge.

5.7 The Board of Directors sets policies about corporate governance as well as business ethics and morals that are followed by the committees, managers, and employees.

5.8 The Board of Directors sets the Company's visions and missions that are followed by the committees, managers, and employees.

5.9 The Board of Directors sets policies that support and promote regularly developing the managers' and employees' knowledge.

5.10 The Board of Directors annually prepares meeting schedules. Meeting agenda relates to the fair interests of all shareholders and stakeholders. All committees are free to express their opinions. However, the committees who are stakeholders have no right to vote in a meeting(s) that they may gain or lose their interests.

5.11 The Board of Directors assigns the committees to attend every committee meeting, except that they have necessity to not attend the meeting.

5.12 The Board of Directors has policies that encourage the top managers to attend committee meetings.

5.13 The Board of Directors has policies that provide opportunities for the committees who are not the managers to conduct their private meetings as necessary without managers. Nevertheless, they should result the meeting results to the managing directors.

5.14 The Board of Directors has policies that encourage all committees to access and receive necessary information from the managing directors, secretary of the board, and other authorized persons within the scope defined by the policies. In case of necessity, the committees may consult with external consultants or professionals. In that case, the relevant expenses are responsible by the Company.

5.15 The Board of Directors has measures for carefully and reasonably dealing with conflicts of interests according to the criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand.

5.16 The Board of Directors prohibits the committees and managers to trade the company's properties one month before the financial disclosure.

5.17 The Board of Directors assigns the committees and managers including their spouses and children who have not become their legal ages to report their ownership of the Company's properties and exchange of the properties to the Securities and Exchange Commission and to submit the copies of relevant documents to the secretary of the board who will then report the committees in committee meetings.

5.18 The Board of Directors assigns the committees and managers to report about their gains and losses as well as relevant persons according to relevant criteria.

5.19 The Board of Directors establishes an internal audit unit that reports audit results to the Audit Committees.

5.20 The Board of Directors specifies that the performance of the committees must be annually evaluated.

5.21 The Board of Directors reports about the responsibilities of the committees for financial reports in the annual reports.

5.22 The Board of Directors controls payments for the committees in order to appropriately pay them according to their duties and responsibilities as compared to other companies in the same industry.

5.23 The Board of Directors sets succession policies for promoting employees to higher positions.

5.24 The Board of Directors conducts first orientations for new committees.

5.25 The Board of Directors has to acquire internal control system and risk management system.

5.26 The Board of Directors assigns the committees to monitor and evaluate the Company's business activities.

**Remark :** The Board of Directors duly recognized their role as the leader of the organization, so they have studied and attend the training of the Main Principles of Good Corporate Governance for listed companies in the year 2017 (CG Code). They understand the benefits and principles that value to the sustainability of the Company. Each CG Code has been evaluated to ensure that processes are implemented or planned for the business.

### **Knowledge development for employees**

In 2017, Far East DDB continues emphasis on the development of the employee's potential on digital competency in order to develop themselves to keep pace with the changes in the digital age. So that, the company can create effective communication campaigns that serve multi-screen consumers nowadays.

The followings are the digital training courses for the employees through the year 2017.

- DAAT Digital Day 2017 : Digital 4.0 - Update knowledge and information of social media in the digital age.
- Human Wired - The conference that brings together the first time ever in Thailand the top 5 digital and social platforms: Google, YouTube, Facebook, Instagram and LINE to meet up and discuss about human and digital connectivity, and its impact on branding, advertising, social and human transformation.
- Google Trend & Update 2017 - Update knowledge, trend and information of social campaigns by Google
- Techsauce Global Summit 2017 - One of the best SEA Conferences where global tech experts gather, with a focus on deep-tech startups and technology with world-class speakers including international & Thai.

- Live.work .play with AI Learning about AI (Artificial Intelligence) and how to apply with marketing communications. In addition, the Company realizes the importance on training employees at all levels to have a good attitude towards living and working. “One Goal, One Gang” is a seminar that helps to build self-confidence for all employees and to make everyone happy in their personal life and work. The seminar designed to create creative corporate culture and friendly atmosphere in the workplace to bring the unity of the employees toward goal and the success of the company.

There is also a training on “Poka Yoke : Mistake Proofing”, a Japanese term that means “mistake-proofing” or “error prevention”. A poka-yoke is the concept and mechanism that helps organization work efficiently in any aspects with the minimum errors.

This year, the company has organized new-style workshop between the company and its major clients in order to break the monotonous framework and create the new working guideline that helps the clients achieve their goals.

At last, the company also provides specialized training for staffs to increase their knowledge and expertise such as the trainings on finance, accounting and tax management, for example.

## **Business Ethics**

### **1. Responsibilities for the Stakeholders**

#### **1.1 Shareholders**

The Board of Directors responsibly, carefully, and honestly performs their duties in order to continually and sustainably provide returns to the shareholders according to the following policies and guidelines.

- 1) Respect the ownership rights of the shareholders as well as equally and fairly treat the shareholders.
- 2) Perform their duties according to the principles of good corporate governance in order to build shareholder trust that can lead to sustainable growth.
- 3) Continually develop the Company’s business and provide appropriate returns for the shareholders.
- 4) Provide important information that affects or may affect the rights and benefits of the shareholders including information in accounting periods and situation information according to laws and relevant announcements without limiting the right of the shareholders to access the Company’s information.
- 5) Provide reports about the responsibilities of the committees for financial reports in the annual reports.
- 6) Provide opportunities for the minor shareholders to propose meeting agendas and/or nominate committees in the annual general meetings of shareholders.
- 7) Provide opportunities for the shareholders to submit their questions before the shareholder meetings.
- 8) Post the notices in Thai and English calling for meetings on the Company’s website at least 30 days before the shareholder meetings in order to notify and give time to the shareholders to find information.
- 9) Conduct the shareholder meetings on dates, in time, at locations, and with methods that facilitate the attendants and provide opportunities for the shareholders who cannot attend the meetings to authorize other persons to attend and vote.
- 10) Carefully and reasonably deal with conflicts of interests and disclose complete information.
- 11) Protect the Company’s interests and properties as their own interests and properties and prevent illegally direct or indirect exploitation of the interests and properties.

#### **1.2 Customers**

The Board of Directors realizes that customer satisfaction and trust are the keys to the sustainable success of the company according to the following policies and guidelines.

- 1) Have production processes and services that are safe for the consumers and environmentally friendly.
- 2) Seriously conduct business activities, improve services, and develop new materials or advertising media in order to continually respond customer demands while providing accurate information necessary for decision making.

3) Honestly and fairly conduct business activities without violating customer rights. Confidentially keep and do not illegally use customers' trade secrets for their own benefits.

4) Do not directly or indirectly ask for, receive, or agree to receive any illegal property or other benefits from the customers.

5) Comply with trade agreements. Otherwise, notify the customers in advance in order to jointly find solutions and prevent possible damages.

6) Provide a communication channel(s) for customers to submit their complaints to the Company. Fairly consider and treat the complaints.

### **1.3 Partners**

The Board of Directors neutrally treats the Company's partners and is aware of the mutual benefits according to the following policies and guidelines.

1) Utilize the value chain system in order to select partners that legally conduct their businesses according to safety, health, and environment standards by fairly, neutrally, and respectfully treating the partners.

2) Confidentially keep the partners' trade secrets. Do not illegally use the trade secrets for their own benefits or other persons' benefits.

3) Build good relationships with the partners, share knowledge, and jointly develop and improve the qualities of the products and services in order to grow together.

4) Comply with the trade agreements and provide accurate information for the partners. Otherwise, consult with the partners in advance in order to find solutions and prevent possible damages.

5) Do not ask for, receive, or agree to receive any properties or other benefits that are not stated in the trade agreements.

### **1.4 Competitors**

The Board of Directors legally conducts business activities according to the following policies and guidelines.

1) Fairly compete with the competitors according to the business ethics and competition laws in the countries that the Company conducts its business activities.

2) Do not discredit the competitors.

### **1.5 Creditors**

The Board of Directors systematically and disciplinarily conducts business activities in order to build creditor trust according to the following policies and guidelines.

1) Equally and fairly treat all creditors.

2) Strictly comply with the agreements made and conditions agreed with the creditors.

3) Manage activities in order to build creditor trust in the company's financial status and competence.

4) Accurately and promptly disclose the company's financial status.

5) In case that the board of director cannot comply with any agreement made with the creditors, the board of director has to inform the creditors in advance in order to find solutions and prevent possible damages.

### **1.6 Employees**

The Board of Directors considers that the employees are valuable resources and factors to the Company's success as the board of director set the following policies and guidelines.

1) Respect the employees' human rights and fundamental rights to work. Do not disclose or transfer their information or secrets to a third party(ies).

2) Treat the employees according to laws and regulations regarding to the Company's business.

3) Promote employment equality. Resist racism and discrimination in terms of gender, religion, age, disability, and any other statuses that are not directly related to their jobs.

4) Support and promote trainings and knowledge sharing in order to improve all employees' knowledge, skills, and job securities as well as provide job advancement opportunities according to their capabilities.



- 5) Encourage the employees to involve in setting the Company's directions.
- 6) Fairly pay the employees according to their knowledge, skills, responsibilities, and performances.
- 7) Provide appropriate welfares and privileges for the employees such as free medical treatment.
- 8) Provide a communication channel(s) for the employees to submit their complaints about their jobs. The complaints must be considered and used to find solutions in order to provide benefits for all parties and build good relationships among the parties.
- 9) Provide necessary facilities for the employees to do their duties. Create hygienic working environments in order to improve their life qualities.
- 10) Encourage all employees to participate in social responsibility activities.

### **1.7 Communities and Societies**

The Board of Directors considers the duties and responsibilities for the country, communities, societies, and local cultures and customs in order to maintain good societies according to the following policies and guidelines.

- 1) Do not conduct business activities that negatively affect societies. Do not violate the rights of the people in communities and societies.
- 2) Foster responsibilities of all employees for communities and societies.
- 3) Promote cultural preservations.
- 4) Cooperate with organizations in order to develop communities.
- 5) Support activities that provide public benefits.
- 6) Build good relationships between the company and societies by legally, transparently, and fairly conduct activities

### **1.8 Environment**

The Board of Directors considers the responsibilities for environment as the following policies and guidelines are set.

- 1) Conduct business activities according to laws, regulation, and policies regarding environment by considering possible effects on the nature and environment and regularly evaluating its performance.
- 2) Foster corporate cultures and responsibilities of all employees for efficiently and sustainably managing environment and resources.
- 3) Support activities that provide knowledge for and train all employees about environment.
- 4) Promote environmental management systems that include efficient uses of resources and measures for sustainably treating, restoring, compensating, monitoring, and preventing effects on natural resources and environments.
- 5) Utilize the value chain system to choose partners who conducting business activities that are environmentally friendly.
- 6) Promote the development and dissemination of environmentally friendly technologies.

### **1.9 Public Sector**

The Board of Directors conforms to the public regulations as the following policies and guidelines are set.

- 1) Study laws relevant to their duties. Do not conduct any illegal activity.
- 2) Make correct transactions with government officers or organizations.
- 3) Build a good relationship between the Company and public sector as appropriate.
- 4) Comply with laws and cultures relating to business operations in each country or community.

## **2. Conflicts of Interests**

The Board of Directors has policies about conflicts of interests as the following guidelines are set.

1. Carefully, fairly, and reasonably deal with conflict of interests or relevant Issues by following transparent processes and valuing the Company's interests. The committees who have gains and losses in the issues cannot vote and they have to disclose complete information according to the criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2. Legally protect the Company's interests. Do not take any action that conflicts with the Company's interests and provide benefits or privileges for any person.
3. Assign the committees and managers to report their gains and losses and that of responsible persons according to relevant criteria.
4. Do not allow committees, managers, and employees who can access internal information to trade the Company's properties one month before the financial disclosure.
5. Assign the committees and managers including their spouses and children who have not become their legal ages to report their ownership of the Company's properties and exchange of the properties to the Board of Directors in board meetings.
6. Do not disclose or transfer the Company information or secrets that the Board of Directors know to a third party(ies) or unauthorized person(s).
7. Authorized the employees to disclose the information according to their duties and responsibilities. Set the confidentiality levels of the information if it is possible to do so.

### **3. Reception Receiving or Giving Gifts**

The Company has a policy of not accepting or giving gifts including reception that may influence the decision making. Unless the giving or receiving of gifts and a reception that is in fairly traditional and to maintain a good relationship with the business partners. According to the guidelines as follows:

- (1) employees can give / receive a gift and a reception to / from any person in the following conditions :
  1. To comply with the Business Ethics , regulations and announcements of the company including laws
  2. Give or receive to the public on behalf of the Company, not on behalf of the Board of Directors, management and employees.
  3. Appropriate time such as gifts during festivals or traditional gifts
- (2) Employees can receive the traditional gift which is estimated at less than 3,000 baht. In case that the gift worth more than 3,000 baht, they has to be report to a supervisor, respectively. In addition, the gift must be delivered to the Human Resources Department to be awarded to employees or donate to charity, as appropriate.

### **4. Anti-fraud and Corruption**

The Board of Directors of Far East DDB Public company Limited has approved the resolution to sign a Declaration of Intent of Collective Action Coalition Against Corruption enacted by Thai Private Sector on January 30, 2014. In order to be in compliance with the Company's Corporate Governance as well as to adhere to the commitment and social responsibility, the Company follows the policy relevant to laws countering corruption by prohibiting the Company directors, executives and employees from accepting or supporting every type of corruption both direct and indirect manner, which is written for exercising it as follows.

1. The Company will not be a party to pay bribes. In case of charitable contributions, political contributions as well as offering gifts in a business manner, this must be transparent, explainable and audited.
2. Supporting enhancement of awareness and value for anti-corruption among the company directors, executives and employees to perform duties in accordance with relevant laws, notifications and regulations by preparing such manual for guidelines.
3. The Company directors, executives and employees must not act as an intermediary in demanding and accepting gifts or benefits from government sectors or private sector, which induces to violate the laws. Moreover, it is illegal to use positions and/or duties and company's data to seek benefits for oneself for others.
4. Setting the system to report financial status transparently and accurately, providing an efficient and effective internal control system, and controlling check-and-balance system to be appropriate in order to prevent conducting or taking part in any fraud and corruption.
5. Monitoring and reviewing the anti-corruption policy, guidelines and regulations consistently for operation in order to adjust with business changes, laws and regulations.
6. Opening channel for reporting any suspected activity and ensuring that such reporters receive protection.

This anti-corruption policy is approved by the Board of Directors' Meeting No.201 ( 3/2015) on March 20, 2015 and effective on March 23, 2015.

In 2016, the Company submitted a Self-Evaluation Tool to The Private Sector Collective Action Coalition Against Corruption (CAC) in order to enter into the certification process. On October 14, 2016 the company has been certified as a member of CAC.

More information of the Anti - Corruption Policy and the Best Practice for Anti - Corruption of the company are publicized in the website : [www.fareastddb.com](http://www.fareastddb.com).



## **Implementation of Anti-corruption Policy and Measures**

The Company has undertaken to provide assurance policies against corruption in 2017, as follows:

1. Review of the Company's regulations as guideline for directors, executives and employees to comply with such regulations in order to prevent corruption.

2. The Risk Management and Anti-Corruption Committee review the risk assessment to involve corruption on an annual basis in practice and to prepare measures to act against corruption

3. Internal Control by Internal Audit Department, shall audit the operational and the practices to ensure the compliance with relevant regulations and COSO guidelines. Additionally, the Audit Committee shall be responsible to review the internal control system and review the anti-corruption measures. In the case of any incident of corruption is found, the Internal Audit Department shall report directly to the Audit Committee, and the Audit Committee shall report to the Board of Directors.

4. Communicate and publicize resistance Anti-corruption Policy and Practices and related regulations including the corporate penalty practices to the directors, executives, and employees at all levels to inside and outside personnel and Company personnel through various channels such as a company website, intranet system etc.

5. Promote and support to organize training about resistance to corruption for company directors, management and employees. Provide training and understanding about resistance against corruption to new employees during Orientation

6. Communicates to business partners to inform and comply and to refrain from giving gifts to the executives and employees of the Company during New Year or any other occasions.

7. The Complaint Channels, Investigation and Disclosure Protection, the informant will be protected and kept confidential. The investigation team and the informant shall be covered by the established measures.

In 2017 the Company did not see any fault as important content about fraud and corruption and any operation which does not conform to the law or related requirement as well as no violation of ethics in the business operation.

## **5. Anti-infringement for Intellectual Properties**

The Board of Directors has policies that prevent intellectual property infringement according to the following guidelines.

1. Conduct business activities that comply with laws, regulations, and agreements about intellectual property rights.

2. Protect the Company's intellectual properties. Do not use or give the mentioned intellectual properties to a third party(ies) without the Company's permission(s).

3. Respect others' intellectual property rights. Do not violate their intellectual property rights or use their intellectual properties for self-benefits, except that the persons get paid or permit to do so.

4. The work piece(s) created by the employee(s) or from his/her duty(ies) is considered as the company's intellectual property. After he/she is disemployed, he/she has to return the mentioned intellectual property to the Company regardless of the format of the intellectual property.

## **6. Human Rights Protection**

The Board of Directors respects human rights according to the following policies and guidelines.

1. Do not take or support any action that violates human rights.

2. Educate the employees about the principle of human rights that can be applied to their jobs.

3. Do not limit their freedom or thoughts regarding gender, race, religion, politics or any other issue. Prevent expression of an opinion(s) that may lead to a conflict(s).

4. Provide a communication channel(s) for the employee(s) or person(s) who believes that his/her right(s) is violated or receive unfair treatment to submit his/her complaint(s) to the Company. The complaint(s) should be fairly considered and resolved.

## **7. Safety and Occupational Health**

The Board of Directors values safety and occupational health according to the following guidelines.

1. Conduct business activities that comply with laws, regulations, and policies regarding safety, occupational health, and working environment by considering the employees', partners', and stakeholders' lives and assets as well as regularly checking and evaluating safety practices.

2. Promote workplace safety by setting safety regulations, practices, and standards relevant to existing risks. Improve working environment and process. Provide safety equipment for the employees.

3. Prepare for emergency situations by regularly conducting and improving emergency response practices in order to prevent or reduce risks for lives and the assets of the Company, employees, partners, and responsible persons.

4. Develop safety cultures in the organization that can improve workplace safety.

## **Ethics for the Committees, Managers, and Employees**

### **1. Responsibilities**

The Board of Directors realizes the importance of good corporate governance that has been continually implemented and used as the practical guidelines for the committees, managers, and employees to ethically, honestly, and carefully take actions in order to maximize the Company's and all parties' benefits. Hence, the following ethical principles are set.

#### ***Committees and Managers***

1. Responsibly, carefully, and honestly perform their duties according to laws, the Company's regulations, and relevant announcements.
2. Perform their duties with all of their abilities in order to maximize the Company's benefits. Attend all meetings, except in case of necessity.
3. Neutrally perform their jobs. The committees and managers who have gains and losses in a meeting cannot vote in that meeting.
4. Carefully and reasonably deal with conflicts of interests by emphasizing on the Company's benefits in order to transparently manage the issues.
5. Follow relevant criteria and report about trading the Company's properties by the committees and managers including their spouses and children who have not become their legal ages to the committees in meetings.
6. Do not trade the company's properties one month before the financial disclosure.
7. Report their and responsible person(s)' gains and losses according to relevant criteria.
8. Annually evaluate the committees' performances.

#### ***Employees***

1. Regularly support and cooperate with the Company in conducting business activities. Perform their duties with all of their abilities in order to provide good results and develop the Company and employees.
2. Comply with laws, policies, working regulations, and relevant rules and announcements.
3. Treat visitors in a good manner. Provide excellent services for them. Protect the Company's image and reputation.
4. Confidentially keep the Company's trade secrets and internal information away from third parties.
5. Do not borrow money from the customer(s), their relative(s), or partner(s); except for borrowing money from a bank(s) or financial institution(s).
6. Follow the supervisors' legal orders.
7. Work in a team(s). Help and harmonize with each other. Respect each other's right(s) for the Company's and employees' benefits.
8. Kindly treat the colleague(s). Do not blame others without any fact. Do not claim other person(s)' workpiece(s) as it is yours.
9. Seriously and honestly perform their duties. Do not find a benefit(s) that is not for them or other person(s) while performing their duties.
10. Responsibly and honestly perform their duties. Do not be careless and cause any damage on their jobs or the Company's assets.
11. Behave as good citizens according to the constitution and relevant laws by appropriately using their political rights. Avoid being involved in any illegal activity or one that goes against peace and morals.

### **2. Protection of the Company's Assets**

The Committees, managers, and employees have the duties and responsibilities for efficiently protecting the company's assets and assets under the control of the Company according to the following guidelines.

1. Use the Company's assets for conducting the company's business activities. Do not use the mentioned assets for their own or other person(s)' benefits.

2. Protect and prevent the wrongly uses of the Company's benefits and assets as their own benefits and assets. Prevent illegally direct or indirect explanation of the benefits and assets.

3. Acquire insurance for the assets in an amount(s) that is sufficient for compensating a possible damage(s) to the assets.

4. Do not use a computer(s) to delete, violate, spy on, and edit other person(s)' file(s) or do not create a false evidence that may lead to stealing information. Utilize an information security system(s) that meets international standards.

5. Carefully use an e-mail(s) and the Internet service(s) provide by the Company to conduct the Company's business activities without damaging the Company's reputation.

6. Confidentially keep and do not allow any other person to use the personal username(s) and password(s) for accessing the company information.

7. Do not duplicate, modify, and take any action with the Company's intellectual property(ies) for self-benefits or any other person(s)' benefits without the permission(s) from the Company.

8. Report the supervisor(s) if there is a person(s) take any action that infringe or may infringe the Company's intellectual property(ies) as well as that lead or may lead to a conflict(s) of the intellectual property(ies).

9. Store all of the Company's important documents according to relevant laws and regulations. After the storage period(s), the responsible employee(s) has to destroy the important document(s) by using an appropriate method(s).

### **3. Whistle Blowing and Complaints**

The Board of Directors provides opportunities for the employees and stakeholders to report suspected wrongdoing and submit their complaints regarding issues that may be illegal actions, corruption, misbehaviors of the employees in the Company, behaviors that may cause problems and damages to the Company, infringement of their rights, or unfair treatments through the channels and processes specified by the Company.

The Company equally, transparently, and fairly considers and resolves all complaints according to the systematical and fair whistleblower protection measure. The information of the complainants is confidentially kept by the Company.

#### ***Whistle blower Protection***

1. A complainant can choose to not disclose him/herself if he/she considers that the disclosure may cause risk(s) or damage(s) to him/her.

2. The Company confidentially keeps relevant information and considers the safety of complaints by setting the whistleblower protection measure for the complaints who are the employees and persons who support the investigation. Accordingly, they are protected from unfair treatments (e.g. interference, position switch, and layoff) reported by them.

### **4. Consideration of Complaints**

The supervisors' duties and responsibilities are to provide suggestions for their subordinates in order to make them understand and follow the ethical principles. If the principles do not cover any case or there is any doubt, then the subordinates have to consult with their relevant supervisors. In case of conflict, the decisions of the managing directors, Board of Directors, and committees are final.

#### ***Committees***

The Company's Board of Directors has extensively emphasized good corporate governance, thus the committees are assigned to have individual duties and responsibilities which are comprised of the Audit Committee, the Risk Management and Anti-Corruption Committee. Each committee has authority, duty and responsibility as stated on committee's charter as follows:

### **The Audit Committee**

The Board of Directors sets up the Audit Committee to support its corporate governance in aspects of process of financial report, internal control, audit process, and the adherence of related rules and regulations. The Audit Committee consists of four company directors, who are the Independent Directors.

1. Mr. Khachornsakdi	Vanaratseath	Chairman of Audit Committee
2. Mr. Amorn	Asvanunt	Audit Committee Member
3. Mr. Vichit	Tantianunanont	Audit Committee Member
4. Mrs. Chattong	Tippayakalin	Audit Committee Member
<b>Secretary to the Audit Committee :</b>		Miss Rachadawan Ritthirong

### **Duties and Responsibilities of the Company Audit Committee**

1. Review the Company's financial statements to ensure that they are accurate and adequate by reviewing the Company's major accounting policies, and supervising information disclosure in such manner complying with Thai Financial Reporting Standards.

2. Review the Company has suitable and efficient internal control system and review internal audit.

3. Review the Company's implementation of anti- corruption policy options.

4. Review operational independence of the internal audit including of appointment, transfer and dismissal of the chief of internal audit.

5. Grant approval and monitor the progress made in relation to the internal audit plan.

6. Review that the Company comply with laws concerning securities and stock exchange, the Stock Exchange's regulations, and other laws related to the Company's business.

7. Review, select, nominate and/or dismiss independent persons to serve as the company auditor, and propose related remuneration. Also take part in joint meeting with the company auditor, in the absence of the management for at least once a year.

8. Review connected transactions or transactions with possible conflict of interests, to ensure that they follow the laws, the regulations of The Stock Exchange of Thailand, and the notification of the Capital Market Supervisory Board and that they are justified and are of maximum benefits to the company.

9. Prepare the Audit Committee reports to be disclosed in the Company's annual report; such reports must be signed by the Chairman of the Audit Committee and it must contain, at least, some significant information as described below:

a) opinions about the accuracy, correctness and reliability of financial statements and financial reports of the Company;

b) opinions about the sufficiency of internal control system of the Company;

c) opinions about the compliance with laws on securities and exchange, requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business;

d) opinions about the appropriateness of external auditors;

e) opinions about transactions with potential conflict of interest;

f) number of meetings to be convened by the Audit Committee and meeting attendance of each Audit Committee member;

g) opinions or general findings obtained by performing its duties in accordance with the Audit Committee Charter;

h) opinions about other matters that should be notified to general shareholders and investors under the scope of duties and responsibilities assigned by the Board of Directors.

10. In performing the duties as the Audit Committee, if discovering or suspecting of either of the following transactions or acts, which may give significant effects to the financial status and operating results of the Company, the Audit Committee must report it to the Board of Directors for improvements within the reasonable period determined by the Audit Committee:

a) transaction with potential conflict of interest;

b) Significant fraud and corruption, irregularity or deficiency within the internal control system.

c) violation of laws on securities and exchange, requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business. If the Board or management of the Company fails to make remedies within the established period, one of the Audit Committee members may report such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

11. Support and monitor to ensure that the Company acquires the efficient risk management system.

12. Supervise to ensure that the company implements adequate management system in accordance with the good corporate governance practice.

13. Review, revise and amend the Audit Committee Charter for further submission to The Board of Directors for approval.

14. Implement self-appraisal review at least once a year.

15. To perform any other matters as assigned by the Company's Board of Directors with the Audit Committee's agreement under the Company Regulations and laws.

The period of service for Audit Committee Member is 1 year. An Audit Committee Member who retires from office due to the expiration of term of service may be re-elected. In case of vacancy in the Audit Committee for reasons other than by the expiration of term of service. The Board of Directors shall elect a fully qualified person to be a substitute member and shall remain in office only for the term left for the member whom he or she replaces.

#### **Participation in the Meetings of the Audit Committee in 2017**

In 2017, the Audit Committee held 5 meetings and the participation of each committee member is summarized below.

<b>Names</b>		<b>Qualifications</b>	<b>Attendance of 5 meetings</b>
1. Mr. Khachornsakdi	Vanaratseath	Accounting	5/5
2. Mr. Amorn	Asvanunt	Accounting	4/5
3. Mr. Vichit	Tantianunanont	Consumer Products	5/5
4. Mrs. Chattong	Tippayakalin	Administration	5/5

### ***The Risk Management and Anti-Corruption Committee***

The Board of Directors sets up the Risk Management and Anti-Corruption Committee to support its corporate governance in aspect of management of risk of the Company to be more efficiently performed. The Risk Management Committee comprises 7 members as following names;

- |                  |                |   |
|------------------|----------------|---|
| 1. Mr. Vichit    | Tantianunanont | Chairman of the Risk Management and Anti-Corruption Committee |
| 2. Mr. Wichar    | Ldallitsakool  | Member  |
| 3. Mrs. Malee    | Leelasiriwong  | Member  |
| 4. Mrs. Chailada | Tantivejakul   | Member  |
| 5. Mr. Arthorn   | Maeknoparat    | Member  |
| 6. Miss Waraporn | Kulsawatpakdee | Member  |
| 7. Mr. Anupol    | Puwapoonpol    | Member  |

**Secretary to the Risk Management and Anti-Corruption Committee** : Miss Sujittra Makanit

### **Duties and Responsibilities**

#### **Risk Management**

1. Formulate the risk management policy and goals, plan and organize the risk management system of the Company to allow the system continuity and clarity for further managing any significant risks, and report such risks to the Board and communicate them to the Audit Committee.
2. Support and encourage the cooperation for risk management at all levels in the organization.
3. Ensure that the Company's risks are controlled appropriately and efficiently by placing emphasis on the risk warning system and any other abnormal transactions.
4. Collect, analyze the risk assessment in the areas that have impact on the company's business that may occur in each quarter.
5. Develop the risk management system in the organization to ensure that it is efficient and consistent;
6. Improve and amend the Risk Management and Anti-Corruption Committee Charter to be proposed for the Board's approval;
7. Perform other functions assigned by the Board.

#### **Anti-Corruption**

1. Formulate the Anti-Corruption Guidelines for compliance with corporate governance and monitor, assess the operation result and report to the Board of Directors and Audit Committee.
2. Promote and support the Board of Directors, Management and employees to follow the Guideline of corporate governance and anti-corruption policy.
3. Collect, analyze the risk assessment in the area of anti-corruption that have impact on the company's business that may occur in each quarter.
4. Ensure that the company has officially notified clues and complaints channel about corruption, with the protection and the confidentiality of the whistleblower including an independent investigation and suitable monitoring process.
5. Improve and amend the Charter of Risk Management Committee and Anti-Corruption Committee, the Anti-Corruption Policy and Manual of Operation for Anti-Corruption Policy in order to comply with changes in laws, business, environment and risks to be proposed for the Board's approval.
6. Perform other functions assigned by the Board.

### **Participation in the Meeting of the Risk Management and Anti-Corruption Committee in 2017**

In 2017, the Risk Management and Anti - Corruption Committee held 4 meetings and the participation of each committee member is summarized below.

Names		Qualifications	Attendance of 4 meetings
1. Mr. Vichit	Tantianunanont	Chairman of the Risk Management and Anti-Corruption Committee	4/4
2. Mr. Wichar	Ldallitsakool	Member	4/4
3. Mrs. Malee	Leelasiriwong	Member	4/4
4. Mrs. Chailada	Tantivejakul	Member	3/4
5. Mr. Arthorn	Maeknoparat	Member	4/4
6. Miss Waraporn	Kulsawatpakdee	Member	4/4
7. Mr. Anupol	Puwapoolpol	Member	4/4

### **Recruitment and appointment of directors and senior management**

#### **Independent Directors**

The qualifications of independent directors are as per the following requirements of the Equity Market Committee.

1. The person must hold no more than one percent of all shares of the Company with which he or she holds the voting right, as well as, its parent company, its subsidiary, its joint venture or a juristic person with a possible conflict of interests. The shares held by individuals related to the Independent Director must also be included.

2. The person must not be or have been a director with involvement in the management of the Company; an employee, a staff member or a consultant with a regular salary; or, an individual with the authority to control the Company, its parent company, its subsidiary, its joint venture, a subsidiary of the same level or a juristic person with a possible conflict of interests. There is, however, an exception if the person has not been involved in such circumstances for at least two years prior to the day on which he/she is appointed as an independent director.

3. The person must not be an individual with blood or legal relation—as a father, a mother, a spouse, a sibling or the spouse of a child—to an executive, a major shareholder, an individual with the controlling authority, or an individual who will be nominated as an executive, or an individual with the controlling authority of both the Company or its subsidiaries.

4. The person must not have or have had a business relation with the Company, its parent company, its subsidiary, its joint venture, a subsidiary of the same level or a juristic person with a possible conflict of interests in such a manner which may interfere with the free exercise of one's discretion. Also, the person must not be or have been a major shareholder, a director who is not an independent director or an executive of an entity with business relation with the Company, its parent company, its subsidiary, its joint venture, a subsidiary of the same level or a juristic person with a possible conflict of interests. There is, however, an exception if the person has not been involved in such circumstances for at least two years prior to the day on which he/she is appointed as an independent director.

The business relations under the above paragraph is inclusive of conventional trading transactions to conduct the business; lease or renting of property; transactions involving assets or service; provision or acceptance of financial assistance in the form of granting or acceptance of loans or guarantee; and the use of assets as collateral for loans including other similar acts which result in the petitioning party being obligated to repay the other party for the amount from three percent of the net corporeal assets of the petitioning party or from Twenty Million Baht, whichever is lower. The calculation of such debt obligation is on the basis of calculation of related transaction value, as per the Stock



Exchange of Thailand Committee Announcement on the Disclosure of Information and Allowed Practices of Listed Companies Concerning Related Transactions. The determination of debt obligation is inclusive of debt obligation arising during one year prior to the date of business relations with the same individuals.

5. The person must not be or have been an auditor of the Company, its parent company, its subsidiary, its joint venture, a subsidiary of the same level or a juristic person with a possible conflict of interests. Also, the person must not be a major shareholder, a director who is not an independent director, an executive or a managing partner of the audit office to which an auditor of the Company, the parent company, a subsidiary, a joint venture, a subsidiary of the same level or a juristic person with a possible conflict of interests belongs. There is, however, an exception if the person has not been involved in such circumstances for at least two years prior to the day on which he/she is appointed as an independent director.

6. The person must not be or have been a professional legal consultant or a financial consultant receiving greater than two million baht of fee per year from the Company, its parent company, its subsidiary, its joint venture, a subsidiary of the same level or a juristic person with a possible conflict of interests. However, in the case where the professional in question is a juristic person, the person must not be a major shareholder, a director who is not an independent director, an executive or a managing partner of that professional entity. There is, however, an exception if the person has not been involved in such circumstances for at least two years prior to the day on which he/she is appointed as an independent director.

7. The person must not be a director appointed to represent a company director, a major shareholder or a shareholder who is related to a major shareholder of the Company.

8. The person must not engaged in a business which is of the same nature as, or in competition with, that of the Company or the subsidiaries. Not a significant partner of a partnership or a director with involvement in the administration, nor an employee, a staff member a consultant with a regular salary, nor a shareholder with more than one percent of all shares with voting rights of another company which is engaged in a business of the same nature as, or in competition with, that of the Company or subsidiaries.

9. The person must not have any other characteristics which render him or her incapable of freely opining on the operation of the Company. In the case where the Equity Market Committee announces a change of qualifications of independent directors, the requirements of the Company independent directors will also change accordingly.

Following the appointment as an independent director under Paragraphs 1 to 9, the independent director may be assigned by the Board of Directors to make decisions on the business of the Company, its parent company, its subsidiary, its joint venture, a subsidiary of the same level or a juristic person with a possible conflict of interests in the manner of a collective decision.

#### **Criteria on Recruitment and Selection of an Independent Director**

The Board of Directors shall consider a recruitment of an independent director in compliance with the regulations and conditions of the Securities and Exchange Commission and the Stock Exchange of Thailand in order to propose to the shareholders in the shareholders' meeting for their approval.

In 2017, the company has 4 independent directors as follows.

Names		Qualifications
1. Mr. Khachornsakdi	Vanaratseath	Accounting
2. Mr. Amorn	Asvanunt	Accounting
3. Mr. Vichit	Tantianunanont	Consumer Products
4. Mrs. Chattong	Tippayakalin	Administration



## **2. Directors and Top Management**

The Company's Board of Directors comprised of members who have knowledge, competency that play an important role in definite the Company's policy. It cooperates with senior Executives to set short and long term plan of business operation, financial policy, risk management, overview of organization inclusive of corporate governance, audit and evaluate the performance of the Company as well as the practice of the Company's Board of Directors along with the set principles independently. The Company's Board of Directors is from the election following the resolution of the General Shareholder's Meeting along with the rules, legal and the Company's Principle of Association that is appropriate to the Company's business.

### **The Structure of the Board**

The Board of Directors is comprised of 12 directors:

- Executives Directors                      6 persons
- Non-Executive Directors                2 persons
- Independent Directors                  4 persons

As the selection committee has not been appointed; the Board of Directors shall select the directors with appropriate capability, knowledgeable, vision, ethics, background, and mentality. The Board of Directors clearly assigned the responsibility of each committee, and appointed the Managing Director, under the Board of Directors, to manage all business operations to meet the Company's objectives and goals by complying with the policies of the Board of Directors.

### **Authority of the Director**

**Group A.**      Mr.Boonchai Chokwatana, Mr.Wasin Teyateeti, Mrs.Chailada Tantivejakul,  
Mr.Wichar Ldallitsakool, Mrs.Malee Leelasiriwong.

**Group B.**      Mr.Arthorn Maeknoparat, Mr.Chailadol Chokwatana, Miss Waraporn Kulsawatpakdee

any two of Group A. can sign with the Company's seal or one of Group A. sign with other one of Group B. with the Company's seal.

The Board of Directors may designate the names of the directors who have the power to affix their signatures together with the seal of the Company to be binding on the Company.

### **Directorial Election Procedure**

According to the Article of Association Chapter 3, 'The Board of Directors' No.20, the shareholders meeting is to elect directors in accordance with the following criteria and procedure :

- 1) A shareholder shall have one vote for one share.
- 2) Each shareholder must exercise all of the votes he or she has under 1, to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number.
- 3) The persons having the highest number of votes to the lower number of votes in order shall be elected as the directors equal to the number of directors to be elected by the Shareholders' Meeting in such election. In case where the number of votes for the candidates in descending order are equal which would otherwise cause the number of directors to be elected by the Shareholders' Meeting to be exceeded in such election, the Chairman shall have a casting vote.

### **Directorial Term of Service**

#### **(A) Term Completion Retirement**

In accordance with Articles of Association Chapter 3 'The Board of Directors' No. 21 and the Company Charter, one-third of the directors have to retire from the post at each annual general meeting. In the case where the number of directors cannot be divided by three, the number of directors to retire is to be closest to one-third. During the first two years after the company's registration, a lottery draw needs to be cast among company directors to identify the

one-third directors who have to retire at each annual general meeting. After the first two years, the lottery draw is no longer needed as the longest-serving directors are asked to retire. Directors who retire from the post may be re-elected.

**(B) Non-Term Completion Retirement**

1. In accordance with Articles of Association Chapter 3 'The Board of Directors' No. 22 and Charter, directors are to be retired from the post (in a case other than completion of term) under the following circumstances :

1.1 Death

1.2 Resignation

1.3 Lack of required qualifications or having a prohibited character as specified by the law or company regulations

1.4 Being described as inappropriate or untrustworthy to manage a business the shares of which are held by the public, as per regulations specified by the Securities and Exchange Commission

1.5 Removal from office at the resolution of the shareholders meeting

1.6 Removal by court order

Once a post of director becomes vacant due to a reason other than completion of term, and that the remaining term is longer than two months, the Board of Directors is to select a qualified individual who is free of any prohibited characteristics as a replacement at the next Board of Directors meeting. The replacement member is to serve for only the remaining term of the director whom he/she replaces.

2. According to Articles of Association Chapter 3 'The Board of Directors' No. 25 the shareholders meeting may pass a resolution removing any director prematurely with at least three-fourths of the votes of present and eligible shareholders who have in total the number of shares of at least half of the shares held by present and eligible shareholders.

The Company has not fixed the maximum amount of director term as we believe that the ability to manage business and the expertise of each director are not dependent upon their age. Directors can remain in office for as long as they are committed to their duties as company directors and trusted by the Board of Directors and the shareholders. Ultimately, it is the authority of shareholders to elect individuals as directors to establish policies and act on their behalf.

**Directors' Ratio on behalf of Shareholders' Representative**

- None.

**Overseeing the operations of its subsidiaries and associates**

The Company has a policy of investment in subsidiaries and associates. By focusing on the business synergy, tracking the performance of their respective companies and regularly reporting to the Board. The Executive will consider the main business of those companies in order to send a skilled and expertise person to represent the Company as an co-investor.

**Insider information usage control**

The Company has policies and procedures to control and handle the management not to use the internal information within the Company for their own benefit. Including securities trading, especially in the one month period before the financial statements will be publicized.

The directors must submit a copy of holding statements delivering to the Stock Exchange every time there is a change to the company secretary to propose to the meeting of the Board of Directors.

**Compliance with good corporate governance principles in other matters**

The Company has complied with the principles of good corporate governance for listed companies according to the Stock Exchange requirements for other matters except those disclosed above.

-None.

## SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

In 2017, the company continues to focus on its social responsibilities by implementing the School Project activities in support of needy schools in underdeveloped rural areas. This project is now in its 11<sup>th</sup> year. The company also became a partner in the 'Si Ayutthaya Road Goes Green' project which aims to strengthen cooperation in the field of environmental conservation between high-rise buildings located on Si Ayutthaya road. Most importantly, the company was fully involved in activities dedicated to His Majesty King Bhumibol Adulyadej. The details are as follows.

### **1. The 11<sup>th</sup> School Project activity in support of needy schools in underdeveloped rural areas under the concept, 'However many looms and dreams, we will weave them'**

2017 was the 11<sup>th</sup> consecutive year where the company and its clients has organised CSR activities under the 'School Project' banner in order to support needy schools in underdeveloped rural areas. This year, under the concept 'However many looms and dreams, we will weave them', students from the Kok Chareon Kindergarten school in Lopburi province were provided with financial and local weaving craft scholarships. The intention was to transfer the traditional local weaving skills to the next generation and provide the children with skill, intelligence and a craft that will serve them well in the future.

To this end, the company organised a local Mudmee (tie-dye) dyeing, fabric design and weaving contest. The idea was to instill local pride into the students, provide a platform for them to show their ability and encourage the conservation of the rich intellectual heritage of Lopburi province.

On behalf of all our clients, the company's employees delivered this wonderful occasion to Kok Chareon Kindergarten school in Lopburi province on 6 December, 2017. Employees participated in tie-dye activities with the students, donated library books, stationery, toys and scholarships, while also preparing lunch, as a special gift to the children in the hope of encouraging them to have fun and study hard in the New Year. It was a happy occasion that provided equal joy to both the giver and the recipient.

### **2. 'Si Ayutthaya Road Goes Green' project**

The company and the Far East Group as a whole joined the 'Si Ayutthaya Road Goes Green' project. This collaboration between owners of high-rise buildings and government departments located on Si Ayutthaya road aims to strengthen cooperation and promote a conservation conscience with the goal of increasing greenery, reducing waste and energy consumption on Sri Ayutthaya road.

To this end, the company and the Far East Group jointly created the 'Put It In the Right Bin' campaign to encourage everyone to separate their waste before disposal. The goal was to improve the effectiveness of waste management in the Ratchathewi district and Great Bangkok as a whole. The company also participated in Waste Recycling and Big Cleaning Day on the occasion of World Environmental Day. The company also honored King Maha Vajiralongkorn on the occasion of His Majesty's 65th Birthday Anniversary in order to inspire and encourage the Si Ayutthaya neighbourhood to realise and understand the environmental problems impacting the community. This involves the cooperation of the public and private sectors in the preservation of the Si Ayutthaya road environment.

### **3. Activities dedicated to the Mourning of His Majesty King Bhumibol Adulyadej**

The company and the Far East Group as a whole organised the "Growing Marigold For Father" activity from August 2017 onwards to humbly show respect for the Royal Grace of His Majesty King Bhumibol Adulyadej. The flowers were timed to bloom during the Royal Cremation of His Majesty between October 25-27, 2017. Marigold decoration activities were arranged as part of the dedication and mutual expression of loyalty of the Far East Group as a whole towards His Majesty. At the same time, employees dedicated their time and effort to making sandalwood flowers for use at the Royal Cremation and also volunteered to distribute food and drinks to people who came from across the country to participate in the Royal Cremation ceremony.

# INTERNAL CONTROL AND RISK MANAGEMENT

## INTERNAL CONTROL

In the Board of Directors' meeting No. 228(2/2018) held on February 23<sup>th</sup>, 2018, which 4 Audit Committee members attending, they have assessed the internal control system in 2017 by obtaining information from management, Internal Audit Department and related entities, and have the conclusion of the evaluation of the internal control system of Far East DDB Plc., which divided into five parts as below :

### 1. The Internal Control and Environment

The Company has set corporate good governance policy, employee code of conduct, business ethics and moral principles with transparency and accountability. The Company has set the structure of management specifying the clear authority and responsibility of each duty. The company determines the authority, duty and responsibility between the Board of Directors, Independent Directors, Management, Executives and employees appropriately.

### 2. Risk Assessment

The Board of Directors has established a risk management and anti-corruption committee to monitor the risk management system and defined its role in the Charter of the risk management and anti-corruption Committee. The committee has at least four meetings per year to consider the important issues regarding the risks and the management of those risks and report to the Audit Committee.

### 3. Performance Control

The Company has the authority to determine the scope of the operation of Directors, management and employees, including strategic policy, company's goal and advanced technology system that help support the company's operation goals. The company also has the internal audit department to review, track and follow up the issues or weakness detected by the operation in order to get the appropriate consideration and solution from the management on time.

### 4. The Information System and Data Communications

The company provides secure and reliable information systems for processing data for the Board of Directors, Management, employees. Advanced technology and equipment was acquired to keep pace with the market and the competitors.

The company has the meeting of board of directors, executives and employees to report important information to the Board of Director on a regular basis. The company has the meeting between executives and employees to communicate the policy and company's goal to ensure effective internal communications that support organizational objectives.

Communication channel for the third party. The company provide various channel of communication to the third party to send complaints or suggestions to the company such as the company's website, email and PO Box 13 Ratchathewi Bangkok 10400.

### 5. Monitoring and Evaluation System

The company has good evaluating and monitoring system to ensure that the implementation will meet the target set. The company has the meeting between executives and employees to adjust the appropriate operations and regularly report to the Board of Directors.

The Company evaluates the performance of the employees at all levels and also so the internal audit unit, which is an independent unit, to perform its duties on reporting the audit results., following up issues and reporting to the Audit Committee Meeting on a quarterly basis.

## Risk Management

According to the company policy that announced its intention to fight fraud and anti-corruption, the Board of Directors has established the Risk Management and Anti-Corruption Committee to perform the roles and responsibilities under the Charter to support and push for the cooperation in risk management at all levels in the company and set up measures to manage risk on time once it happen.

The Company has risk assessment of the operation by the Internal Audit department and asses the risk of fraud and corruption in all operating departments to assess the risks and potential impacts and find measures to avoid, eliminate, transfer or accept the risk that may occurs with appropriate procedure.

By overview of the internal control and risk management of the company in 2017, with the joint meeting between the Board of Directors, auditors, executives and internal audit department in every quarter, the auditor has assessed the performance of the company's accounting and internal controls and meet the key issues in the audit review. The auditors have checked, reviewed and reported those issues to the Audit. Therefore , It is considered that the company's internal controls are adequate and appropriate.

## INTER – COMPANY TRANSACTIONS

The approval of the Related Transactions: The policy of the Company is set in accordance with the announcement of the Capital Market Regulatory Board and the Stock Exchange of Thailand. The Company will propose the related transactions which excess 1,000,000 Baht to be consented by the Audit Committee before being considered by the Board of Directors. If the said related transactions require to be disclosed in accordance with the rules of the Security Exchange of Thailand, the Company will comply with such rules and propose to the Company Board of Directors for consideration. Any director with vested interest shall leave the meeting room and abstain from voting on such matter. The consideration of the related transactions, shall consider the reasonability and the necessity of the transaction for the benefit of the Company. After the meeting, the transactions will be disclosed to the Stock Exchange of Thailand in both Thai and English languages and shall be published in the Company's website.

Additionally, the Board of Directors has approved the principles that allow the Management to engage in ordinary business transactions or support ordinary businesses that have general trade agreements in the same manner that reasonable person would treat his partners in the same situation. Such manner must be performed without the influence of the status as directors of the Company, the management or involved individuals. The principles must be approved on an annual basis while any related transaction must be summarized and report to the Board of Directors. The summary has been disclosed in 56-1 and 56-2 forms.

In 2017, inter-company transactions of the Company were mostly advertising related trade account receivables, service incomes, consultancy fee incomes, rental and parking fee incomes, and service fees among the Company, subsidiaries and associated companies. These transactions are considered part of the normal and fair course of business that the Company does with other parties in the industry. Service rates are in accordance with normal practice and are not set up in order to transfer the Company's benefits to related parties. As described in the notes to financial statements No.20

### 1) The Transactions Related to Assets or Services in the type of Rental Fee Income, Consultancy Fee Income and Service Fee Income.

The Board of Directors' Meeting No.1/2017 at January 26th, 2017 approved the transaction at the amount of 5,459,000 Baht, as follows:

Companies	Relationship	Rental and Parking Fee Income (Baht)	Consultancy Fee Income (Baht)	Service Fee Income (Baht)
1. Fame Line Co., Ltd (Subsidiary)	Co-Directors	3,200,000.00	180,000.00	
2. Integrated Communication Co., Ltd. (Associated Company)	Co-Directors	1,450,000.00	180,000.00	
3. Pinnacle Travel Co., Ltd.	Co-Directors	70,000.00		
4. Chailadadol Co., Ltd.	Co-Directors	40,000.00		
5. Data First Co., Ltd.	Co-Directors	173,000.00		36,000.00
6. Springboard Plus Co., Ltd. (Subsidiary)	Co-Directors	90,000.00		
7. Diginakorn Co., Ltd. (Associated Company)	Co-Directors	40,000.00		
<b>Total</b>		<b>5,063,000.00</b>	<b>360,000.00</b>	<b>36,000.00</b>

**Note:**

**- Rental Income of immovable assets and parking fee : Baht 5,063,000.00**

The Company has signed the rental contract and parking fee with related 7 companies. Rental contract is 1 year term. The setting price is upon market rental price in the same area which will depend on the location, investment cost and the use of assets.

**- Consultancy Fee Income: Baht 360,000.00**

The Company is the consultant on human resources and computer for 2 related companies. The consultant fee is calculated from cost plus the reasonable profit which depend on the difficulty and scope of service.

**- Service Fee Income: Baht 36,000.00**

The Company provided the advertising informations for 1 related company. The service fee is calculated from the nature of work and workload.

**2) Investment in Convertible Debentures of Saha Phathana Inter-Holding Plc.**

As the resolution of the Board of Directors' meeting no. 5/2017 held on June 22, 2017, the meeting approved the company to invest in convertible debentures issued by Saha Pathana Inter-Holding Plc. in proportion to its equity in Saha Pathana Inter-Holding Plc. for the number of 11,235 units, at Baht 1,000 per unit, for a total amount of Baht 11,235,000.

The related person : Saha Phathana Inter-Holding Plc. is the major shareholder of the Company (shareholding 14.08%)

**3) The Purchase of Ordinary Shares of Fame Line Company Limited (Subsidiary).**

As the resolution of the Board of Directors' meeting no. 8/2017 held on November 13, 2017, the meeting approved the company to purchase ordinary shares of Fame Line Company Limited, a subsidiary of the Company, amount of 5,403 shares, at Baht 2,870 each, by purchasing from related persons amount of 4,006 shares and another persons amount of 1,397 shares, for a total amount of Baht 15,506,610. The acquisition of additional shares resulting the Company's has proportion of shareholding in Fame Line Company Limited representing the 99.99% of such company's registered capital.

The related persons : Mr.Wichar Ldallitsakool, Mrs.Chailada Tantivejakul, Mr.Chailadol Chokwatana as the Company Directors and Mrs.Ladda Chokwatana as the mother of Mrs.Chailada Tantivejakul and Mr.Chailadol Chokwatana.

**4) Selling of Shares of Myanmar SPA-Today-Far East Company Limited and SPA-Today-Far East (Thailand) Company Limited (Associate).**

As the resolution of the Board of Directors' meeting no. 10/2017 held on December 22, 2017, the meeting approved the company to sell share of Myanmar SPA-Today-Far East Company Limited to related persons amount of 150 shares, at price Baht 49,000 per share, for a total amount of Baht 7,350,000 and sell share of SPA-Today-Far East (Thailand) Company Limited to related persons amount of 3,000 shares, at price Baht 400 per share, for a total amount of Baht 1,200,000.

The related persons : Mr.Boonchai Chokwatana, Mr.Wasin Teyateeti, Mrs.Chailada Tantivejakul as the Company Directors and Mrs. Suranee Teyateeti as the spouse of Mr.Wasin Teyateeti.

**Policy and tendency of executing inter-company transactions in the future**

The Company retains its existing policies for business conduct. Therefore, the manner of service-related advertising and other conducted transactions is still in conformity with the general business practice.



# FINANCIAL STATUS



## ANALYSIS AND DESCRIPTION OF THE MANAGEMENT

### Description and Analysis of Financial Position and Result of Operation

#### Result of Operation

In 2017, Far East DDB Public Company Limited and its subsidiaries had total gross profit of Baht 343.06 million, an increase from 2016 in amount of Baht 16.34 million or 5.00 per cent and has net profit for the year in amount of Baht 126.78 million, an increase from 2016 of Baht 11.20 million or 9.69 per cent, higher total revenue and net profit is the result of the higher performance of its subsidiaries in the fourth quarter.

#### Profitability ratios can be compared as follow:

Items	Year 2017	Year 2016	Year 2015
Gross Income (%)	44.15	44.27	41.72
Return on Revenue from service & commission = EAT/REV (%)	15.62	14.94	10.07
Return on Shareholders' Equity = EAT/EQUITY (%)	10.92	11.16	7.87

During the beginning of the year until October 2017, revenue from the rendering of service, commissions and net profit slightly increased, due to the sluggish economy and delayed advertising in October to show respect for His Majesty King Bhumibol Adulyadej during the Royal Cremation. The Company and its subsidiaries still have higher of gross profit margin, because of its policy to operate cost management by effective usage of the internal resources instead of hiring third-party suppliers.

#### Total Revenue

For year 2017, Total Revenue includes revenue from the rendering of service and commissions, dividend income, other income and profit from investments using by the equity method. The Company and its subsidiaries reported total revenue of Baht 835.72 million, an increase from previous year Baht 4.23 million or 0.51 per cent, details are as follow:

#### Revenue from rendering of service and commission

In 2017, The Company and its subsidiaries earned revenue from the rendering of service and commissions of Baht 742.20 million, an increase Baht 2.24 million or 0.30 per cent.

As a result, the Company's and its subsidiaries' overall revenues are still slightly increasing. Meanwhile, domestic economy continues to slow and the clients are cautious in using advertising budgets.

#### Other Incomes

Other income of the Company and its subsidiaries in 2017 included cash discount, advisor income, interest income, rental income, gain on disposal assets, gain on sale of securities and others total amount of Baht 64.11 million, an increase from 2016 amount of Baht 8.60 million or 15.49 per cent.

The main result from an increase of other income came from the Company financial statement that earned profit from sale of securities, an increase amount of Baht 39.40 million from previous year and an increase of Baht 80.66 million of Dividend income. However, other income and dividend income of the subsidiaries are decreased that make a slightly increase proportion in growth rate of other income.



### **Share of profit from investment using the equity method**

In 2017, The Company received a profit share from the investment in subsidiaries of Baht 29.40 million, a decrease amount of Baht 6.60 million or 18.33 per cent.

### **Dividend Income**

In 2017, dividend income had amount of Baht 134.90 million, an increase from 2016 amount of Baht 80.60 million or 148.72 per cent as the subsidiary has paid an interim dividend.

### **Total Operating Expenses**

Total expenses consisted of cost of service and commissions and selling and administrative expenses. In 2017, the Company and its subsidiaries reported total expenses of Baht 680.56 million, a decrease of Baht 15.83 million or 2.27 per cent, details are as follows :

#### **Cost of service and commissions**

The Company and its subsidiaries had cost of rendering of service and commissions amount of Baht 399.14 million, a decrease from 2019 amount of Baht 14.11 million or 3.41 per cent, The Company still has maintained the cost control policy.

#### **Selling and administrative expenses**

For the Consolidated Financial Statement had total selling administrative expenses amount of Baht 281.42 million, a decrease of Baht 1.72 million or 0.61 per cent compared with 2016. The Company still has maintained the cost control policy

### **Total Net Profit**

The Company and its subsidiaries had total net profit for 2017 in an amount of Baht 126.78 million, an increase from 2016 amount of Baht 11.20 million or 9.69 per cent, as divided to:

- Net profit attributed to owners of the parent in 2017 was Baht 121.40 million, an increase from previous year of Baht 15.66 million or 14.81 per cent.
- Net profit attributed to non-controlling interests in 2017 was Baht 5.38 million, a decrease from previous year of Baht 4.46 million or 45.33 per cent.

### **Financial Position**

#### **Assets**

The Company and its subsidiaries had total assets at the end of 2017, amount of Baht 1,680.37 million, an increase from previous of Baht 34.52 million or 2.10 per cent. The current assets, a decrease of Baht 78.27 million or 9.26 per cent. The increasing additional assets comprise of cash and cash equivalents in amount of Baht 169.72 million and work in

<b>Efficiency Ratio</b>	<b>Year 2017</b>	<b>Year 2016</b>	<b>Year 2015</b>
Return on Total Assets (%)	7.55	7.02	7.82

Return on Total Assets Ratio of the Company and its subsidiaries in 2017, an increase from 2016 from 7.02 per cent to 7.55 per cent. The Company still has ability to manage assets effectively to achieve the highest performance and able to increase profitability in 2017.

### **Cash and Cash equivalents**

The Company and its subsidiaries had cash and cash equivalents at the end of 2017 of Baht 292.33 million, an increase from previous of Baht 169.72 million or 138.41 per cent , as a result of increasing in fixed deposit not more than 3 months into financial institutions. Liquidity ratios are as follows:

<b>Liquidity Ratio</b>	<b>Year 2017</b>	<b>Year 2016</b>	<b>Year 2015</b>
Liquidity Ratio (times)	1.84	1.73	1.80
Quick Liquidity Ratio (times)	1.81	1.69	1.79
Cash Flow Ratio (times)	0.53	0.25	0.40

At year-end 2017, liquidity ratio of 1.84, increase 0.11 times from last year. Quick liquidity ratios increase 0.12 times from previous year. The Company also has the flexibility to manage and operate its business.

### **Accounts receivable trade and others**

In 2017, the Company and its subsidiaries had accounts receivable trade and other account receivable of Baht 333.84 million, a decrease from 2016 of Baht 16.88 million or 4.81 per cent, resulting from the timely repayment from major clients.

<b>Liquidity Ratio</b>	<b>Year 2017</b>	<b>Year 2016</b>	<b>Year 2015</b>
Customer Turnover Ratio (times)	4.62	4.32	4.93
Average Collection Period (Days)	79	84	74

For the above ratios of average collection in 2017, the Company had the effectiveness of credit management and also has confidence of closely tracking and debt collecting in order to maintain the Company' liquidity.

### **Liabilities**

The Company and its subsidiaries had total liabilities at the end of 2017 of Baht 483.90 million, a decrease amount of Baht 60.98 million or 11.19 per cent. Liabilities consisted of account payable trade and others amount of Baht 348.18 million, a decrease from 2016 of Baht 46.80 million or 11.85 per cent. Income tax payable of Baht 5.80 million, an increase from previous year of Baht 1.89 million or 48.42 per cent.

<b>Liquidity Ratio</b>	<b>Year 2017</b>	<b>Year 2016</b>	<b>Year 2015</b>
Payable Turnover Ratio (times)	3.55	3.18	3.68
Average Payment Period (Days)	102	115	99

At the year-end 2017, average payment period is 102 days, did not happen from the lack of liquidity but from some accounts payable do not get paid according to schedule an appointment. Thus, the payment period was postponed to the next month.

### **Non-current liabilities**

In 2017, The Company and its subsidiaries had total non-current assets of Baht 68.23 million, an increase of Baht 12.68 million or 22.82 per cent, resulted from deferred tax liabilities an increasing total amount of Baht 15.02 million or 215.05 per cent.

### **Shareholders' Equity**

Shareholders' Equity of the Company and its subsidiaries at the end of 2017 was Baht 1,196.46 million, an increase from 2016 amount of Baht 95.50 million or 8.67 per cent, resulting from the higher performance of the Company and its subsidiaries.

### **Cash Flow Statement Analysis**

The Consolidated statement of cash flow for the year ended as of December 31, 2016 was summarized below :

	(Unit: Million Baht)
<b>Cash and cash equivalents as of December 31, 2016</b>	<b>122.61</b>
Net Change in cash due to	
• Operating activities	238.09
• Investment activities	3.49
• Financial activities	<u>(71.86)</u>
Net Change in cash and cash equivalents	<u>169.72</u>
<b>Cash and Cash equivalents as of December 31, 2017</b>	<b><u>292.33</u></b>

Cash and cash equivalents an increase from amount of Baht 122.61 million at year-end 2017 to amount of Baht 292.33 million in 2017 or 138.42 per cent. The main reasons for an increase in cash position is as follows:

- On disposal of investments in available-for-sale securities and the total dividend income was Baht 120.51 million.

### **Significant Liquidity and Appropriate Capital Structure**

#### **Suitability of Capital Structure**

Item	Year 2017	Year 2016	Year 2015
Debt to Equity Ratio (times)	0.40	0.49	0.43

In 2017, the Company's Debt to Equity Ratio is 0.40, which decrease slightly from the previous year. The Company has no debt on the loan, showing that the Company still has solid financial structure and capability to expand its business.

## **Key Liquidity**

At the end of year 2017, the Company and its subsidiaries had total current assets amount of Baht 766.69 million, higher than current liabilities amount of Baht 351.02 million and the Company has no debt on the loan, showing that the Company has sufficient liquidity and ability to repay.

### **Factors that affect the future operation**

The Company and its subsidiaries are carefully followed the management policy in regard of which may have certain risks and impacts in the future as follows:

#### **1. Domestic economy**

Sluggish world economy has impact on domestic economy and slow down the consumer's spending. As a result, entrepreneurs need to be cautious in using public relations and advertising budget, which has an inevitable impact on the company operation.

#### **2. Loss of major client**

In current competition, the Company and its subsidiaries may loss a major client which will have impact on revenue significantly.

#### **3. Strategic planning or company's policy**

The economic downturn is directly affected the purchasing power of consumer and have impact to the Company's client to slow the spending of advertising budget. It is inevitable have an impact on the company's income. So, the management and team need to have a good strategy and working plan. They have to understand the consumer insight in order to create good work for clients. Moreover, the management must set up the policy that is consistent with the current situation to go on the business firmly.

#### **4. Risk from intense political unrest, disasters, serious accidents or natural disasters.**

Above incidents are unpredictable and may cause the suspension on the company's service or operational activities, which inevitably affect the company's revenue

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## **Audit Fee for the year 2017**

### **1. Audit Fee**

The Company and Subsidiaries paid audit fee to Dr.Virach and Associates Office Co.,Ltd, the Company's Auditor for the year 2017 as follows:

Far East DDB Plc.	Baht 920,000.00
Fame Line Co., Ltd.(Subsidiary)	Baht 350,000.00
Springboard Plus Co., Ltd. (Subsidiary)	Baht 120,000.00

### **2. Non - Audit Fee**

- None .

## REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE COMPANY'S FINANCIAL STATEMENTS

The Board of Directors duly recognized their obligations and responsibilities in their status as the directors of SET listed company, with regard to the compilation of financial statements for Far East DDB Public Company Limited. The financial statements were prepared in accordance with Thai Financial Reporting Standards (TFRS), based on the adoption of appropriate accounting policies on a consistent basis, accompanied by careful consideration and justifiable accounting estimates. Furthermore, adequate significant information was disclosed per the notes to the financial statements, together with necessary clarification and analysis regarding the financial positions and performances by the company, so as to contribute to the interests of the shareholders and general investors. Moreover, the financial statements were duly audited and verified by independent certified public accountants.

At the same time, the Board of Directors had exercised efforts to promote good governance practice, and to establish risk management system and internal control system in an efficient and effective manner. These practices were intended to ensure that the recording of accounting information was carried out in an accurate, complete, and sufficient manner, in order to safeguard the assets of the company, while also safeguarding against any significant fraud or abuse.

In the regard, the company's Audit Committee whose members comprising independent directors had duly carried out audit work on the quality of the financial statements and the efficiency of internal control system. The opinions of the Audit Committee were displayed per the Audit Committee's report contained in the annual report publication, as well as the annual registration statement (form 56-1).

Accordingly, the Board of Directors concluded that the good corporate governance practice, the risk management system, as well as the internal control system already in place, were well adequate and sufficient reasonably providing sufficient confidence to all the concerned parties that, the financial statements of the company ending December 31, 2017, were prepared and presented in substantial context, in an accurate and reliable manner in accordance with Thai Financial Reporting Standards.



**(Mr. Boonchai Chokwatana)**

Chairman



**(Mrs. Chailada Tantivejakul)**

Vice President

**FAR EAST DDB PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE  
FINANCIAL STATEMENTS  
decemBER 31, 2017**

# AUDITOR'S REPORT

To The Shareholders of Far East DDB Public Company Limited

## Opinion

I have audited the consolidated financial statements of Far East DDB Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017, 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 Far East DDB Public Company Limited for the same period.

In my opinions, the financial statements referred to above present fairly, in all material respects, the financial position of Far East DDB Public Company Limited and its subsidiaries and of Far East DDB Public Company Limited as at December 31, 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report.

I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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.

## Transactions with related parties

The Group companies have transactions with several related parties, which were disclosed in Note 22 to the financial statements. The Group companies have to determine how to gather information to be disclosed in the notes to the financial statements are complete and accurate. The pricing policy is based on the trading price of normal business.

My audit procedures included evaluating and testing of control and effectiveness of the internal control system and collect information about transactions with related parties. I randomly checked transactions with related parties by inspection report transactions with related parties. I have audited the types of relationships with related parties, the documentation for the accounting recorded of income and expenses from related parties, the Company's accounting policy in setting trading price and comparative analysis of unusual items.

The results of a audited are satisfactory, and in my opinions, I did not find unusual items that material misstatement.

## **Other Matter**

The consolidated statements of financial position as at December 31, 2016, the consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, of Far East DDB Public Company Limited and subsidiaries and the separate financial statements of Far East DDB Public Company Limited, which have been presented herewith for comparative purpose were audited by another auditor, expressed an unqualified opinion, whose report date February 24, 2017.

## **Other Information**

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

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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **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 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 Company 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.



(Dr.Preecha Suan)

Certified Public Accountant Registration No. 6718

February 23, 2018

# FAR EAST DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

### AS AT DECEMBER 31, 2017

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
Notes		2017	2016	2017	2016
ASSETS					
Current Assets					
Cash and cash equivalents	4.2 and 5	292,333,312	122,617,042	59,803,566	47,480,562
Short-term investments					
Fixed deposit at bank		20,197,662	62,663,211	12,181,727	51,630,362
Investments in Open-end Fund	4.3 and 6	105,377,335	290,515,828	76,166,378	97,102,704
Total short-term investments		125,574,997	353,179,039	88,348,105	148,733,066
Trade accounts receivable	4.4 and 7	333,842,020	350,722,195	168,865,497	142,234,385
Other receivables					
Accrued income		71,117	2,334,358	59,920	2,243,068
Prepaid expenses		4,394,660	6,424,086	3,294,721	4,783,201
Others		1,753,655	8,267,277	718,494	4,147,517
Total other receivables		6,219,432	17,025,721	4,073,135	11,173,786
Work-in-progress	4.5	6,256,219	659,867	329,687	269,267
Other current assets		2,468,431	761,371	1,303,137	-
Total Current Assets		766,694,411	844,965,235	322,723,127	349,891,066
Non-Current Assets					
Fixed deposit with obligations		8,000,000	12,500,000	5,000,000	5,000,000
Investments in available-for-sale securities	4.6 and 8	510,724,163	388,129,587	510,724,163	336,837,488
Investments in associates	4.6 and 9	144,876,284	161,725,249	6,001,470	7,463,132
Investments in subsidiaries	4.6 and 10	-	-	22,766,010	7,259,400
Other long-term investments	4.6 and 11	36,488,455	31,255,045	35,488,455	31,255,045
Investments in convertible debentures	4.6 and 12	11,235,000	-	11,235,000	-
Property, plant and equipment	4.7 and 13	194,571,464	196,903,929	175,581,332	177,815,643
Intangible assets	4.8 and 14	19,050	24,649	-	-
Refundable withholding tax		7,219,352	9,003,395	2,434,991	4,540,247
Other non-current assets		537,029	1,334,950	125,519	169,915
Total Non-Current Assets		913,670,797	800,876,804	769,356,940	570,340,870
TOTAL ASSETS		1,680,365,208	1,645,842,039	1,092,080,067	920,231,936

Notes to the financial statements form an integral part of these statements.

**FAR EAST DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
Notes		2017	2016	2017	2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current Liabilities					
Trade accounts payable		348,178,560	394,981,061	123,602,673	128,683,698
Other accounts payable					
Accrued expenses		7,621,766	9,108,051	6,907,420	7,142,125
Accrued directors' remuneration and bonus		45,503,753	38,658,880	13,400,000	8,103,430
Others		1,397,098	937,724	315,970	176,613
Total other accounts payable		54,522,617	48,704,655	20,623,390	15,422,168
Advance received from disposal in associated company		-	33,333,500	-	33,333,500
Accrued corporate income taxes		5,802,489	3,909,406	1,698,821	-
Other current liabilities		7,171,493	8,401,687	1,767,123	2,647,107
Total Current Liabilities		415,675,159	489,330,309	147,692,007	180,086,473
Non-Current Liabilities					
Provision for long-term employee benefits	4.10 and 15	45,430,159	47,739,793	22,289,101	27,659,856
Deferred tax liabilities	4.11 and 20	22,013,842	6,987,414	26,260,517	10,397,801
Other non-current liabilities		784,000	824,000	1,081,500	1,121,500
Total Non-Current Liabilities		68,228,001	55,551,207	49,631,118	39,179,157
TOTAL LIABILITIES		483,903,160	544,881,516	197,323,125	219,265,630

Notes to the financial statements form an integral part of these statements.

# FAR EAST DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

### AS AT DECEMBER 31, 2017

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
Note		2017	2016	2017	2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>					
Shareholders' Equity					
Share capital					
Authorized share capital					
	7,500,000 common stocks of Baht 10 par value	75,000,000	75,000,000	75,000,000	75,000,000
Issued and paid-up share capital					
	7,500,000 common stocks at Baht 10 each	75,000,000	75,000,000	75,000,000	75,000,000
	Premium on common stocks	95,000,000	95,000,000	95,000,000	95,000,000
	Premium from purchasing addition shares in subsidiary	91,690	87,085	-	-
Retained earnings					
Appropriated					
	Legal reserve	16	7,500,000	7,500,000	7,500,000
Unappropriated					
	Other components of the shareholders' equity	149,832,438	91,916,042	149,993,586	90,884,246
	Total Shareholders' Equity of Parent Company	1,172,220,343	1,047,167,918	894,756,942	700,966,306
	Non-controlling interests	24,241,705	53,792,605	-	-
	Total Shareholders' Equity	1,196,462,048	1,100,960,523	894,756,942	700,966,306
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,680,365,208	1,645,842,039	1,092,080,067	920,231,936

Notes to the financial statements form an integral part of these statements.

# FAR EAST DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF INCOME

### FOR THE YEAR ENDED DECEMBER 31, 2017

		BAHT				
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS		
Notes		2017	2016	2017	2016	
	Revenue from rendering of services and commissions	742,201,327	739,966,193	264,176,880	285,041,591	
	Cost of services and commissions	399,139,867	413,249,468	127,009,292	145,778,824	
	Gross profit	343,061,460	326,716,725	137,167,588	139,262,767	
	Dividend income and return on investments in					
	Private Fund	10,314,100	10,241,751	138,896,020	59,236,287	
	Other incomes					
	Gain on investment disposal in associate	4.6 and 9	18,328,864	-	40,420,338	-
	Others		35,469,332	45,271,338	11,958,173	23,059,607
	Total other incomes		53,798,196	45,271,338	52,378,511	23,059,607
	Profit before expenses		407,173,756	382,229,814	328,442,119	221,558,661
	Services and administrative expenses		281,420,702	283,138,989	127,191,475	137,542,927
	Share of profit from investments in associates	4.6 and 9	29,404,091	36,006,804	-	-
	Profit before income tax expenses		155,157,145	135,097,629	201,250,644	84,015,734
	Income tax expenses	4.12 and 20	28,373,292	19,513,269	13,389,518	5,846,680
	Profit for the periods		126,783,853	115,584,360	187,861,126	78,169,054
	Profit attributable to					
	Equity holders of the parent		121,401,623	105,740,032	187,861,126	78,169,054
	Non-controlling interests		5,382,230	9,844,328	-	-
			126,783,853	115,584,360	187,861,126	78,169,054
	Earnings per share to equity holders of the parent					
	Basic Earnings Per Share (Baht)	4.13	16.19	14.10	25.05	10.42
	Issued and paid-up 7,500,000 common stocks					

Notes to the financial statements form an integral part of these statements.

**FAR EAST DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Note	BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Profit for the year		126,783,853	115,584,360	187,861,126	78,169,054
Other comprehensive income (loss) :					
Item that may be reclassified subsequently to profit or loss :					
Gain from the remeasuring of					
investment in available-for-sale securities		73,886,675	22,893,104	73,886,675	21,364,075
Components of income tax		(14,777,335)	(4,578,620)	(14,777,335)	(4,272,815)
Gain from the remeasuring of investment in					
available-for-sale securities-net of tax		59,109,340	18,314,484	59,109,340	17,091,260
The reversal gain from the remeasuring					
of investment in available-for-sale on disposals		(1,491,292)	-	-	-
Components of income tax		298,259	-	-	-
The reversal gain from the remeasuring of investment					
in available-for-sale on disposals -net of tax		(1,193,033)	-	-	-
Total gain from the remeasuring of investment					
in available-for-sale -net of tax		57,916,307	18,314,484	59,109,340	17,091,260
Item that not reclassified subsequently to profit or loss :					
Actuarial loss from employee benefit plan	15	(2,280,032)	-	(849,788)	-
Components of income tax		456,007	-	169,958	-
Actuarial loss from employee benefit					
plan-net of tax		(1,824,025)	-	(679,830)	-
Total other comprehensive income for the year		56,092,282	18,314,484	58,429,510	17,091,260
Total comprehensive income for the year		182,876,135	133,898,844	246,290,636	95,260,314
Total comprehensive income attributable to					
Equity holders of the parent		177,547,820	123,889,197	246,290,636	95,260,314
Non-controlling interests		5,328,315	10,009,647	-	-
		182,876,135	133,898,844	246,290,636	95,260,314

Notes to the financial statements form an integral part of these statements.

**FAR EAST DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

CONSOLIDATED										BAHT	
Shareholders' equity of the parent											
	Issued and paid-up share capital	Premium on common stocks	Surplus on changes in interest in subsidiary	Retained earnings		Other components of the shareholders' equity		Total equity holders of the parent	Non-controlling interests	Total shareholders' equity	
				Appropriated	Unappropriated	Other comprehensive income	Investments in available-for-sale securities				
											Legal reserve
Notes											
<b>Year 2016</b>											
Beginning balances, January 1, 2016	75,000,000	95,000,000	87,085	7,500,000	716,924,759	73,766,877		968,278,721	47,293,813	1,015,572,534	
Comprehensive income for the year 2016					105,740,032	18,149,165		123,889,197	10,009,647	133,898,844	
Dividend payment					(45,000,000)			(45,000,000)	(6,755,400)	(51,755,400)	
Increase non-controlling interests from investment									3,244,545	3,244,545	
Ending balances, December 31, 2016	75,000,000	95,000,000	87,085	7,500,000	777,664,791	91,916,042		1,047,167,918	53,792,605	1,100,960,523	
<b>Year 2017</b>											
Beginning balances, January 1, 2017	75,000,000	95,000,000	87,085	7,500,000	777,664,791	91,916,042		1,047,167,918	53,792,605	1,100,960,523	
Comprehensive income for the year 2017											
Total comprehensive income for the year					121,401,623	57,916,396		179,318,019	5,382,141	184,700,160	
Adjustment of actuarial loss from employee benefit plan - net of tax					(1,770,199)			(1,770,199)	(53,826)	(1,824,025)	
Total comprehensive income for the year 2017					119,631,424	57,916,396		177,547,820	5,328,315	182,876,135	
Dividend payment					(52,500,000)			(52,500,000)		(52,500,000)	
Subsidiary's dividend paid to non-controlling interests									(19,368,000)	(19,368,000)	
Decrease in non-controlling interests from purchase of investments in subsidiary											
Ending balances, December 31, 2017	75,000,000	95,000,000	91,690	4,605	844,796,215	149,832,438		1,172,220,343	24,241,705	1,196,462,048	

**FAR EAST DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

THE SEPARATE FINANCIAL STATEMENTS				BAHT			
Notes	Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of the shareholders' equity		Total  shareholders' equity
			Appropriated	Unappropriated	Other comprehensive income	Investments in available-for-sale	
<b>Year 2016</b>							
		75,000,000	95,000,000	7,500,000	399,413,006	73,792,986	650,705,992
					78,169,054	17,091,260	95,260,314
17					(45,000,000)		(45,000,000)
		75,000,000	95,000,000	7,500,000	432,582,060	90,884,246	700,966,306
<b>Year 2017</b>							
		75,000,000	95,000,000	7,500,000	432,582,060	90,884,246	700,966,306
					187,861,126 (679,830)	59,109,340	246,970,466 (679,830)
					187,181,296	59,109,340	246,290,636
					(52,500,000)		(52,500,000)
17					567,263,356	149,993,586	894,756,942
		75,000,000	95,000,000	7,500,000			

Notes to the financial statements form an integral part of these statements.



**FAR EAST DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (1/3)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expenses	155,157,145	135,097,629	201,250,644	84,015,734
Adjustment to reconcile profit before income tax expenses to cash provided from (used in) operation :				
Depreciation	6,782,404	7,251,596	3,290,786	5,062,380
Amortization of intangible assets	5,599	3,351	-	-
Gain on disposal of investments in available-for-sale security	(3,253,675)	-	-	-
Gain on disposal of investments in associates	(18,328,864)	-	(40,420,338)	-
(Gain) loss on repayment of investments in associate	-	847,057	-	(525,643)
Dividend income from investments in associates	-	-	(22,699,920)	(16,599,936)
Dividend income from investments in subsidiaries	-	-	(105,882,000)	(32,394,600)
Dividend income from investments in other companies	(6,314,100)	(5,241,751)	(6,314,100)	(5,241,751)
Return on investments in Private Fund	(4,000,000)	(5,000,000)	(4,000,000)	(5,000,000)
Interest income	(1,480,863)	(1,960,827)	(569,121)	(907,014)
Write-off of prepaid income tax	84,936	62,861	6,793	31,261
Gain on disposal and unused equipment	(1,301,430)	(168,719)	(1,227,922)	(246,837)
Unrealized loss on exchange rates	-	8,081	-	8,081
Unrealized gain on investments in Open-end Fund	(406,478)	(787,151)	(194,502)	(581,128)
Long-term employee benefits expenses	3,696,169	4,246,931	2,065,292	2,504,875
Loss on diminution of investment in other companies	138,350	253,249	138,350	253,249
Share of profit from investments in associates	(29,404,091)	(36,006,804)	-	-
Profit from operation before changes in operating assets and liabilities items	101,375,102	98,605,503	25,443,962	30,378,671
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Investments in Open-end Fund	185,544,971	(196,147,201)	21,130,828	(54,000,000)
Trade accounts receivable	16,880,175	20,470,160	(26,631,112)	27,955,797
Other receivables	10,626,915	9,106,206	6,919,306	3,783,006
Work-in-progress	(5,596,352)	(659,867)	(60,420)	(269,267)
Other current assets	(1,707,060)	1,225,466	(1,303,137)	1,303,272
Fix deposit with obligation	4,500,000	-	-	-
Other non-current assets	797,921	(1,064,987)	44,396	(67,538)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade accounts payable	(46,802,501)	65,395,528	(5,081,025)	8,340,223
Other accounts payable	5,806,262	1,022,867	5,201,222	(5,123,000)
Other current liabilities	(1,230,194)	2,970,823	(879,984)	828,345
Provision for long-term employee benefits	(8,285,835)	(972,003)	(8,285,835)	(972,003)

Notes to the financial statements form an integral part of these statements.

**FAR EAST DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (2/3)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Other non-current liabilities	(40,000)	-	(40,000)	41,000
Cash provided from (used in) operation	261,869,404	(47,505)	16,458,201	12,198,506
Income tax expenses paid	(28,756,178)	(23,190,615)	(10,435,358)	(8,638,896)
Proceeds from income tax refund	4,978,435	8,165,762	2,098,463	7,437,536
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	238,091,661	(15,072,358)	8,121,306	10,997,146
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) decrease in fixed deposit at bank	42,465,549	(11,451,455)	39,448,635	(12,985,926)
Interest income	1,660,237	2,197,619	750,466	1,103,490
Purchase of investments in associate	(1,500)	-	(1,500)	-
Purchase of investments in subsidiary	-	-	-	(2,400,000)
Purchase of investments in subsidiary from non-controlling interests	(15,506,610)	-	(15,506,610)	-
Purchase of investments in available-for-sale securities				
- Private Fund	(100,000,000)	-	(100,000,000)	-
Purchase of investments in convertible debentures	(11,235,000)	-	(11,235,000)	-
Purchase of other investments	(6,043,760)	(184,545)	(5,043,760)	-
Purchase of plant and equipment	(4,892,883)	(22,552,667)	(1,221,076)	(10,848,358)
Purchase of intangible assets	-	(28,000)	-	-
Proceeds from sales of investments in associates	8,550,000	-	8,550,000	-
Proceeds from non-controlling interests in subsidiary	-	3,244,545	-	-
Advance received from sales of investment in associates	-	33,333,500	-	33,333,500
Proceeds from disposal of equipment	1,756,074	654,207	1,392,523	467,290
Proceeds from capital decrease of investment in other companies	672,000	960,000	672,000	960,000
Dividend income from investments in associates	22,699,920	16,599,936	22,699,920	16,599,936
Dividend income from investments in subsidiaries	-	-	105,882,000	32,394,600
Dividend income from investments in other companies	6,314,100	5,241,751	6,314,100	5,241,751
Proceeds from disposal of investments in available-for-sale securities	53,054,482	-	-	-
Proceeds from return on investments in Private Fund	4,000,000	5,000,000	4,000,000	5,000,000
NET CASH PROVIDED FROM INVESTING ACTIVITIES	3,492,609	33,014,891	56,701,698	68,866,283
CASH FLOWS FROM FINANCING ACTIVITIES				
Subsidiary's dividend paid to non-controlling interests	(19,368,000)	(6,755,400)	-	-
Dividend payments	(52,500,000)	(45,000,000)	(52,500,000)	(45,000,000)
NET CASH USED IN FINANCING ACTIVITIES	(71,868,000)	(51,755,400)	(52,500,000)	(45,000,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	169,716,270	(33,812,867)	12,323,004	34,863,429
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	122,617,042	156,429,909	47,480,562	12,617,133
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	292,333,312	122,617,042	59,803,566	47,480,562

Notes to the financial statements form an integral part of these statements.

**FAR EAST DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (3/3)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS :				
NON-CASH FLOWS ITEMS COMPRISE :				
Gain from the remeasuring of investments				
in available-for-sale securities	73,886,675	22,893,104	73,886,675	21,364,075
Decrease investments in associate due to advance received	(33,333,500)	-	(33,333,500)	-
Increase in equipment from asset payable	11,700	-	-	-
Effect of adjustment of actuarial estimates from employee benefit plan :-				
- Increase in deferred tax assets	456,007	-	169,958	-
- Increase in provision for long-term employee benefits	(2,280,032)	-	(849,788)	-
- Decrease in retained earnings	1,770,199	-	679,830	-
- Decrease in non-controlling interests	53,826	-	-	-

*Notes to the financial statements form an integral part of these statements.*

# FAR EAST DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

### DECEMBER 31, 2017

#### 1. GENERAL INFORMATION

1.1 Legal status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location	465/1-467 Sri Ayudhya Road, Kwaeng Thungphayathai, Khet Ratchathewi, Bangkok, Thailand.
1.3 Type of business	(1) Advertising agent or broker, and in production and advertising related services. (2) Investing in its associates and subsidiaries which carry on business according to Notes 9 and 10 to the financial statements, respectively.

#### 2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

- 2.1 The consolidated and the separate financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by the Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), and the Accounting Act, B.E. 2543 (2000) and the Notification of the Office of the Securities and Exchange Commission, except the financial statements of MYANMAR SPA TODAY FAR EAST ADVERTISING LIMITED an associate of the Company and MEDIA INTELLIGENCE (MYANMAR) LIMITED, a subsidiary of Media Intelligence Co.,Ltd., an associate of the Company are prepared in accordance with the Accounting Standards of REPUBLIC OF THE UNION OF MYANMAR. In preparation of consolidated financial statements, they are adjusted to be under the same accounting policy as parent company.
- 2.2 These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.
- 2.3 These consolidated financial statements included the financial statements of Far East DDB Public Company Limited and its subsidiaries and its equity in associates as follows:

#### SUBSIDIARIES

COMPANIES	% HOLDING		ESTABLISHED IN
	2017	2016	
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>			
FAME LINE COMPANY LIMITED	99.99	86.48	THAILAND
SPRINGBOARD PLUS COMPANY LIMITED	99.99	99.99	THAILAND
INTEGRATED COMMUNICATION COMPANY LIMITED	40.00	40.00	THAILAND
DIGINAKHON COMPANY LIMITED	40.00	40.00	THAILAND
<u>SUBSIDIARIES HELD IN</u>			
<u>DIGINAKHON COMPANY LIMITED</u>			
FAME LINE COMPANY LIMITED	5.00	5.00	THAILAND
INTEGRATED COMMUNICATION COMPANY LIMITED	4.00	4.00	THAILAND

The Company included the financial statements of INTEGRATED COMMUNICATION COMPANY LIMITED and DIGINAKHON COMPANY LIMITED to prepare the consolidated financial statements because the Company has control over such companies.

#### ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	2017	2016	
<u>ASSOCIATES DIRECTLY HELD BY THE COMPANY</u>			
MYANMAR SPA TODAY FAR EAST ADVERTISING LIMITED	-	30.00	REPUBLIC OF THE UNION OF MYANMAR
SPA TODAY FAR EAST (THAILAND) COMPANY LIMITED	-	30.00	THAILAND
MEDIA INTELLIGENCE COMPANY LIMITED	30.00	33.33	THAILAND
<u>SUBSIDIARIES HELD BY MEDIA INTELLIGENCE COMPANY LIMITED</u>			
MEDIA INSIGHT COMPANY LIMITED	99.99	99.99	THAILAND
MIM (THAILAND) COMPANY LIMITED	70.00	50.00	THAILAND
I-DAC (BANGKOK) COMPANY LIMITED	60.00	-	THAILAND
MEDIA INTELLIGENCE (MYANMAR) LIMITED	70.00	50.00	REPUBLIC OF THE UNION OF MYANMAR

2.4 Inter-company balances and significant transactions of the Company and its subsidiaries have been eliminated from the consolidated financial statements.

#### 3. The accounting standards that became effective in the current accounting year are as follows:

##### Thai Accounting Standards (TAS)

- |                           |  |
|---------------------------|--|
| 1. TAS 1 (revised 2016)   | Presentation of Financial Statements                                     |
| 2. TAS 2 (revised 2016)   | Inventories  |
| 3. TAS 7 (revised 2016)   | Statement of Cash Flows  |
| 4. TAS 8 (revised 2016)   | Accounting Policies, Changes in Accounting Estimates and Errors          |
| 5. TAS 10 (revised 2016)  | Events After the Reporting Period  |
| 6. TAS 11 (revised 2016)  | Construction Contracts   |
| 7. TAS 12 (revised 2016)  | Income Taxes   |
| 8. TAS 16 (revised 2016)  | Property, Plant and Equipment  |
| 9. TAS 17 (revised 2016)  | Leases   |
| 10. TAS 18 (revised 2016) | Revenue  |
| 11. TAS 19 (revised 2016) | Employee Benefits  |
| 12. TAS 20 (revised 2016) | Accounting for Government Grants and Disclosure of Government Assistance |
| 13. TAS 21 (revised 2016) | The Effects of Changes in Foreign Exchange Rates                         |
| 14. TAS 23 (revised 2016) | Borrowing Costs  |
| 15. TAS 24 (revised 2016) | Related Party Disclosures  |
| 16. TAS 26 (revised 2016) | Accounting and Reporting by Retirement Benefit Plans                     |
| 17. TAS 27 (revised 2016) | Separate Financial Statements  |
| 18. TAS 28 (revised 2016) | Investments in Associates and Joint Ventures                             |

19. TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
20. TAS 33 (revised 2016)	Earnings Per Share
21. TAS 34 (revised 2016)	Interim Financial Reporting
22. TAS 36 (revised 2016)	Impairment of Assets
23. TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
24. TAS 38 (revised 2016)	Intangible Assets
25. TAS 40 (revised 2016)	Investment Property
26. TAS 41 (revised 2016)	Agriculture
27. TAS 104 (revised 2016)	Accounting for Troubled Debt Restructuring
28. TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
29. TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation

#### **Thai Financial Reporting Standards (TFRS)**

30. TFRS 2 (revised 2016)	Share-based Payment
31. TFRS 3 (revised 2016)	Business Combinations
32. TFRS 4 (revised 2016)	Insurance Contracts
33. TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
34. TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
35. TFRS 8 (revised 2016)	Operating Segments
36. TFRS 10 (revised 2016)	Consolidated Financial Statements
37. TFRS 11 (revised 2016)	Joint Arrangements
38. TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
39. TFRS 13 (revised 2016)	Fair Value Measurement

#### **Thai Accounting Standard Interpretations (TSIC)**

40. TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
41. TSIC 15 (revised 2016)	Operating Leases - Incentives
42. TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders
43. TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
44. TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosure
45. TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
46. TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs

#### **Thai Financial Reporting Standard Interpretations (TFRIC)**

47. TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
48. TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
49. TFRIC 5 (revised 2016)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
50. TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies
51. TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
52. TFRIC 12 (revised 2016)	Service Concession Arrangements
53. TFRIC 13 (revised 2016)	Customer Loyalty Programmes
54. TFRIC 14 (revised 2016)	TAS 19 (revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
55. TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
56. TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
57. TFRIC 18 (revised 2016)	Transfers of Assets from Customers
58. TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
59. TFRIC 21 (revised 2016)	Levies

These accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations do not have any significant impact on the financial statements.

**The Federation of Accounting Professions has issued the new accounting standards but are not yet effective.**

Effective for fiscal years beginning on or after January 1, 2018 are as follows:

**Thai Accounting Standards (TAS)**

- |                           |  |
|---------------------------|--|
| 1. TAS 1 (revised 2017)   | Presentation of Financial Statements                                     |
| 2. TAS 2 (revised 2017)   | Inventories  |
| 3. TAS 7 (revised 2017)   | Statement of Cash Flows  |
| 4. TAS 8 (revised 2017)   | Accounting Policies, Changes in Accounting Estimates and Errors          |
| 5. TAS 10 (revised 2017)  | Events After the Reporting Period  |
| 6. TAS 11 (revised 2017)  | Construction Contracts   |
| 7. TAS 12 (revised 2017)  | Income Taxes   |
| 8. TAS 16 (revised 2017)  | Property, Plant and Equipment  |
| 9. TAS 17 (revised 2017)  | Leases   |
| 10. TAS 18 (revised 2017) | Revenue  |
| 11. TAS 19 (revised 2017) | Employee Benefits  |
| 12. TAS 20 (revised 2017) | Accounting for Government Grants and Disclosure of Government Assistance |
| 13. TAS 21 (revised 2017) | The Effects of Changes in Foreign Exchange Rates                         |
| 14. TAS 23 (revised 2017) | Borrowing Costs  |
| 15. TAS 24 (revised 2017) | Related Party Disclosures  |
| 16. TAS 26 (revised 2017) | Accounting and Reporting by Retirement Benefit Plans                     |
| 17. TAS 27 (revised 2017) | Separate Financial Statements  |
| 18. TAS 28 (revised 2017) | Investments in Associates and Joint Ventures                             |
| 19. TAS 29 (revised 2017) | Financial Reporting in Hyperinflationary Economies                       |
| 20. TAS 33 (revised 2017) | Earnings Per Share   |
| 21. TAS 34 (revised 2017) | Interim Financial Reporting  |
| 22. TAS 36 (revised 2017) | Impairment of Assets   |
| 23. TAS 37 (revised 2017) | Provisions, Contingent Liabilities and Contingent Assets                 |
| 24. TAS 38 (revised 2017) | Intangible Assets  |
| 25. TAS 40 (revised 2017) | Investment Property  |
| 26. TAS 41 (revised 2017) | Agriculture  |

**Thai Financial Reporting Standards (TFRS)**

- |                            |  |
|----------------------------|--|
| 27. TFRS 2 (revised 2017)  | Share-based Payment  |
| 28. TFRS 3 (revised 2017)  | Business Combinations  |
| 29. TFRS 4 (revised 2017)  | Insurance Contracts  |
| 30. TFRS 5 (revised 2017)  | Non-current Assets Held for Sale and Discontinued Operations |
| 31. TFRS 6 (revised 2017)  | Exploration for and Evaluation of Mineral Resources          |
| 32. TFRS 8 (revised 2017)  | Operating Segments   |
| 33. TFRS 10 (revised 2017) | Consolidated Financial Statements                            |
| 34. TFRS 11 (revised 2017) | Joint Arrangements   |
| 35. TFRS 12 (revised 2017) | Disclosure of Interests in Other Entities                    |
| 36. TFRS 13 (revised 2017) | Fair Value Measurement                                       |

**Thai Accounting Standard Interpretations (TSIC)**

- |                            |  |
|----------------------------|--|
| 37. TSIC 10 (revised 2017) | Government Assistance - No Specific Relation to Operating Activities |
|----------------------------|--|

38. TSIC 15 (revised 2017) Operating Leases - Incentives
39. TSIC 25 (revised 2017) Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders
40. TSIC 27 (revised 2017) Evaluating the Substance of Transactions Involving the Legal Form of a Lease
41. TSIC 29 (revised 2017) Service Concession Arrangements: Disclosure
42. TSIC 31 (revised 2017) Revenue - Barter Transactions Involving Advertising Services
43. TSIC 32 (revised 2017) Intangible Assets - Web Site Costs

#### **Thai Financial Reporting Standard Interpretations (TFRIC)**

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46. TFRIC 5 (revised 2017) Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
47. TFRIC 7 (revised 2017) Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies
48. TFRIC 10 (revised 2017) Interim Financial Reporting and Impairment
49. TFRIC 12 (revised 2017) Service Concession Arrangements
50. TFRIC 13 (revised 2017) Customer Loyalty Programmes
51. TFRIC 14 (revised 2017) TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
52. TFRIC 15 (revised 2017) Agreements for the Construction of Real Estate
53. TFRIC 17 (revised 2017) Distributions of Non-cash Assets to Owners
54. TFRIC 18 (revised 2017) Transfers of Assets from Customers
55. TFRIC 20 (revised 2017) Stripping Costs in the Production Phase of a Surface Mine
56. TFRIC 21 (revised 2017) Levies

Management of group companies is evaluating the impact of such accounting standards on the financial statements in the year when they are adopted.

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **4.1 Revenues and expenses recognition**

The Company recognized revenues and expenses from the following bases :

Revenue from rendering of service and commission	- Recognized on an accrual basis.
Revenue and cost from rendering of services in production	- Recognized when the services are completed and delivered.
Dividend income	- Recognized when the shareholder's right to receive is established.
Rental income	- Recognized over the lease period.
Other income	- Recognized on the accrual basis.
Interest income	- Recognized on the accrual basis based on effective interest rate.
Expenses	- Recognized on the accrual basis.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents are cash on hand, fixed deposits at financial institutions due not more than 3 months from the date of acquisition with no obligation.

### **4.3 Investments in Open-end Fund**

Investments in Open-end Fund are considered as trading securities, stated at fair value.

Cost of disposed investments during the year is calculated by the weighted average method.



#### 4.4 Allowance for doubtful accounts

The Company and subsidiaries provide allowance for doubtful accounts for the estimated losses that may be incurred from the uncollected accounts receivable based on past experience in debt collection.

#### 4.5 Work in process

Cost of work, which is not yet recognized as revenues, is recorded in work in process which will be recognized to cost whenever the services are completed and submitted.

#### 4.6 Investments

Investments in available-for-sale securities are investments in listed securities stated at fair value with the objective for long-term investments. The Company recognized its revaluation in available-for-sale securities as separate item in other comprehensive income, under the caption "gain (loss) from the remeasuring of investment available-for-sale securities".

The Company calculated cost of the disposed securities during the years by the weighted average method.

Associates mean those companies in which the parent in the group companies has shareholding from 20% to 50% of the total voting rights or has significant influence over the associates, that is the parent in the group companies has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies. Investments in associates are stated by equity method for consolidation and cost method for the separate financial statements.

Subsidiaries mean those companies in which the parent in the group companies, directly or indirectly, has power more than one half of the total voting rights or power to govern the financial and operating policies of subsidiaries. Investments in subsidiaries in the separate financial statements are stated at cost after deduction of provision for diminution in investment.

Other long-term investments mean those companies in which the group companies have shareholding but have no power to govern or participate in setting up any policy. Other longterm investments are stated at cost after deduction of provision for diminution in investment.

Convertible debentures are stated at cost after deduction allowance of impairment of investments, if any.

#### 4.7 Property, plant and equipment

Property, plant and equipment are stated at cost. Plant and equipment are stated at acquisition cost less accumulated depreciation.

Depreciation is calculated by the straight-line method based on the estimated useful life of the following assets:

	Years
Building and improvement	20
Office furniture, fixtures and equipment	5
Vehicles	5

Expenditures for additions, renewals or betterments which affected the significant increment in value of assets will be capitalized, considered as capital expenditures. Regarding repair and maintenance costs are recognized as expenses during the accounting periods when incurred.

#### 4.8 Intangible assets

Computer softwares are stated at acquisition cost less amortization by using the straight-line method based on the estimated useful life of 5 years.

#### 4.9 Operating leases

Leases where most of substantial risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to expenses in the statements of income over the lease term.

#### **4.10 Employee benefits**

##### Short-term employee benefits

The Company and its subsidiaries recognized salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

##### Long-term employee benefits

###### Defined contribution plan

The Company and its subsidiaries provide a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to the statements of income in the incurred period.

###### Defined benefit plan

The provision for employee retirement benefits is recognized as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

The Company provides other long-term benefits to the eligible employees in return for their service in the current and prior periods before one's retirement. In the financial statements, the obligations represent the present value of the other long-term employee benefits. The obligations are calculated on the same basis as the defined benefit plan.

#### **4.11 Deferred tax assets/liabilities**

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or additional tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets.

As each statements of financial position date, the Company reviews and reduces the carrying amount of deferred tax assets/liabilities to the extent that it is no longer probable that sufficient taxable profit be available to allow all or part of the deferred tax asset or deferred tax liabilities to be utilised.

#### **4.12 Income tax expenses**

Income tax expenses from profit/loss for the year consist of current income tax and deferred tax. Income tax expenses recognized in statement of income unless part of transaction recorded in shareholders' equity recorded directly to equity.

#### **4.13 Earnings per share**

Basic earnings per share is calculated by dividing profit for the year with the number of common stocks held by outsiders by the weighted average method.

#### **4.14 Foreign currency transactions**

Foreign currency transactions incurred during the years are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities on the statements of financial position date are converted to Baht at the rate of exchange in effect on that date.

Gains or losses on exchange rate fluctuation are credited or charged to operations during the years.

For preparation of the consolidated financial statements, the financial statements of the subsidiary denominated in foreign currencies are converted to Baht based on the following exchange rates:

- Assets and liabilities were translated by the average exchange rates at the end of the year.
- Shareholders' equity and depreciation were translated by the exchange rate in effect on the transaction dates.
- Revenues and expenses were translated by the average exchange rates for the year.

The translation of financial statement differences in foreign currencies was shown under other comprehensive income.

#### 4.15 Significant accounting judgments and estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use judgments on various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for investment in Open-end Fund, provision for diminution in investment, allowance for doubtful accounts, allowance for depreciation of plant and equipment, allowance for amortization of intangible assets, deferred tax assets or liabilities and provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

#### 5. CASH AND CASH EQUIVALENTS

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Cash	109,847	111,596	33,946	48,468
Cash at bank	271,372,880	76,517,508	39,051,972	46,807,519
Short term fixed deposit	20,850,585	45,987,938	20,717,648	624,575
Cash and cash equivalents	292,333,312	122,617,042	59,803,566	47,480,562

#### 6. INVESTMENTS IN OPEN-END FUND

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Investments in Open-end Fund-Debt securities	104,970,857	289,179,200	75,971,876	96,000,000
Add Allowance for investment	406,478	1,336,628	194,502	1,102,704
Investments in Open-end Fund-Fair value	105,377,335	290,515,828	76,166,378	97,102,704

Investments in Open-end Fund are trading securities. The difference between fair value and cost is shown as allowance for investment value adjustment in Open-end Fund. Gains on investments in Open-end Fund incurred during the year were duly presented in the statements of income as follows:

BAHT

PARTICULARS FOR THE YEAR ENDED DECEMBER 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Unrealized gain on investments in Open-end Fund	406,478	787,151	194,502	581,128
Realized gain on disposal of investments - in Open-end Fund	2,121,419	1,409,399	352,637	373,173
Gains on investments in Open-end Fund	2,527,897	2,196,550	547,139	954,301

## 7. TRADE ACCOUNTS RECEIVABLE

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
<b><u>Trade accounts receivable of related parties</u></b>				
Trade accounts receivable				
Current	182,607,635	166,374,238	94,508,090	92,493,165
Overdue within 3 months	85,117,481	32,886,235	58,338,098	25,277,843
Total	267,725,116	199,260,473	152,846,188	117,771,008
<b><u>Trade accounts receivable of other companies</u></b>				
Trade accounts receivable				
Current	49,433,120	125,596,951	11,652,829	19,895,792
Overdue within 3 months	16,552,950	20,580,530	4,266,480	3,127,919
Overdue between 3 to 6 months	-	2,584,750	-	-
Overdue between 6 to 12 months	100,000	966,000	100,000	-
Overdue more than 12 months	9,810,492	9,810,492	9,810,492	9,810,492
Total	75,896,562	159,538,723	25,829,801	32,834,203
<u>Less</u> Allowance for doubtful accounts	(9,810,492)	(9,810,492)	(9,810,492)	(9,810,492)
Trade accounts receivable others-net	66,086,070	149,728,231	16,019,309	23,023,711
Note receivable	30,834	1,733,491	-	1,439,666
Trade accounts receivable - net	333,842,020	350,722,195	168,865,497	142,234,385

## 8. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

Investments in available-for-sale securities are listed securities on the stock exchange.

BAHT

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Investment Value		Dividends/Return on investments in Private Fund	
	2017	2016	2017	2016	2017	2016
<b>Related Companies</b>						
1. Saha Pathana Inter-Holding Plc.	0.28	0.28	3,981,560	3,981,560	624,483	457,954
2. I.C.C. International Plc.	0.29	0.29	5,519,382	5,519,382	969,439	885,140
3. Saha Pathanapibul Plc.	0.33	0.33	7,510,672	7,510,672	1,966,293	1,201,623
4. Boutique New City Plc.	0.06	0.06	1,710,000	1,710,000	54,000	-
Total cost			18,721,614	18,721,614	3,614,215	2,544,717
<u>Add</u> Gain from the remeasuring of investments in available-for-sale			175,860,447	107,894,074		
Investments in available-for-sale - related companies - fair value			194,582,061	126,615,688		
<b>Other Companies</b>						
1.The Siam Cement Plc.			386,397	386,397	57,000	51,000
2. Nation Multimedia Group Plc.			4,072,387	4,072,387	-	115,265
3. Nation International Edutainment Plc.			51,782	51,782	-	356
Total cost			4,510,566	4,510,566	57,000	166,621
<u>Add</u> Gain (loss) from the remeasuring of investments in available-for- sale			(1,188,596)	1,306,070		
Investments in available-for-sale - other companies-fair value			3,321,970	5,816,636	3,671,215	2,711,338
<b>Private Fund</b>						
1. BBL Asset Management Co.,Ltd.			140,000,000	100,000,000	4,000,000	-
2. Kasikorn Asset Management Co.,Ltd.			160,000,000	100,000,000	-	5,000,000
Total cost			300,000,000	200,000,000	4,000,000	5,000,000
<u>Add</u> Gain from the remeasuring of investments in available-for-sale			12,820,132	4,405,164		
Investments in available-for-sale - private fund-fair value			312,820,132	204,405,164		
Total investments in available-for-sale - net (Separate financial statements)			510,724,163	336,837,488	7,671,215	7,711,338
<b>Subsidiary invested in Private Fund</b>						
BBL Asset Management Co.,Ltd.			-	49,800,807	-	-
<u>Add</u> Gain from the remeasuring of investments in available-for-sale			-	1,491,292		
Total investments in available-for-sale of the subsidiary - net			-	51,292,099	-	-
Total investments in available-for-sale-net (Consolidated)			510,724,163	388,129,587	7,671,215	7,711,338

BAHT

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			2017	2016
1. Saha Pathana Inter-Holding Plc.	Commerce	Co - directors	494,034,300	494,034,300
2. I.C.C. International Plc.	Fashion	Co - directors	290,633,730	290,633,730
3. Saha Pathanapibul Plc..	Commerce	Co - directors	330,000,000	330,000,000
4. Boutique New City Plc.	Fashion	Co - directors	120,000,000	120,000,000

**9.INVESTMENTS IN ASSOCIATES**

BAHT

ASSOCIATES	% Holding		CONSOLIDATED (Equity Method)		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	2017	2016	2017	2016	2017	2016
MYANMAR SPA TODAY FAR EAST ADVERTISING LIMITED.	-	30	-	8,089,406	-	796,492
Spa Today Far East (Thailand) Co., Ltd.	-	30	-	1,207,731	-	-
Media Intelligence Co., Ltd.	30	33.33	144,876,284	152,428,112	6,001,470	6,666,640
Total			144,876,284	161,725,249	6,001,470	7,463,132

BAHT

ASSOCIATES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS FOR THE YEAR	
		2017	2016	2017	2016
MYANMAR SPA TODAY FAR EAST ADVERTISING LIMITED.	Agency or broker advertising	(USD 83.33)	(USD 83.33)	2,700,000	-
Spa Today Far East(Thailand) Co., Ltd.	Agency or broker advertising	1,000,000	1,000,000	-	600,000
Media Intelligence Co., Ltd.	Agency or broker advertising	20,000,000	20,000,000	19,999,920	15,999,936
Total				22,699,920	16,599,936

In December 2017, the Company has sold investment in MYANMAR SPA TODAY FAR EAST ADVERTISING LIMITED to related persons amount of 150 shares (par value of Kyat 1,000 per share), at price Baht 49,000 per share and Spa Today Far East (Thailand) Co., Ltd amount of 3,000 shares (par value of Baht 100 per share), at price Baht 400 per share. The Company obtained proceed from disposal amount of Baht 8.55 million, recognized gain on disposal of investment amount of Baht 0.40 million in the consolidated financial statements and amount of Baht 7.75 million in the separate financial statements.

In July 2017, Media Intelligence Co., Ltd., acquired ordinary shares of I-DAC (Bangkok) Co., Ltd., amount of 1,199,997 shares (par value of Baht 10 per share) representing the 60% interest of such company's registered capital worth amount Baht 12 million, with the objective of media planning and purchase advertising on digital media (internet) to support the marketing plan.

In January 2017, the Company has sold investment in Media Intelligence Co., Ltd. amount of 66,667 shares (par value of Baht 10 per share), at price Baht 500 per share. The Company obtained proceed from disposal amount of Baht 33.33 million, recognized gain on disposal of investment amount of Baht 17.92 million in the consolidated financial statements and amount of Baht 32.67 million in the separate financial statements.

The Company has additionally purchased investment in Media Intelligence Co., Ltd. from directors, amount of 3 shares ( par value of Baht 10 per share) at price Baht 500 per share. Totaling investment amount of 600,000 shares, representing 30% of issued and paid-up share capital.

The financial statements of associates which are applied for recording the investments in associates by the equity method for the years ended December 31, 2017 and 2016, based on the financial information audited by other certified public accountants.

The share of profit (loss) from investments for using the equity method which are recorded in the consolidated statements of income for the years ended December 31, 2017 and 2016, as follows :

BAHT

SHARE OF PROFIT (LOSS) FROM INVESTMENTS FOR USING THE EQUITY METHOD	CONSOLIDATED	
	2017	2016
MYANMAR SPA TODAY FAR EAST ADVERTISING LIMITED	1,620,568	24,022
SPA TODAY FAR EAST (THAILAND) COMPANY LIMITED	(76,480)	1,510,218
MEDIA INTELLIGENCE COMPANY LIMITED	27,860,003	34,171,209
INTER CONTINENTAL HOLDING COMPANY LIMITED	-	301,355
Total	29,404,091	36,006,804

The Company has changed its investment in Diginakhon Co., Ltd. from investment in associates to investment in subsidiary in the 3rd quarter 2016.

On June 7, 2016, Inter Continental Holding Co., Ltd. has registered its liquidation and returned its capital and surplus to the shareholders, according to the resolutions of the shareholders' meeting No. 28 held on February 6, 2017.

### Summarised financial information of associates

Financial information of the associates are summarized, as follow:

MILLION BAHT

COMPANY'S NAME	Total assets		Total liabilities		Profit (loss) for the year	
	2017	2016	2017	2016	2017	2016
MYANMAR SPA TODAY FAR EAST ADVERTISING LIMITED	-	42.12	-	10.12	5.40	0.08
SPA TODAY FAR EAST (THAILAND) COMPANY LIMITED	-	19.59	-	15.48	(0.25)	5.03
MEDIA INTELLIGENCE COMPANY LIMITED	1,045.23	761.72	541.75	299.27	92.87	102.52
INTER CONTINENTAL HOLDING COMPANY LIMITED	-	-	-	-	-	0.75

## 10. INVESTMENTS IN SUBSIDIARIES

BAHT

SUBSIDIARIES	% Holding		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	2017	2016	2017	2016
FAME LINE COMPANY LIMITED	99.99	86.48	18,966,010	3,459,400
SPRINGBOARD PLUS COMPANY LIMITED	99.99	99.99	* 3,385,631	* 3,385,631
INTEGRATED COMMUNICATION COMPANY LIMITED**	40.00	40.00	1,400,000	1,400,000
DIGINAKHON COMPANY LIMITED**	40.00	40.00	2,400,000	2,400,000
Total cost			26,151,641	10,645,031
<u>Less</u> Allowance for impairment			* (3,385,631)	* (3,385,631)
Total Investments in Subsidiaries - net			22,766,010	7,259,400

\*\*The Company has power more than one half of the total voting rights or power to govern the financial and operating policies of subsidiaries.

In November 2017, the Company has additionally purchased ordinary shares of FAME LINE COMPANY LIMITED, a subsidiary of the Company, amount of 5,403 shares (par value of Baht 100 per share), at Baht 2,870 each, by purchasing from related persons amount of 4,006 shares and another person amount of 1,397 shares. The acquisition of additional shares resulting the Company's has proportion of shareholding in FAME LINE COMPANY LIMITED representing the 99.99% of such company's registered capital.

On April 11, 2016, the Company acquired ordinary shares of Diginakhon Co., Ltd., of 400,000 shares (par value of Baht 10 per share) representing the 40% interest of such company's registered capital and called up capital at Baht 6 per share totaling of Baht 2,400,000.

BAHT

SUBSIDIARIES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS FOR THE YEAR	
		2017	2016	2017	2016
<b><u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u></b>					
FAME LINE COMPANY LIMITED	Advertising Agency	4,000,000	4,000,000	103,782,000	31,134,600
SPRINGBOARD PLUS COMPANY LIMITED	Advertising Agency	6,511,000	6,511,000	-	-
INTEGRATED COMMUNICATION COMPANY LIMITED	Public Relation	3,500,000	3,500,000	2,100,000	1,260,000
DIGINAKHON COMPANY LIMITED	Advertising Agency	6,000,000	6,000,000	-	-
<b><u>SUBSIDIARIES HELD IN DIGINAKHON CO., LTD.</u></b>					
FAME LINE COMPANY LIMITED	Advertising Agency	4,000,000	4,000,000	-	-
INTEGRATED COMMUNICATION COMPANY LIMITED	Public Relation	3,500,000	3,500,000	-	-
TOTAL				105,882,000	32,394,600



## TRANSACTIONS OF SUBSIDIARIES

### SUBSIDIARIES DIRECTLY HELD BY THE COMPANY

#### FAME LINE COMPANY LIMITED

In April 2016, acquired ordinary shares of DIGINAKHON COMPANY LIMITED of 50,000 shares (par value of Baht 10 per share) representing the 5% interest of such company's registered capital and called up capital at Baht 6 per share totaling of Baht 300,000.

#### INTEGRATED COMMUNICATION COMPANY LIMITED

In April 2016, acquired ordinary shares of DIGINAKHON COMPANY LIMITED of 40,000 shares (par value of Baht 10 per share) representing the 4% interest of such company's registered capital and called up capital at Baht 6 per share totaling of Baht 240,000.

## 11. OTHER LONG-TERM INVESTMENTS

BAHT

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Investment Value		Dividends for the year	
	2017	2016	2017	2016	2017	2016
1. Thai Samsung Electronics Co., Ltd.	0.08	0.08	1,000,000	1,000,000	300,000	300,000
2. Raja Uchino Co., Ltd.	1.50	1.50	1,533,500	1,533,500	182,250	18,225
3. Treasure Hill Co., Ltd.	1.00	1.00	* 2,000,000	* 2,000,000	-	-
4. Advantage Footwear Co., Ltd.	0.38	0.38	** 1,387,500	** 1,387,500	34,687	-
5. Sahapat Properties Co., Ltd.	2.50	2.50	500,000	500,000	20,000	50,000
6. Eastern Rubber Co., Ltd.	1.50	1.50	* 450,000	* 450,000	-	-
7. Spec Thai Plc.	4.64	4.64	* 9,280,000	* 9,280,000	-	-
8. K. Commercial & Construction Co., Ltd.	2.00	2.00	1,000,000	1,000,000	100,000	-
9. Imperial Technology Management Services Co., Ltd.	0.70	0.70	* 6,250,000	* 6,250,000	-	-
10. Thai Flying Maintenance Co., Ltd.	10.00	10.00	* 200,000	* 200,000	-	-
11. First United Industry Co., Ltd.	1.00	1.00	400,000	400,000	120,000	120,000
12. Waseda Education (Thailand) Co., Ltd.	7.14	7.14	1,568,000	2,240,000	-	-
13. Thanara Co., Ltd.	1.67	1.67	1,500,000	1,500,000	-	-
14. Pinnacle Travel Co., Ltd.	3.93	3.93	* 122,500	* 122,500	-	-
15. Dairy Thai Co., Ltd.	3.04	3.04	** 5,850,000	** 5,850,000	-	-
16. Sun108 Co., Ltd.	1.27	0.42	** 2,531,260	** 1,687,500	885,948	42,188
17. United Utility Co., Ltd.	5.71	5.71	20,000,000	20,000,000	1,000,000	2,000,000
18. American Food Co., Ltd.	0.03	-	4,200,000	-	-	-
Total cost			59,772,760	55,401,000	2,642,885	2,530,413
<u>Less</u> Allowance for loss on capital decrease			** (6,112,495)	** (6,112,495)		
Allowance for impairment of investments in other companies			*(18,171,810)	*(18,033,460)		
Total other long-term investments companies - net (Separate financial statements)			35,488,455	31,255,045		
GSB Lottery No.101 (3 years) (Due on September 26, 2020)			1,000,000	-		
Total other long-term investments companies - net			36,488,455	31,255,045		

In December 2017, the Company has purchased ordinary shares in Sun 108 Co., Ltd, amount of 84,376 shares, at Baht 10 par value, worth amount Baht 0.84 million. In November 2017, the Company has purchased ordinary shares in American Food Co., Ltd, amount of 420,000 shares at Baht 10 par value, worth amount Baht 4.20 million.

In July 2017, Waseda Education (Thailand) Company Limited has reduced its capital from 313,600 shares, at Baht 100 par value to 219,520 shares at Baht 100 par value. The Company has recorded decrease in proportion of investment refund from investment in the amount of Baht 672,000.

In July 2016, Waseda Education (Thailand) Company Limited has reduced its capital from 448,000 shares at Baht 100 par value to 313,600 shares at Baht 100 par value. The Company has recorded decrease in proportion of investment refund from investment in the amount of Baht 960,000.

## 12. INVESTMENTS IN CONVERTIBLE DEBENTURES

On June 22, 2017, the Company has invested in convertible debentures name-registered type able to convert as ordinary share and unsecured, unsubordinated with a debenture holders' representative debentures issued by Saha Pathana Inter-Holding Plc. in proportion to its equity. The additional details are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS						2017	
Series	Interest rate (%) per annum	Term of Interest*	Tenor (Year)	Conversion rate (Baht : ordinary share)**	Maturity date Date	Amount of unit (Unit)	Amount of Baht (Thousand Baht)
1/2017	0.70	Every 3 month	7	45 : 1	June 29, 2024	11,235	11,235

\*Term of interest receivements are received to quarterly on 29 every March, June, September and December each year to maturity.

\*\*Convertible debentures 1 unit able to convert to 22.222222 common stocks. Conversion to 4 times per annum. The first conversion date is in June 2018, comply with stipulated in the Terms and Conditions governing the rights.

### 13. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED	BAHT					
	Land	Building and building improvement	Office furniture and fixtures equipment	Motor vehicles	Assets under installation	Total
<b>Cost</b>						
January 1, 2016	159,185,183	85,588,150	84,943,160	42,109,167	4,452,273	376,277,933
Purchases	-	18,675,294	3,332,373	-	545,000	22,552,667
Disposal/unused	-	(4,342,410)	(1,059,480)	(3,049,400)	-	(8,451,290)
Transferred to/from	-	4,997,273	-	-	(4,997,273)	-
December 31, 2016	159,185,183	104,918,307	87,216,053	39,059,767	-	390,379,310
Purchases	-	2,816,461	2,088,122	-	-	4,904,583
Disposal/ unused	-	-	(1,188,294)	(4,728,000)	-	(5,916,294)
December 31, 2017	159,185,183	107,734,768	88,115,881	34,331,767	-	389,367,599
<b>Accumulated depreciation</b>						
January 1, 2016	-	81,798,264	78,890,803	33,500,520	-	194,189,587
Depreciation for the year 2016	-	2,608,255	2,896,639	1,746,702	-	7,251,596
Disposal/ unused	-	(4,342,407)	(1,039,448)	(2,583,947)	-	(7,965,802)
December 31, 2016	-	80,064,112	80,747,994	32,663,275	-	193,475,381
Depreciation for the year 2017	-	3,376,427	2,488,017	917,960	-	6,782,404
Disposal/ unused	-	-	(1,188,252)	(4,273,398)	-	(5,461,650)
December 31, 2017	-	83,440,539	82,047,759	29,307,837	-	194,796,135
<b>Net book value</b>						
December 31, 2016	159,185,183	24,854,195	6,468,059	6,396,492	-	196,903,929
December 31, 2017	159,185,183	24,294,229	6,068,122	5,023,930	-	194,571,464

THE SEPARATE FINANCIAL STATEMENTS	Land	Building and building improvement	Office furniture and fixtures equipment	Motor vehicles	Assets under installation	Total
<b>Cost</b>						
January 1, 2016	159,185,183	70,628,779	64,308,142	25,251,016	2,973,935	322,347,055
Purchases	-	9,644,418	1,203,940	-	-	10,848,358
Disposal/ unused	-	-	-	(2,230,000)	-	(2,230,000)
Transferred to/from	-	2,973,935	-	-	(2,973,935)	-
December 31, 2016	159,185,183	83,247,132	65,512,082	23,021,016	-	330,965,413
Purchases	-	532,570	688,506	-	-	1,221,076
Disposal/write off	-	-	-	(3,748,000)	-	(3,748,000)
December 31, 2017	159,185,183	83,779,702	66,200,588	19,273,016	-	328,438,489
<b>Accumulated depreciation</b>						
January 1, 2016	-	66,858,289	61,329,076	21,909,572	-	150,096,937
Depreciation for the year 2016	-	2,250,534	1,572,075	1,239,771	-	5,062,380
Disposal/ unused	-	-	-	(2,009,547)	-	(2,009,547)
December 31, 2016	-	69,108,823	62,901,151	21,139,796	-	153,149,770
Depreciation for the year 2017	-	1,682,063	1,102,536	506,187	-	3,290,786
Transferred to/from	-	-	-	(3,583,399)	-	(3,583,399)
December 31, 2017	-	70,790,886	64,003,687	18,062,584	-	152,857,157
<b>Net book value</b>						
December 31, 2016	159,185,183	14,138,309	2,610,931	1,881,220	-	177,815,643
December 31, 2017	159,185,183	12,988,816	2,196,901	1,210,432	-	175,581,332

#### 14. INTANGIBLEASSETS

BAHT

Computer softwares	CONSOLIDATED
<b><u>Cost</u></b>	
January 1, 2016	-
Purchases	28,000
December 31, 2016	28,000
December 31, 2017	28,000
<b><u>Accumulated amortization</u></b>	
January 1, 2016	-
Amortization for the year 2016	3,351
December 31, 2016	3,351
Amortization for the year 2017	5,599
December 31, 2017	8,950
<b><u>Net book value</u></b>	
December 31, 2016	24,649
December 31, 2017	19,050

#### 15. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
<b><u>Defined benefit obligation</u></b>				
Beginning balances	47,739,793	44,464,865	27,659,856	26,126,984
Actuarial loss from employee benefit plan	2,280,032	-	849,788	-
<b><u>Add</u></b> Current service cost	2,595,017	2,279,541	1,442,309	1,370,992
Interest cost	1,101,152	1,967,390	622,983	1,133,883
<b><u>Less</u></b> Benefit paid during the years	(8,285,835)	(972,003)	(8,285,835)	(972,003)
Ending balances	45,430,159	47,739,793	22,289,101	27,659,856

The principle assumptions used in determining the employee benefit liabilities are shown as follows:

PARTICULARS	PERCENTAGE PER ANNUM		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Discount rate	2.08 - 2.11	4.49 - 4.62	2.08	4.49
Salary increase rate (depends on the age)	6.43	5.11	6.43	5.11
Staff turnover rate (depends on the age) :				
20 - 29 years old	37.00	33.00	37.00	33.00
30 - 39 years old	21.00	13.00	21.00	13.00
40 - 49 years old	12.00	4.00	12.00	4.00
50 - 59 year sold	7.00	4.00	7.00	4.00

#### 16. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set up legal reserve at least 5% of annual net profit less deficits brought forward (if any) until meet 10% of authorized share capital. Such legal reserve is not allowed to pay for dividend. The Company has completely appropriated for legal reserve in compliance with the legal requirement.

#### 17. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On April 27, 2017, the resolutions of the Company's Ordinary General Shareholders' Meeting No. 23 for the year 2017, approved to pay dividends from the result of the Company's operations for the year 2016, amount 7,500,000 shares at Baht 7 per share the amount of Baht 52.50 million. The dividend payment was made on May 24, 2017 and approved a resolution to pay directors' remuneration at the maximum of Baht 6 million per year.

On April 28, 2016, the resolutions of the Company's Ordinary General Shareholders' Meeting No. 22 for the year 2016, approved to pay dividends from the result of the Company's operations for the year 2015, at Baht 6 per share the amount of Baht 45 million. The dividend payment was made on May 24, 2016 and approved a resolution to pay directors' remuneration at the maximum of Baht 6 million per year.

#### 18. EXPENSES BY NATURE

PARTICULARS	BAHT		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Cost of services and commissions	399,139,867	413,249,468	127,009,292	145,778,824
Director and management benefit expenses	40,117,801	42,519,561	25,378,214	27,606,845
Employee benefit expenses	203,272,604	189,871,115	83,808,829	81,852,572
Depreciation	6,782,404	7,251,596	3,290,786	5,062,380
Amortization of intangible assets	5,599	3,351	-	-
Other expenses	31,242,294	43,493,366	14,713,646	23,021,130
Total	680,560,569	696,388,457	254,200,767	283,321,751

#### 19. REGISTERED PROVIDENT FUND

The Company and its subsidiaries have set up and registered provident fund in accordance with the Provident Fund Act B.E. 2530 (1987), in order to be the savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company's regulation. The fund is partly contributed by the employees and another part by the Company at the rate 2-5% of their basic salaries. Hereby, the Company has appointed the MFC Asset Management Public Company Limited to be the fund manager.

Provident fund contributions made by the Company and its subsidiaries for their employees and recorded as expenses in the statements of income for the years ended December 31, 2017 and 2016 are Baht 6.77 million (the Company Baht 3.15 million) and Baht 4.25 million (the Company Baht 0.89 million), respectively.

## 20. INCOME TAX

-Corporate income taxes of the Company and subsidiaries for the years ended December 31, 2017 and 2016 were calculated from accounting profit or loss and adjusted with other revenues and some expenses which are exempted from income tax, such as dividend income, or being disallowable expenses in income taxes computation purposes such as doubtful debts.

The corporate income tax of the Company is calculated at the rate of 20 percent.

The corporate income taxes of subsidiaries established under Thai law are calculated at the rate of 20 percent.

### Income tax expenses recognized in statements of income consist:

BAHT

PARTICULARS FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
The corporate income tax for the years	27,369,933	20,650,197	12,134,179	6,203,904
Amortization and reversal of temporary differences assets/liabilities on temporary differences	1,003,359	(1,136,928)	1,255,339	(357,224)
<b>Income tax expenses</b>	<b>28,373,292</b>	<b>19,513,269</b>	<b>13,389,518</b>	<b>5,846,680</b>

### As at December 31, 2017 and 2016, the deferred tax assets/liabilities arose from the following temporary differences:

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
<b>Accumulated temporary differences in the statements of income</b>				
Allowance for doubtful trade accounts receivable	9,810,492	9,810,492	9,810,492	9,810,492
Allowance for investments in Open-end Fund	(406,478)	-	(194,501)	-
Allowance for loss on capital decrease and for impairment in investments	24,284,305	24,145,955	24,284,305	24,145,955
Provision for long-term employee benefits	43,150,127	47,739,793	21,439,313	27,659,856
Calculate depreciation difference from tax rate	(1,695,708)	(1,536,709)	-	-
<b>Total</b>	<b>75,142,738</b>	<b>80,159,531</b>	<b>55,339,609</b>	<b>61,616,303</b>
<b>Temporary differences in the statements of comprehensive income</b>				
<b>- recognized in other components of the shareholders' equity</b>				
Unrealized gain on remeasuring available-for-sale securities	(187,491,983)	(115,096,600)	(187,491,983)	(113,605,308)
<b>- recognized in retained earnings</b>				
Provision for long-term employee benefits	2,280,032	-	849,788	-
<b>Total</b>	<b>(110,069,213)</b>	<b>(34,937,069)</b>	<b>(131,302,586)</b>	<b>(51,989,005)</b>
<b>Deferred tax liabilities</b>	<b>(22,013,842)</b>	<b>(6,987,414)</b>	<b>(26,260,517)</b>	<b>(10,397,801)</b>

## 21. FINANCIAL INFORMATION BY SEGMENT

Group companies have operated only as a domestic advertising agency, therefore, there is no presentation of operating segment.

## 22. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

The Company has certain business transactions with its related person and parties which are related through, directorship or shareholding or having shareholders or some co- directors. The effects of these transactions were reflected in the accompanying financial statements in normal business and general trading conditions.

COMPANIES	RELATIONSHIP
Associates	See Note 9
Subsidiaries	See Note 10
Related companies	
Saha Pathana Inter-Holding Plc.	Co - directors
I.C.C. International Plc.	Co - directors
Saha Pathanapibul Plc.	Co - directors
Lion Corporation (Thailand) Limited	Co - directors
Boutique New City Plc.	Co - directors
Thai President Foods Plc.	Co - directors/ Co - shareholders
Ruamissara Co., Ltd.	Co - directors
Winteregency Co., Ltd.	Major shareholder in subsidiary of the Company
Hakuhodo DY Media Partner Inc.	Shareholder in an associate of the Company
Related persons	Directors's Company /subsidiaries and spouse's director of the Company



The significant transactions with related persons and parties are as follows:

BAHT

Transactions in statements of financial position	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	11,447,287	19,428,290
- Associates	3,417,424	1,309,658	3,417,424	1,309,658
- Related companies	264,307,692	197,950,815	137,981,477	97,033,060
Total	267,725,116	199,260,473	152,846,188	117,771,008
<u>Other receivables</u>				
- Subsidiaries	-	-	227,582	60,383
- Associates	229,260	-	229,260	-
Total	229,260	-	456,842	60,383
<u>Investments in available-for-sale-fair value</u>				
- Related companies (Note 8)	194,582,061	126,615,688	194,582,061	126,615,688
<u>Investments in convertible debentures</u>				
- Related company	11,235,000	-	11,235,000	-
<u>Purchase investments in subsidiaries</u>				
- Related person	11,497,220	-	11,497,220	-
<u>Sale investments in associates</u>				
- Related person	8,550,000	-	8,550,000	-
- Related company	-	33,333,500	-	33,333,500
Total	8,550,000	33,333,500	8,550,000	33,333,500
<u>Purchase condominium</u>				
- Related company	-	17,557,054	-	11,643,740
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	5,230,996	3,818,707
- Associates	6,871,624	12,915,874	6,490,306	11,714,138
- Related companies	15,465,171	69,868,904	468,530	31,912,828
Total	22,336,795	82,784,778	12,189,832	47,445,673
<u>Other non-current liabilities</u>				
- Subsidiaries	-	-	297,500	297,500
- Related companies	552,000	552,000	552,000	552,000
Total	552,000	552,000	849,500	849,500

Transactions in statements of income for the years ended December 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
<u>Income from services and commissions</u>				
- Subsidiaries	-	-	14,737,714	8,769,685
- Associates	-	875,000	-	875,000
- Related companies	342,111,874	335,653,778	107,916,420	91,506,887
Total	342,111,874	336,528,778	122,654,134	101,151,572
<u>Gain on investments disposal in associate</u>				
- Related companies and related person	18,328,864	-	40,420,338	-
<u>Other incomes</u>				
- Subsidiaries	-	-	5,085,600	4,721,600
- Associates	300,000	2,400,000	300,000	2,400,000
- Related companies	2,856,080	2,753,580	2,856,080	2,753,580
Total	3,156,080	5,153,580	8,241,680	9,875,180
<u>Dividend income</u>				
- Subsidiaries	-	-	105,882,000	32,394,600
- Associates	-	-	22,699,920	16,599,936
- Related companies	3,614,215	2,544,717	3,614,215	2,544,717
Total	3,614,215	2,544,717	132,196,135	51,539,253
<u>Cost of services and commissions</u>				
- Subsidiaries	-	-	27,706,392	3,932,907
- Associates	8,605,079	7,601,990	6,486,069	4,653,381
- Related companies	22,171,470	5,284,394	-	640,080
Total	30,776,549	12,886,384	34,192,461	9,226,368
<u>Other expenses</u>				
- Subsidiaries	-	-	-	30,000
- Related companies	120,000	440,000	120,000	360,000
Total	120,000	440,000	120,000	390,000

## **23. COMMITMENT AND CONTINGENT LIABILITIES**

- 23.1 As at December 31, 2017, Group companies have contingent liabilities in relation to letters of guarantee issued by commercial banks amounting to approximately amount of Baht 1.16 million. The Group pledged their 3 month time deposit as collateral for the letters of guarantee.
- 23.2 As at December 31, 2017, the Company had unused overdraft facilities from commercial banks, totaling amount of Baht 12 million, which were guaranteed by a director of the Company in the amount of Baht 10 million and the remaining amount had no collateral and personal guarantee.
- 23.3 As at December 31, 2017, the Company had outstanding forward contract line from a commercial bank of USD 200,000 from the total of USD 200,000 or equivalent.

## **24. RECLASSIFICATION**

The Company certain accounting transactions in the consolidated financial statements and separate financial statements for the year ended December 31, 2016 have been reclassified to conform to the financial statements for year ended December 31, 2017.

## **25. EVENTS AFTER THE REPORTING PERIOD**

On January 3, 2018, the Company has completed the business transfer of Fame Line Company Limited, a subsidiary of the Company which has shareholding 99.99%. The resolution was approved by the Extraordinary Shareholders' Meeting No.1/2017 on December 29, 2017, in order to increase efficiency of the Company's operation and changed the name of the Company from Far East DDB Public Company Limited to Far East Fame Line DDB Public Company Limited on the same date. Fame Line Company Limited has registered a dissolution with Ministry of Commerce on January 12, 2018.

## **26. DISCLOSURE OF FINANCIAL INSTRUMENTS**

The Company and its subsidiaries have information relating to financial instruments both in and off statements of financial position, as follows:

26.1 Accounting policies and procedure See Note 4.

26.2 Risk from breach of contracts

- Due to the contracting parties do not follow the requirement in the contract which caused damage to the Company and its subsidiaries.
- Risk from concentration of credit is minimal even most resulting from service and commission for large companies and small companies, the group has closely monitored each trade account receivable business. Thus, the Company and its subsidiaries do not expect any material damage from this kind of risk.
- For the financial assets shown in the statements of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

26.3 Risk relating to interest rate Risk from the fluctuation in interest rate may have negative effect to the Company and its subsidiaries for the current and the following years. Management believes that they can manage the contingent risk, due to the Company has set up a plan and follow up the situation closely.

26.4 Fair value of financial instruments The following methods and assumptions are used to estimate the fair value of financial instruments:

- Financial assets shown at book value which equal to estimated fair value.
- Financial liabilities shown at book value almost the same with fair value, due to such liabilities will be matured in short term.

## **27. FINANCIAL STATEMENTS APPROVAL**

These financial statements were authorized for issuing by the Company's authorized directors on February 23, 2018.

# OUR WORKS



MAMA



Ready



CH 7 HD



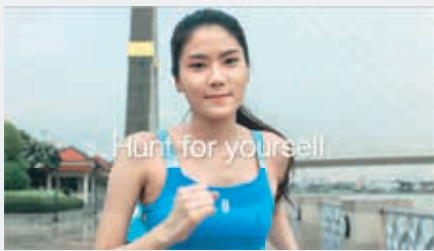
Lipon F



Farmhouse



Lipton Iced Tea



Mont Fleur



Wacoal Bloom



BSC



Neutrogena



Bluescope Zacs



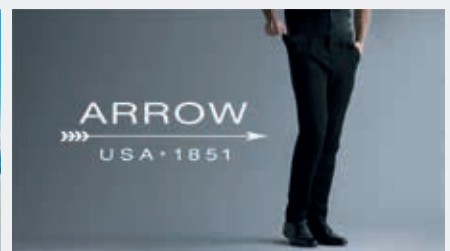
Kodomo



Quantum



DG Goat Milk



Arrow



Soil Mate



Panasonic



Hi Class



# OUR CSR

## School Project

The 11<sup>th</sup> School Project activity in support of needy schools in underdeveloped rural areas under the concept, 'However many looms and dreams, we will weave them'



2017 was the 11<sup>th</sup> consecutive year where the company and its clients has organised CSR activities under the 'School Project' banner in order to support needy schools in underdeveloped rural areas. This year, under the concept '**However many looms and dreams, we will weave them**', students from the Kok Chareon kindergarten school in Lopburi province were provided with financial and local weaving craft scholarships. The intention was to transfer the traditional local weaving skills to the next generation and provide the children with skill, intelligence and a craft that will serve them well in the future.

To this end, the company organised a local Mudmee (tie-dye) dyeing, fabric design and weaving contest. The idea was to instill local pride into the students, provide a platform for them to show their ability and encourage the conservation of the rich intellectual heritage of Lopburi province.

On behalf of all our clients, the company's employees delivered this wonderful occasion to Kok Chareon kindergarten school in Lopburi province on 6 December, 2017. Employees participated in tie-dye activities with the students, donated library books, stationery, toys and scholarships, while also preparing lunch, as a special gift to the children in the hope of encouraging them to have fun and study hard in the New Year. It was a happy occasion that provided equal joy to both the giver and the recipient.

# OUR CSR

## ‘Si Ayutthaya Road Goes Green’ project



The company and the Far East Group as a whole joined the ‘Si Ayutthaya Road Goes Green’ project. This collaboration between owners of high-rise buildings and government departments located on Si Ayutthaya road aims to strengthen cooperation and promote a conservation conscience with the goal of increasing greenery, reducing waste and energy consumption on Si Ayutthaya road.

To this end, the company and the Far East Group jointly created the ‘Put It In the Right Bin’ campaign to encourage everyone to separate their waste before disposal. The goal was to improve the effectiveness of waste management in the Ratchathewi district and Great Bangkok as a whole. The company also participated in Waste Recycling and Big Cleaning Day on the occasion of World Environmental Day. The company also honoured King Maha Vajiralongkorn on the occasion of His Majesty's 65<sup>th</sup> Birthday Anniversary in order to inspire and encourage the Si Ayutthaya neighbourhood to realise and understand the environmental problems impacting the community. This involves the cooperation of the public and private sectors in the preservation of the Si Ayutthaya road environment.



# OUR CSR

## Activities dedicated to the Mourning of His Majesty King Bhumibol Adulyadej



The company and the Far East Group as a whole organised the “Growing Marigold For Father’ activity from August 2017 onwards to humbly show respect for the Royal Grace of His Majesty King Bhumibol Adulyadej. The flowers were timed to bloom during the Royal Cremation of His Majesty between October 25 – 27, 2017.

Marigold decoration activities were arranged as part of the dedication and mutual expression of loyalty of the Far East Group as a whole towards His Majesty. At the same time, employees dedicated their time and effort to making sandalwood flowers for use at the Royal Cremation and also volunteered to distribute food and drinks to people who came from across the country to participate in the Royal Cremation ceremony.



[www.fareastddb.com](http://www.fareastddb.com)