



# Divergence

ANNUAL REPORT 2018

Far East Fame Line DDB Public Company Limited

A graphic featuring two overlapping circles. The left circle is solid yellow and shaped like a speech bubble. The right circle is light blue and contains a silhouette of three people standing on a dark, rounded peak, raising their arms in celebration against a sunset sky. The word 'DIVERGENCE' is written in white, bold, sans-serif capital letters across the intersection of the two circles.

# DIVERGENCE

Connecting Creative Ideas  
for Most Effective Business Solutions

“ We design  
**CONNECTED  
CREATIVE  
SOLUTIONS** ”  
and deliver  
**fame, feeling and fluency.**

---

Employing all branding and marketing  
communication mechanics in tandem with  
data-driven audience engagement & diverse  
digital technologies, we create brand stories  
and innovative brand experiences  
that best empower business solutions.



**3Fs:**

**FAME  
FEELING  
FLUENCY**



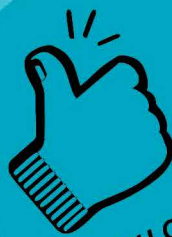
 **Feeling**  
DEEP BRAND ASSOCIATION

*I feel good  
about it.*



**Fame**  
WIDE CONSUMER APPEAL

*I am well aware of it.*



**Fluency**  
HIGH CREATIVE STANDOUT

*I know  
lots about it.*



# CONTENTS

<b>REPORT FROM THE BOARD OF DIRECTORS</b>	<b>9</b>
<b>REPORT OF THE AUDIT COMMITTEE</b>	<b>10</b>
<b>REPORT OF THE RISK MANAGEMENT AND ANTI-CORRUPTION COMMITTEE</b>	<b>12</b>
<b>SUMMARY OF IMPORTANT FINANCIAL INFORMATION</b>	<b>13</b>
<b>BUSINESS GROUP</b>	
• Policy and Business Overview	15
• Nature of Business	18
• The Clients and the Products	19
• The Risk Factors	20
• General Information and Important Information	21
• Shareholders	24
• Dividend Payment Policy	25
• Structure of Management	26
• Corporate Governance	43
• Social and Environmental Responsibility	77
• Internal Control and Risk Management	79
• Inter-Company Transactions	81
<b>FINANCIAL STATUS</b>	
• Analysis and Description of the Management	84
• Report of the Board of Directors' Responsibilities for the Company's Financial Statements	90
• Financial Statements & Consolidated Financial Statements	91
<b>OUR WORK</b>	<b>138</b>
<b>OUR CSR</b>	<b>140</b>

More information for investors, published in the company's Annual Registration Statement (Form 56-1) listed in [www.sec.or.th](http://www.sec.or.th) or the Company's website [www.fareastfamineddb.com](http://www.fareastfamineddb.com)



# REPORT FROM THE BOARD OF DIRECTORS



## REPORT FROM THE BOARD OF DIRECTORS

---

2018 was a challenging year for advertising industry, as the industry faced rapid and unrelenting change induced largely by digital transformation. This year the Company and its subsidiaries gain revenues of 702.32 million baht from services and commissions, a decrease of 39.88 million baht or 5.37% from 2017. Net profits were 103.68 million baht, a decrease of 23.10 million baht, or 18.22% from 2017.

Advertising industry has arrived in the age where digital technology has a direct impact on business' growth and success amidst fierce competition. The management and staff will continue to strive to develop new branding and creativity solutions enabled by digital technology and big data to deliver maximum business results. We will never cease to learn, create, apply and improve. We are fully committed to giving our all efforts in order to bring Far East Fame Line DDB PLC. to the forefront of the industry and keep the Company growing from year to year.

The Board of Directors of Far East Fame Line DDB PLC. would like to express profound gratitude to all our shareholders, clients, suppliers, employees, executives, business partners and stakeholders who stood by us during a year of many changes. We pledge to continue to operate according to the principle of good corporate governance, which we firmly believe creates a strong foundation for continued growth and sustainable success.

## REPORT OF THE AUDIT COMMITTEE

---

Dear Shareholders of Far East Fame Line DDB Public Company Limited

The Audit Committee of Far East Fame Line DDB Public Company Limited was appointed by the Company's Board of Directors Meeting No.231(5/2018) on June 22, 2018, consists of four independent and non-executive members: Mr. Khachornsakdi Vanaratseath as Chairman of the Audit Committee, Mr. Amorn Asvanunt, Mr. Vichit Tantanunant and Mrs. Chattong Tipayakalin as the member to the Audit Committee, and Miss Rachadawan Ritthirong is the Committee's secretary. Their term ends in one year.

In 2018 the Audit Committee had a total of 4 meetings.

1.	Mr. Khachornsakdi	Vanaratseath	attended 4/4 meetings
2.	Mr. Amorn	Asavanunt	attended 3/4 meetings
3.	Mr. Vichit	Tantanunant	attended 4/4 meetings
4.	Mrs. Chattong	Tipayakalin	attended 4/4 meetings

In carrying out its tasks and duties throughout 2018, the Audit Committee held a total of 4 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 2018 .** 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 2019.** 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 Audit Committee has considered the appointment of auditors of the Company for the year 2019 with the opinion that Dr. Virach Aphimeteeamrong, Certified Public Accountant No.1378 and/or Mr. Chaiyakorn Aunpitongsa, 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. are qualified to be the auditors of the Company. 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 2018 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 2018 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 2018.

**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 & Anti-Corruption 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 2018, 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 Fame Line DDB Public Company Limited,

In the year 2018, The Risk Management and Anti-Corruption Committee had performed duties in accordance with the charter and support to the Board of Directors in overseeing risk management and anti-corruption by having risk management and adequate risk mitigation measures including anti-corruption in all forms.

In year 2018, 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, Mr. Wichar Ladallisakool, Mrs. Chailada Tantivejakul, Miss Waraporn Kulsawatpakdee, Mrs. Malee Leelasiriwong, Mr. Anupol Pawapoonpol and Mrs. Kedekaew Ittikul. Miss Sujitra Mekanit as a secretary to the Risk Management and Anti-Corruption Committee, with a one-year term.

In 2018, The Risk Management and Anti-Corruption Committee held 4 meetings as below :

Mr. Vichit	Tantianunanont	meeting attending 4/4 times
Mr. Wichar	Ladallisakool	meeting attending 4/4 times
Mrs. Chailada	Tantivejakul	meeting attending 3/4 times
Mrs. Malee	Leelasiriwong	meeting attending 4/4 times
Miss Waraporn	Kulsawatpakdee	meeting attending 4/4 times
Mr. Anupol	Pawapoonpol	meeting attending 4/4 times
Mrs. Kedekaew	Ittikul	meeting attending 3/3 times
Mr. Arthorn	Maeknoparat	meeting attending 1/1 times (Resigned on June 2018)

### Performance of The Risk Management & Anti-Corruption Committee in 2018

In the year 2018, the overall economy of the country was still slowdown, the same as from the previous year. There are also many risks that are expected to have a significant impact on the company's performance. The customers had reduced their advertising budget due to the economic slowdown. The Company needs to find new customers continuously. Every industry sector, including the Company's clients has faced with the economic downturn. In addition, the current advertising business has changed the form of advertising media that has a greater variety of online and digital media which customers can find channels to buy media and distribute products by themselves. These have inevitably affected the Company's business and income.

From various factors mentioned above, the Risk Management and Anti-Corruption Committee held a meeting to compile facts, assess all risks, set up the operational framework and lay down preventive measures to eliminate risks in order not to affect the operation and set up appropriate guideline in accordance with the policy, business plan and the Company's goals.



(Mr. Vichit Tantianunanont)

Chairman of the Risk Management  
and Anti-Corruption Committee

## SUMMARY OF FINANCIAL INFORMATION

---

### CONSOLIDATED FINANCIAL STATEMENTS

(Unit : Thousand Baht)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenue from service & commission	702,318	742,201	739,966
Total Revenue	772,663	835,718	831,486
Gross Income	237,241	222,323	326,717
Net Profit before Interest & Income Tax	125,751	155,157	135,098
Net Profit	103,680	126,784	115,584
Total Assets	1,664,710	1,680,365	1,645,842
Total Liabilities	416,211	483,903	544,882
Shareholders' Equity	1,248,499	1,196,462	1,100,961

### FINANCIAL RATIO

#### LIQUIDITY RATIO

Current Ratio (times)	1.85	1.84	1.73
Quick Ratio (times)	1.77	1.81	1.69
Cash Ratio (times)	0.81	1.01	0.97
Customer Turnover Ratio (times)	4.29	4.62	4.32
Average Collection Period (Days)	85	79	84
Payable Turnover Ratio (times)	3.94	3.55	3.18
Average Payment Period (Days)	93	102	115

#### PROFITABILITY RATIO

Gross Income (%)	33.78	29.95	44.15
Return on Revenue from service & commission = EAT/REV (%)	14.76	17.08	15.62
Return on Total Assets = EAT/TA (%)	6.20	7.55	7.02
Return on Shareholders' Equity = EAT/EQUITY (%)	8.48	10.60	10.50
Earnings Per Share (Baht)	13.35	16.19	14.10
Cash Dividend Per Share (Baht)	10.00*	10.00	7.00
Book Value Per Share (Baht)	165.09	159.53	146.79

\*The Board of Directors' Meeting passed the resolution to propose to the Ordinary Meeting of Shareholders in April 2019



# BUSINESS GROUP

## POLICY AND BUSINESS OVERVIEW

---

Far East Fame Line DDB Public Company Limited and its subsidiaries and associates conduct one stop communication business, which is a mutual complementary operations, as outlined below:

### **Vision, Objectives, Goals and Strategy of the Group of Company**

The company strives to be a major consultant and service provider in integrated marketing communication. Its services focusing on supporting customers to achieve business success through the effective communication plan and creative work. The Company firmly believes that the success of the customers lies in the strong foundation for continued growth and sustainable success of the Company.

### **One Stop Communication consultant service**

The Company specializes in integrated communications. It aims to build on the success of its clients with creativity, 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**. 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. **Hyperbranding**, the strategy to strengthen the brand of the product, to cope with the rapid change of technology. **Brand Switching Matrix**, the strategy to increase the market share by switching the competitive customer into our customer. 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 **Insights Springboard**. Another new company's tool is the research through **1<sup>st</sup> Cloud Platform**, which is more effective and lower the budget.

### **Production Advertising-related services**

The Company provides the 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 Company 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.

### **The Far East Fame Line DDB Group**

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

These days Far East Fame Line DDB Public Company Limited has become much more than just an advertising agency. It has become a major totally integrated marketing communication consultant for both local and global brand. 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 subsidiary for other



communication event as well as evaluating the total marketing communication plan. The Company clearly determined its positioning as ***“Connecting Creative Ideas for Most Effective Business Solutions (DIVERGENCE)”***.

### **Springboard Plus Company Limited**

Springboard Plus Co., Ltd. is established as a subsidiary of Far East Fame Line DDB Plc. with registered capital 6,511,000 baht, with 99.99% investment rate by Far East Fame Line DDB. It 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 the connected creative ideas and deliver divergence for most effective business solutions. One of our tools is 3Fs : Fame, Feeling, Fluency.

FAME : I am well aware of it.

FEELING : I feel good about it.

FLUENCY : I know lots about it.

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

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 its 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 services of the Company such as producing of advertising materials, planning of advertising and public relations strategies and media planning.

### **Major Change and Development in 2018**

3 January 2018	The Company accepted the entire business transfer of Fame Line Company Limited and changed the Company's name from Far East DDB Public Company Limited to Far East Fame Line DDB Public Company Limited.
12 January 2018	Registration of the dissolution of Fame Line Company Limited.



26 April 2018	The Annual Ordinary Meeting of Shareholders No.24 passed the resolution to amend the Article of Associations, Article 33. of the Company, to be in line with the amendment of the Public Limited Company Act, on the matter of the shareholders' right to call the shareholders' meeting.
1 August 2018	The Extraordinary Meeting of Shareholders No.1/2018 passed the resolution to add 2 Company Directors, from 12 to 14 persons and passed the resolution to issue and offer the newly issued ordinary shares, in the amount of 370,000 shares, and allocate to the directors, executives and employees of the Company under the Employee stock Option Program (FE-ESOP).
15 August 2018	The Company registered the capital increase resolution and amendment of Clause 4 (Registered Capital) of Memorandum of Association with the Ministry of Commerce, from the existing registered capital of Baht 75,000,000 to Baht 78,700,000 by issuing 370,000 ordinary shares with a par value of Baht 10 each and allocated for reserving to accommodate the FE-ESOP Program.
10-14 September 2018	The 1 <sup>st</sup> period of offering and purchasing newly issued ordinary shares under the FE-ESOP Program.
1 October 2018	The Company registered the paid-up capital with the Ministry of Commerce, from the existing paid-up capital of Baht 75,000,000 to Baht 77,499,500, by issuing 249,950 ordinary shares with a par value of Baht 10 each.
11 October 2018	The Stock Exchange of Thailand accepted the newly issued ordinary shares of the Company to be the registered security.

## NATURE OF BUSINESS

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

(Unit: Thousand Baht)

Product / Service	Operation by	% of Share holding	2018		2017		2016	
			Revenue	%	Revenue	%	Revenue	%
<b><u>Advertising Agency</u></b>	Far East Fame Line DDB Plc.							
Revenue from Service & Commission			572,648	90.34	264,177	58.00	285,041	77.60
Dividend Income			26,211	4.13	134,896	29.62	54,236	14.76
Other Income			35,056	5.53	56,378	12.38	28,060	7.64
<b>Total Revenue</b>			<b>633,915</b>	<b>100.00</b>	<b>455,451</b>	<b>100.00</b>	<b>367,337</b>	<b>100.00</b>
<b><u>Advertising Agency</u></b>	Fame Line Co., Ltd.*	99.99						
Revenue from Service & Commission			-	-	311,086	92.01	319,943	92.36
Other Income			-	-	27,014	7.99	26,484	7.64
<b>Total Revenue</b>			<b>-</b>	<b>-</b>	<b>338,100</b>	<b>100.00</b>	<b>346,427</b>	<b>100.00</b>
<b><u>Advertising Agency</u></b>	Springboard Plus Co., Ltd.	99.99						
Revenue from Service & Commission			25,521	99.99	27,492	99.99	11,774	99.99
Other Income			2	0.01	4	0.01	1	0.01
<b>Total Revenue</b>			<b>25,523</b>	<b>100.00</b>	<b>27,496</b>	<b>100.00</b>	<b>11,775</b>	<b>100.00</b>
<b><u>Public Relations</u></b>	Integrated Communication Co., Ltd.	40.00						
Revenue from Service & Commission			122,395	99.62	157,550	99.24	132,068	99.36
Other Income			466	0.38	1,210	0.76	848	0.64
<b>Total Revenue</b>			<b>122,861</b>	<b>100.00</b>	<b>158,760</b>	<b>100.00</b>	<b>132,916</b>	<b>100.00</b>
<b><u>Media Buying, Selling &amp; Planning</u></b>	Media Intelligence Co., Ltd.	30.00						
Revenue from Service & Commission			113,334	37.80	105,851	34.99	110,379	35.78
Discount Received			181,896	60.66	189,227	62.54	193,385	62.69
Other Income			4,626	1.54	7,475	2.47	4,734	1.53
<b>Total Revenue</b>			<b>299,856</b>	<b>100.00</b>	<b>302,553</b>	<b>100.00</b>	<b>308,498</b>	<b>100.00</b>
<b><u>Advertising Agency</u></b>	Diginakorn Co., Ltd.	45.00						
Revenue from Service & Commission			25,976	99.93	28,954	99.97	5,846	97.89
Other Income			17	0.07	9	0.03	126	2.11
<b>Total Revenue</b>			<b>25,993</b>	<b>100.00</b>	<b>28,963</b>	<b>100.00</b>	<b>5,972</b>	<b>100.00</b>

\*January 3, 2018: Fame Line Company Limited transferred the entire business to the Company.

## THE CLIENTS AND THE PRODUCTS

<ul style="list-style-type: none"> <li>• Apiwanich Lighting Co., Ltd.</li> <li>• Bangkok Athletic Co., Ltd.</li> <li>• Bank For Agriculture And Agricultural Cooperatives</li> <li>• Berli Jucker Plc.</li> <li>• Better Way (Thailand) Co., Ltd.</li> <li>• Boonrawd Brewery Co., Ltd.</li> <li>• Boonrawd Trading Co., Ltd.</li> <li>• Central Restaurants Group Co., Ltd.</li> <li>• CPN Residence Co., Ltd.</li> <li>• Easy Buy PCL.</li> <li>• Electricity Generating Authority Of Thailand</li> <li>• I.C.C. International Plc.</li> <li>• Johnson &amp; Johnson Consumer</li> <li>• Kuron Co., Ltd.</li> <li>• Lion Corporation (Thailand) Ltd.</li> <li>• MBK Restaurang Group Co., Ltd.</li> <li>• Meister Technik Co., Ltd.</li> <li>• Ns Bluescope (Thailand) Ltd.</li> <li>• Pacific Healthcare (Thailand) Ltd.</li> <li>• Pacific Sugar Corporation Co., Ltd.</li> <li>• Pepsi-Cola (Thai) Trading Co., Ltd.</li> <li>• Pfizer (Thailand) Limited.</li> <li>• PP Prime Plc.</li> <li>• President Bakery Plc.</li> <li>• Saha Pathanapibul Plc.</li> <li>• Singer Thailand Plc.</li> <li>• Srinanaporn Marketing Co., Ltd.</li> <li>• Taveephol Product Co., Ltd.</li> <li>• Thai Fishsauce Factory (Squid Brand) Co., Ltd.</li> <li>• Thai-Hachiban Co., Ltd.</li> <li>• The CPAC Roof Tiles Co., Ltd.</li> <li>• The Red Bull Beverage Co., Ltd.</li> <li>• The Securities And Exchange Commission Thailand</li> <li>• The Siam Fibre-Cement Co., Ltd.</li> <li>• Tourism Authority Of Thailand</li> <li>• Unilever (Thai) Trading Co., Ltd.</li> <li>• Poh Teck Tung Foundation</li> </ul> <p>-----</p> <p><b>Household Products Personal Care</b></p> <ul style="list-style-type: none"> <li>• 108 Shop Detergent</li> <li>• BSC Cosmetology</li> </ul>	<ul style="list-style-type: none"> <li>• Caltrate Silver 50+</li> <li>• Carefree</li> <li>• Cellox</li> <li>• Centrum</li> <li>• Clean &amp; Clear Facial Care Products</li> <li>• Dish Happy Dishwashing Liquid</li> <li>• Essence</li> <li>• Falles Shampoo</li> <li>• Flore Soap</li> <li>• Goodage</li> <li>• Hi-Class</li> <li>• Hi-Herb Toothpaste</li> <li>• Honei V By Bsc</li> <li>• Kirei Kirei</li> <li>• Kodomo Products</li> <li>• Lesasha</li> <li>• Lipon F Dishwashing Liquid</li> <li>• Maxmo</li> <li>• Mistine Cosmetics</li> <li>• Neutrogena Facial Care Products</li> <li>• Pao</li> <li>• Pao Detergent</li> <li>• Pro Dishwashing Liquid</li> <li>• Q'lean Anti Dandruff Shampoo</li> <li>• Salz Oral Care</li> <li>• Salz Toothpaste</li> <li>• Sheene' Cosmetics</li> <li>• Shokubutsu Shower Cream</li> <li>• Singer</li> <li>• Systema Oral Care</li> <li>• Wise</li> <li>• Xensei</li> <li>• Zact Toothpaste</li> <li>• Zilk</li> </ul> <p><b>Food Outlets &amp; Restaurants</b></p> <ul style="list-style-type: none"> <li>• Hachiban Ramen</li> <li>• Suki Number1</li> <li>• The Terrace Restaurant</li> </ul> <p><b>Construction Materials &amp; Consumer Durables</b></p> <ul style="list-style-type: none"> <li>• BluescopeZacs Metal Sheet</li> <li>• SCG Celling &amp; Walls</li> </ul>	<ul style="list-style-type: none"> <li>• SCG Roof (CPAC)</li> <li>• Wood Sub &amp; Cement Board</li> </ul> <p><b>Apparel &amp; Personal Accessories</b></p> <ul style="list-style-type: none"> <li>• Arrow Apparel Products</li> <li>• Wacoal Lingerie</li> </ul> <p><b>Real Estate</b></p> <ul style="list-style-type: none"> <li>• CPN Residence (Corp)</li> </ul> <p><b>Food &amp; Beverages</b></p> <ul style="list-style-type: none"> <li>• Bento Seasoned Squid</li> <li>• DG Goat Milk</li> <li>• Farmhouse Bread &amp; Bakery</li> <li>• Jele Beautie Carrageenan</li> <li>• Kato</li> <li>• Kratingdaeng Energy Drink</li> <li>• Lipton Ice Tea</li> <li>• Mama Instant Noodle</li> <li>• Mitrophol Sugar</li> <li>• Puriku</li> <li>• Ready Energy Drink</li> <li>• Richesse Yogurt</li> <li>• Rivon Soilgurt</li> <li>• SquidBrand Fish Sauce</li> <li>• Starr Infiniti Cosme' Drink</li> <li>• Sunsnack</li> <li>• Todd Sauce</li> <li>• U Beer</li> <li>• Wall's</li> </ul> <p><b>Others</b></p> <ul style="list-style-type: none"> <li>• Audi Thailand</li> <li>• Electricity Generating</li> <li>• Friday Catalogue</li> <li>• Line ICC</li> <li>• Lion Indochina</li> <li>• Lion Shop Online</li> <li>• Marketing</li> <li>• Pan Sport Shoes</li> <li>• PP Prime Plc.</li> <li>• PS.Junior Shoes</li> <li>• SEC</li> <li>• Tar Tiew Kam Pak #2</li> <li>• Tor Kor Sor</li> <li>• U May+</li> <li>• Poh Teck Tung Foundation</li> </ul>
---	--	--

## 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. The risk from economic circumstance**

In the past year, overall economy of the country continues to slowdown and makes overall consumption decline which affects the Clients' sales. Therefore, the Clients delay advertising or new product launch or cut advertising budget inevitably as they consider advertising budget as cost or capital that has a direct effect on running business. As a result, there is a need for the company to keep finding more and more new Clients all the time in order to compensate the decreasing revenue.

However, the Company remains building trust among current clients by proposing marketing plans and strategies as well as creating advertisement to support sales performance for the best achievement of the Clients.

### **2. The risk from adopting new Clients**

In spite of economic recession and high marketing competition in advertising industry, the Company remains finding new Clients in order to increase Company's revenue. In the same time, to adopt new Clients, the management team both emphasize the importance of and pay attention to the financial status of potential Clients by checking their financial statement and profit and loss statement. Then, the team financially analyzes all information to support the management team for decision making.

Consequently, the management team needs a very careful consideration to decrease or avoid the risk of billing failure or bad debt.

### **3. The risk from losing big Clients**

Each year, the Company has many big Clients who spend large amount of advertising budget. If these Clients change their policy or choose other advertising agencies, there will be an effect on the revenue and profits of the Company inevitably. The Company then significantly emphasizes on the importance of losing big Clients. Thus, the management team has a policy to build good relationships and satisfaction with the Clients by arranging conference and workshop with them. The team also presents new information for them to understand global market situation and to plan advertising strategy as well as to use future media which increasingly tends to change to online or digital media.

In addition, the Company presents excellent works done in the past to the Clients to impress and ensure them that the Company determines to offer them the highest quality and effectiveness.

## GENERAL INFORMATION AND IMPORTANT INFORMATION

---

### Company Information

<b>Company Name</b>	Far East Fame Line DDB Public Company Limited Former Name: 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
<b>Tel. / Fax. Number</b>	(66)-2354-3333 Fax. (66)-2644-9551
<b>Website :</b>	www.fareastfamelineddb.com
<b>Nature of Business</b>	Advertising Agency
<b>Registered Capital and Paid-Up Capital</b>	as at December 31, 2018
- Registered Capital:	Baht 78,700,000 (7,870,000 ordinary shares at par value Baht 10)
- Paid-Up Capital:	Baht 77,499,500 (7,749,950 ordinary shares at par value Baht 10)

### Juristic Persons that The Company Holding Shares of 10% Upwards

- 1. Springboard Plus Co., Ltd.**  
465/1-467 Si Ayutthaya Road, Ratchathewi District, Bangkok 10400  
Tel. 0-2354-3577 Fax. 0-2354-3578  
**Nature of Business** Advertising Agency  
**Authorized Capital** Baht 6,511,000 ( 651,100 ordinary shares at par value Baht 10 )  
**Shares Held** 99.99%
- 2. Integrated Communication Co., Ltd.**  
465/1-467 Si Ayutthaya Road, Ratchathewi District, Bangkok 10400  
Tel. 0-2354-3588 Fax. 0-2354-3589-90  
**Nature of Business** Public Relations  
**Authorized Capital** Baht 5,000,000 ( 500,000 ordinary shares at par value Baht 10 )  
**Shares Held** 40%
- 3. Diginakorn Co., Ltd.**  
465/1-467 Si Ayutthaya Road, Ratchathewi District, Bangkok 10400  
Tel. 0-2354-3573 Fax. 0-2644-9551  
**Nature of Business** Digital Advertising  
**Authorized Capital** Baht 6,000,000 ( 600,000 ordinary shares at par value Baht 10 )  
**Shares Held** 45%
- 4. Media Intelligence Co., Ltd.**  
208 Wireless Road, Patumwan District, Bangkok 10330  
Tel. 0-2651-5377 Fax. 0-2651-5370  
**Nature of Business** All media buying, selling and planning  
**Authorized Capital** Baht 20,000,000 ( 2,000,000 ordinary shares at par value Baht 10 )  
**Shares Held** 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

**Other information**

-None-

## Cross Shareholding Structure

(as of December 31, 2018)

FE Holding Shares in Other Firms			Other Firms holding Shares in FE
No.	Names	Proportion of Shareholding %	Proportion of Shareholding %
1.	<b>Holding of shares exceeding 50%</b> A) Other firms hold shares in the Company exceeding 50%, the Company must not cross shareholding in other firms. B) The Company holds shares in other firms exceeding 50%, the other firms must not cross shareholding in the Company. C) The Company holds shares exceeding 50% between two or more other firms, any other firms must not cross shareholding each other. 1. Springboard Plus Co., Ltd.	99.99	-
2.	<b>Holding of shares exceeding 25%, but not exceeding 50%</b> 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%. 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%. 1. Diginakorn Co., Ltd. 2. Integrated Communication Co., Ltd. 3. Media Intelligence Co., Ltd.	45.00 40.00 30.00	- - -
3.	<b>Holding of shares not exceeding 25%</b> A) Other firms hold shares in the Company not exceeding 25%, the Company must not cross shareholding in other firms exceeding 25%. B) The Company holds shares in other firms exceeding not exceeding 25%, the other firms must not cross shareholding in other firms exceeding 25%. 1. Saha Pathanapibul Plc. 2. Saha Pathana Interholding Plc. 3. I.C.C. International Plc.	0.33 0.24 0.29	11.91 13.62 10.29

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

## Structure of Shareholders and Management

### Registered Capital and Paid-Up Capital

The Company had total registered capital of Baht 78,700,000 and paid-up capital of Baht 77,499,500 ( 7,749,950 ordinary shares with par value of Baht 10 per share ).

### Shareholders

As at the close of share register on July 9, 2018

Type	Person	Share	%
<b>Juristic Persons</b>			
Thai	25	3,924,500	52.33
Foreign	2	821,800	10.96
<b>Private Individuals</b>			
Thai	319	2,747,700	36.63
Foreign	1	6,000	0.08
<b>Total</b>	<b>347</b>	<b>7,500,000</b>	<b>100.00</b>

10 Major Shareholders as at the close of share register on July 9, 2018

Shareholders	No. of Shares	%
1. Saha Group	2,776,150	37.02
2. Mr. Samrerng Manoonpol	913,600	12.18
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 Pawarolarnwitthaya	101,250	1.35

**Note:** Saha Group are as follows:

Company	No. of Shares	%
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



## DIVIDEND PAYMENT POLICY

---

### 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:

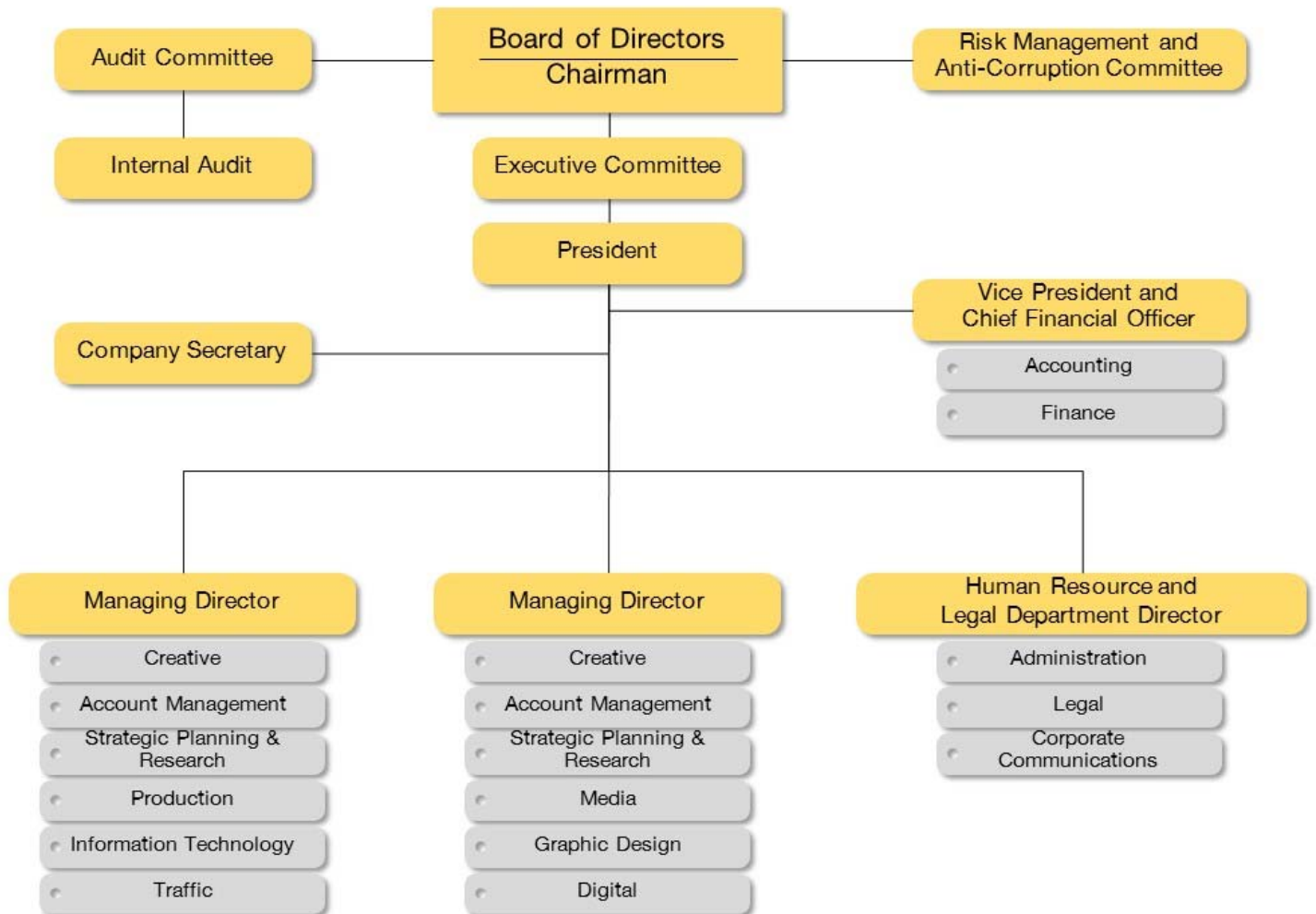
Year	2017	2016	2015	2014	2013
Value of share (Baht)	10.00	10.00	10.00	10.00	10.00
Dividend per share (Baht)	10.00	7.00	6.00	5.00	7.00
Total amount (Baht)	75,000,000.00	52,500,000.00	45,000,000.00	37,500,000.00	52,500,000.00
Ratio (%) net profit	39.92%	67.16%	67.10%	80.64%	82.53%

### 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

## Management Structure of the Company as at December 31, 2018



## Management Structure

The Company's management structure as of December 31, 2018 consists of the Company's Board of Directors, Audit Committee, Risk Management and Anti Corruption Committee and Executive Committee.

### The Board of Directors

Names		Position	Appointed Year	Period of Company's Director (Years)
1.	Mr. Boonchai Chokwatana	Chairman	1970	48
2.	Mr. Wasin Teyateeti	Vice Chairman	1974	44
3.	Mr. Wichar Ldallitsakool	President	2013	5
4.	Mrs. Chailada Tantivejakul	Vice President	2005	13
5.	Mrs. Malee Leelasiriwong	Director	2000	18
6.	Miss Waraporn Kulsawatpakdee	Director	2014	4
7.	Mrs. Kadekaew Ittikul	Managing Director	2018	5 months
8.	Mr. Anupol Puwapoonpol	Managing Director	2018	5 months
9.	Mr. Chailadol Chokwatana	Director	2013	5
10.	Mr. Khachornsakdi Vanaratseath	Independent Director	2002	16
11.	Mr. Amorn Asvanunt	Independent Director	2002	16
12.	Mr. Vichit Tantianunanont	Independent Director	2002	16
13.	Mrs. Chattong Tippayakalin	Independent Director	2011	7
14.	Dr. Preeyachit Charoenwongse	Independent Director	2018	4 months 21 days
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, 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 (Template 56-2) and the annual disclosure template (Template 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 2018, the Board of Directors held 9 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	8/9	1/1
2.	Mr. Wasin	Teyateeti	Vice Chairman	7/9	0/1
3.	Mr. Wichar	Ldallitsakool	President	9/9	1/1
4.	Mrs. Chailada	Tantivejakul	Vice President	8/9	1/1
5.	Mrs. Malee	Leelasiriwong	Director	9/9	1/1
6.	Miss Waraporn	Kulsawatpakdee	Director	9/9	1/1
7.	Mrs. Kadekaew	Ittikul	Managing Director	4/4*	0/0*
8.	Mr. Anupol	Puwapoonpol	Managing Director	4/4*	0/0*
9.	Mr. Chailadol	Chokwatana	Director	7/9	1/1
10.	Mr. Khachornsakdi	Vanaratseath	Independent Director/Audit Committee Chairman	9/9	1/1
11.	Mr. Amorn	Asvanunt	Independent Director/Audit Committee	7/9	1/1
12.	Mr. Vichit	Tantianunanont	Independent Director/Audit Committee	9/9	1/1
13.	Mrs. Chattong	Tippayakalin	Independent Director/Audit Committee	9/9	1/1
14.	Dr. Preeyachit	Charoenwongse	Independent Director	2/3*	0/0*
	Mr. Arthorn	Maeknoparat	Director	4/5**	1/1**

Remark \* Mrs. Kadekaew Ittikul and Mr. Anupol Puwapoonpol Appointed on August 1, 2018  
Dr. Preeyachit Charoenwongse Appointed on August 10, 2018

\*\* Mr. Arthorn Maeknoparat Resigned on June 21, 2018

## **Executives**

Names and Number of Executives as at December 31, 2018

<b>Names</b>		<b>Position</b>
1. Mr. Boonchai	Chokwatana	Chairman
2. Mr. Wichar	Ldallitsakool	President and Chairman of the Executive Committee
3. Mrs. Chailada	Tantivejakul	Vice President / Chief Financial Officer and Vice Chairman of the Executive Committee
4. Miss Waraporn	kulsawatpakdee	Vice Chairman of the Executive Committee
5. Mr. Anupol	Puwapoonpol	Managing Director and Executive Director
6. Mrs. Kadekaew	Ittikul	Managing Director and Executive Director
7. Mrs. Malee	Leelasiriwong	Executive Director and Human Resource & Legal Director
8. Mrs. Sunee	Chaijiraraks	Executive Director and Executive Creative Director
9. Mrs. Phunpit	Chaneiang	Executive Director and Executive Client Service Director
10. Mr. Rachapong	Ngampisai	Executive Director and Executive Client Service Director
11. Dr. Chalinee	Hirano	Executive Director and Executive Strategic Planning Director
12. Mrs. Pornwilai	Pinvanichkul	Accounting Manager

## **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 Shared held by Directors and Executives of the Company as at December 31, 2018**

Name	As at 31 Dec 2017	Changes Between 2018	As at 31 Dec 2018	%
1. Mr. Boonchai Chokwatana	350,000	18,000	368,000	4.75
Spouse and underage children	5,000	-	5,000	0.07
2. Mr. Wasin Teyateeti	14,850	8,000	22,850	0.30
Spouse and underage children	2,250	-	2,250	0.03
3. Mr. Wichar Ldallitsakool	2,000	12,200	14,200	0.18
Spouse and underage children	4,000	-	4,000	0.05
4. Mrs. Chailada Tantivejakul	315,404	17,000	332,404	4.29
5. Mrs. Malee Leelasiriwong	-	11,200	11,200	0.14
Spouse and underage children	2,100	-	2,100	0.03
6. Miss Waraporn Kulsawatpakdee	2,500	8,000	10,500	0.14
7. Mrs. Kadekaew Ittikul	-	12,300	12,300	0.16
Spouse and underage children	4,000	-	4,000	0.05
8. Mr. Anupol Puwapoonpol	-	3,500	3,500	0.05
9. Mr. Chailadol Chokwatana	230,000	14,000	244,000	3.15
10. Mr. Khachornsakdi Vanaratseath	-	-	-	-
11. Mr. Amorn Asvanunt	-	-	-	-
12. Mr. Vichit Tantanunant	-	-	-	-
13. Mrs. Chattong Tippayakalin	-	-	-	-
14. Dr. Preeyachit Charoenwongse	-	-	-	-
15. Mrs. Phunpit Chaneiang	-	10,200	10,200	0.13
16. Mr. Rachapong Ngampisai	-	10,000	10,000	0.13
17. Chalineee Hirano, Ph.D.	-	9,500	9,500	0.12
18. Mrs. Sunee Chaijiraraks	-	1,800	1,800	0.02

**Number of Shared Held by Directors in the Springboard Plus Co., Ltd as at December 31,2018**

Name	As at 31 Dec 2017	Changes Between 2018	As at 31 Dec 2018	%
1. Mr. Wasin Teyateeti	8	-	8	0.001
2. Mr. Anupol Puwapoonpol	1	-	1	0.0002

# STRUCTURE OF MANAGEMENT

Name/Position	Age	Education	% Share Holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
<b>1. Mr.Boonchai Chokwatana</b> ● Chairman ● Authorized Director	71	● The Doctoral Honorary Degree in Communication, Naresuan University Business Administration, Mahasarakham 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	4.82	Mrs. Challada Tantivejakul and Mr. Chailadol Chokwatana's father	1972-Present 2010-Present 2011-Present Apr.23, 2012-Present 1996-Present 1996-Present 1996-Present 2010-Present	<u>Listed Companies</u> ● Chairman of the Executive Board ● Chairman ● Director ● Director ● Director ● Chairman ● Director ● Director ● Director	● Saha Pathanapibul Plc. ● Thai President Food Plc. ● Saha Pathana Inter-Holding Plc. ● 15 Companies ● Integrated Communication Co., Ltd. ● SPA-Today-Far East (Thailand) Co., Ltd. ● Myanmar SPA-Today-Far East Co., Ltd. ● 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	% Share Holding	Family Relationship Between Directors	Experiences					
					Period	Position	Company			
2. Mr. Wasin Teyateeti ● Vice Chairman ● Authorized Director	70	● Bachelor of Accountancy, Chulalongkorn University ● Director Accreditation Program (DAP) 3/2003 from IOD	0.33	- 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	● Director	● MIM (Thailand) Co., Ltd.			
					2012 -Present	● Director	● 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 Ldallitsakool ● President ● Chairman of the Executive Committee ● Risk Management and Anti-Corruption Committee ● Authorized Director	64	● Bachelor of Arts, Porchang Campus Rajamangala University of Technology Rattanakosin ● Mini MBA Executive Development Program the 30 <sup>th</sup> , Thammasat University ● Director Accreditation Program (DAP) 106/2013 from IOD	0.23	- None -	<u>Listed Companies</u> <u>Non Listed Companies</u> <u>Competitive</u> <u>Business Related to Company's Business</u>	- None - - 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 -		

Name/Position	Age	Education	% Share Holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
<b>4. Mrs. Chailada Tantivejakul</b> ● Vice President ● Vice Chairman of the Executive Committee ● Chief Financial Officer ● Risk Management and Anti-Corruption Committee ● Authorized Director	42	● 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	4.29	Mr. Boonchai Chokwatana's daughter	2011-Present           1990-Present	<u>Listed Companies</u> ● Director Executive Director <u>Non Listed Companies</u> Competitive <u>Business Related to Company's Business</u> ● Director	● Saha Pathanapibul Plc. ● 7 Companies           ● Data First 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>5. Mrs. Malee Leelasirwong</b> ● Director ● Executive Director ● Human Resource and Legal Director ● Risk Management and Anti-Corruption Committee ● Authorized Director	64	● Bachelor of Law, Chulalongkorn University ● Director Accreditation Program (DAP) 2/2003 from IOD	0.18	- None -	1990-Present 2003-Present 2003-Present	<u>Listed Companies</u> <u>Non Listed Companies</u> <u>Competitive</u> <u>Business Related to Company's Business</u> ● Director ● Director ● Director	- None - ● 1 Company     ● Data First Co., Ltd. ● Springboard Plus Co., Ltd. ● Integrated Communication Co., Ltd.
Positions in the company or any other organization in the previous year that have a significant impact on the time devoted					- None -		

[illegible]

Name/Position	Age	Education	% Share Holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
8. Mr. Anupol Puwapoonpol ● Managing Director ● Executive Director ● Risk Management and Anti-Corruption Committee ● Authorized Director	58	● Bachelor of Arts, Faculty of Communication Arts, Major in Advertising and Public Relations, Chulalongkorn University	0.05	- None -	2015-Present 2016-Present	<u>Listed Companies</u> <u>Non Listed Companies</u> <u>Business Related to Company's Business</u> ● Director ● Director - None - - None - ● Springboard Plus Co., Ltd. ● Diginakon Co., Ltd.	
	Positions in the company or any other organization in the previous year that have a significant impact on the time devoted					- None -	
	9. Mr. Chailadol Chokwatana ● Director ● Authorized Director	41	● Bachelor of Graphic Design, Marymount University, USA ● Director Accreditation Program (DAP) 106/2013 from IOD	3.15	Mr. Boonchai Chokwatana's son	2010-Present	<u>Listed Companies</u> <u>Non Listed Companies</u> <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 -		
10. Mr. Khachornsakdi Vanaratseath ● Independent Director ● Audit Committee Chairman	71	● 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 1993-Apr.26, 2017 Apr. 2017-Present	<u>Listed Companies</u> ● Independent Director/Audit Committee ● Independent Director/Audit Committee Chairman ● Independent Director/Audit Committee Chairman <u>Non Listed Companies</u> <u>Business Related to Company's Business</u> ● Saha Pathanapibul Plc. ● S&J Internation Enterprise Plc. ● People's Garment 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					- None -	

Name/Position	Age	Education	% Share Holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
11. Mr. Amorn Asvanunt ● Independent Director ● Audit Committee	70	● 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  2006-Present  2002-Present  2003-Present  2005-Present  2008-Present  2015-Present  2015-Present  Apr.26, 2017-Present	<u>Listed Companies</u> ● Independent Director/Audit Committee ● Chairman of Risk Management Committee ● Independent Director/Audit Committee Chairman ● Independent Director/Audit Committee ● Independent Director  ● Risk Management Committee ● Chairman of the Remuneration Committee ● Independent Director  ● Independent Director/Audit Committee Chairman <u>Non Listed Companies</u> <u>Competitive</u> <u>Business Related to Company's Business</u>	● I.C.C. International Plc.  ● People's Garment Plc.  ● Saha Cogen (Chonburi) Plc. ● Krungthep Sophon Plc.   ● MFC Asset Management Plc. ● S&J International Enterprise 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					- None -		

Name/Position	Age	Education	% Share Holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
<b>12. Mr. Vichit Tantikanont</b> ● Independent Director ● Audit Committee ● Chairman of Risk Management and Anti-Corruption Committee	72	● Assumption Commercial College, Bangkok ● Joint Venture Management Course, Insead University ● Director Accreditation Program (DAP) 3/2003 from IOD	-	- None -	1997-Present 2015-Present  Apr.23, 2018-Present	<u>Listed Companies</u> ● Director ● Audit Committee  ● Independent Director  <u>Non Listed Companies</u> <u>Competitive</u> <u>Business Related to Company's Business</u> ● 1 Company - None -	● Sampo Japan Nipponkoa Insurance (Thailand) Plc. (Sampo Japan Nippon Koa Insurance (Thailand) Plc.) ● Saha Pathanapibul 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					- None -		
<b>13. Mrs. Chattong Tippayakalin</b> ● Independent Director ● Audit Committee	66	● 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 ● Boardroom Success through Financial&Investment (BFI) 4/2018	-	- None -	2015-Present	<u>Listed Companies</u> ● Director ● Audit Committee ● Risk Management Committee <u>Non Listed Companies</u> <u>Competitive</u> <u>Business Related to Company's Business</u> - None - - None -	● SCI Electric Plc.  - None - - None -
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	% Share Holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
<b>14. Associate Professor Dr.Preeyachit Charoenwongse</b> ● Independent Director	71	● Board of Family Medicine by the Medical Council of Thailand ● Director Accreditation Program (DAP) 153/2018 from IOD	-	- None -		<u>Listed Companies</u> <u>Non Listed Companies</u> <u>Competitive</u> <u>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 -	
<b>15. Mrs. Phunpit Chaneiang</b> ● Executive Director ● Executive Client Service Director	56	● Bachelor of Journalism and Mass Communication, Thammasat University	0.13	- None -		<u>Listed Companies</u> <u>Non Listed Companies</u> <u>Competitive</u> <u>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 -	
<b>16. Mr. Rachapong Ngampisai</b> ● Executive Director and Secretary ● Executive Client Service Director	55	● Master Degree Communication Arts, Chulalongkorn University	0.13	- None -		<u>Listed Companies</u> <u>Non Listed Companies</u> <u>Competitive</u> <u>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 -	
<b>17. Dr. Chalinee Hirano</b> ● Executive Director ● Executive Strategic Planning Director ● Executive Business Director	48	● Doctor of Philosophy in Asian Studies (Political Communication) The Australian National University	0.12	- None -		<u>Listed Companies</u> <u>Non Listed Companies</u> <u>Competitive</u> <u>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 -	

Name/Position	Age	Education	% Share Holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
<b>18. Mrs. Sunee Chajiraraks</b> ● Executive Director ● Executive Creative Director	57	● Bachelor of Arts, Faculty of Communication Arts, Chulalongkorn University	0.02	- None -	2016-Present	<u>Listed Companies</u> Non <u>Listed Companies</u> <u>Competitive</u> <u>Business Related to</u> <u>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>19. Mrs. Pornwilai Pinvanichkul</b> ● Accounting Manager	58	● Master of Business Administration, Ramkhamhaeng University	0.07	-		<u>Listed Companies</u> Non <u>Listed Companies</u> <u>Competitive</u> <u>Business Related to</u> <u>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>20. Miss Rachadawan Ritthirong</b> ● The Company's Secretary	58	● Master's Degree of Business Administration, Thammasat University ● Bachelor of Arts (Honour), Faculty of Communication Arts, Chulalongkorn University ● Company Secretary Program (CSP) 74/2016	0.01	- None -		<u>Listed Companies</u> Non <u>Listed Companies</u> <u>Competitive</u> <u>Business Related to</u> <u>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 -							



### **Remuneration for the Directors**

Remuneration for the Board of Directors:

Directors' compensation	Baht	4,700,000.00
Directors' meeting allowance	Baht	840,000.00
Audit Committee Meeting allowance	Baht	225,000.00
Risk Management and Anti-Corruption Meeting allowance	Baht	<u>108,000.00</u>
<b>Totaling</b>	<b>Baht</b>	<b><u>5,873,000.00</u></b>

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	450,000.00	64,000.00		
2. Mr. Wasin	Teyateeti	300,000.00	56,000.00		
3. Mr. Wichar	Ldallitsakool	450,000.00	72,000.00		16,000.00
4. Mrs. Chailada	Tantivejakul	380,000.00	64,000.00		12,000.00
5. Mrs. Malee	Leelasiriwong	380,000.00	72,000.00		16,000.00
6. Miss Waraporn	Kulsawatpakdee	380,000.00	72,000.00		16,000.00
7. Mrs. Kadekaew	Ittikul	380,000.00	32,000.00		12,000.00
8. Mr. Anupol	Puwapoonpol	380,000.00	32,000.00		16,000.00
9. Mr. Chailadol	Chokwatana	300,000.00	56,000.00		
10. Mr. Khachornsakdi	Vanaratseath	300,000.00	72,000.00	60,000.00	
11. Mr. Amorn	Asvanunt	300,000.00	56,000.00	45,000.00	
12. Mr. Vichit	Tantianunanont	300,000.00	72,000.00	60,000.00	16,000.00
13. Mrs. Chattong	Tippayakalin	300,000.00	72,000.00	60,000.00	
14. Dr. Preeyachit	Charoenwongse	100,000.00	16,000.00		
Mr. Arthorn	Maeknoparat		32,000.00		4,000.00
<b>Total</b>		<b>4,700,000.00</b>	<b>840,000.00</b>	<b>225,000.00</b>	<b>108,000.00</b>

**Remark :** Mr. Arthorn Maeknoparat resigned on June 21, 2018

### **Other Remuneration**

- none -

### **Remuneration for Executives**

Remuneration payment to 12 Executives is equal to Baht 49,543,716.00 for the year 2018, in the form of salaries and bonus.

The Provident Funds for the Executives of the Company total amount of Baht 1,733,694.

## **Employees**

As of December 31, 2018, the number of employees are 169 persons with staff in key departments are as follows:

- Creative Department	34	persons
- Account Management Department	27	persons
- Production Department	8	persons
- Strategic Planning & Research Department	12	persons
- Digital Department	24	persons
- Media Department	3	persons

For the year 2018 the Company has paid to employees (excluding employees who serve as directors and executives) as 136,916,757 Baht compensation as salary, bonus and allowances.

The Provident Funds for the employees total amount of Baht 3,877,770.

**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.

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” and to comply with ASEAN Corporate Governance Scorecard. The corporate governance has disseminated on the Company’s Website : [www.fareastfamineddb.com](http://www.fareastfamineddb.com) , as follows :

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

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.

## 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’s 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 conducted 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 the 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 website 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 minutes 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 2018, the Company has had the 24th, annual general meeting of shareholders on April 26th, 2018 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. 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 website at [www.fareastddb.com](http://www.fareastddb.com) on March 23rd, 2018 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 2018 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 1st, 2017 to December 30th, 2017. This was announced in Thai and English via the information system of the Stock Exchange of Thailand and on the Company's website 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 website 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 23rd, 2018 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 9th, 2018 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 17th, 2017.

Foreign shareholders were delivered on English translation together with the Thai version of meeting notice and supporting documents. Further, if 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 24th, annual general meeting of shareholders on April 26th, 2018, 11 directors or 91.67% 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 website 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 24th annual ordinary meeting of shareholders on April 26th, 2018, 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 Dr. Virach & Associates Office 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 2018 meeting can be viewed from the 24th annual ordinary meeting of shareholders as published on the Company’s website.

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 website as well.

6. Important agendas at shareholders meetings.

**a) 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.

**b) 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.

**c) 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.

**d) 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 website 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 prior to the meeting from December 1, 2017 to December 30, 2017 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 website. There was not any shareholders propose agenda and nominate candidates, to be elected as directors.

3. For the 24th annual Ordinary meeting of shareholders on April 26th, 2018 the Company has delivered a notice with supporting documents on April 9th, 2018 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 website 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 website 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 24th Ordinary Meeting of Shareholders for the year 2018 was held on April 26th, 2018.

	Shareholders	Shares	%
<b>Total number of shareholders as per the registration</b>	<b>359</b>	<b>7,500,000</b>	<b>100.00</b>
Attending Shareholders	<b>50</b>	<b>5,783,179</b>	<b>77.11</b>
Shareholders attending the meeting	<b>13</b>	<b>911,304</b>	<b>12.15</b>
In person Proxy attendance	<b>37</b>	<b>4,871,875</b>	<b>64.96</b>
- Audit committee members	-	-	-
- Other individuals	37	4,871,875	64.96

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 2018 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 form any change must be reported as well within one month.

All directors and executives have complied strictly with the criteria in 2018.

#### *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@fareastfamineddb.com](mailto:rachadawan@fareastfamineddb.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@fareastfamineddb.com](mailto:chailada@fareastfamineddb.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 [rachadawan@fareastfamineddb.com](mailto:rachadawan@fareastfamineddb.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.

## **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 Fame Line 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.fareastfamineddb.com](http://www.fareastfamineddb.com).

In 2018, According to the Company was accepted as a member of the Thailand's Private Sector Collective Action Coalition Against Corruption with efforts to publicize and use as a training material on the policy and penalties arising to the Company's management and employees at all levels continuously. This

will assist in the recruitment of future workforce, training, evaluation, remuneration and promotion in which employees will have the chance to discuss with their line superiors in order for the business to operate in a corruption free environment.

The Company constantly develops and increase its presence through the supporting the Group of companies that are listed on The Stock Exchange of Thailand whom are our supplier and customers. The listed companies are to file to be certified as a member of the Thailand's Private Sector Collective Action Coalition Against Corruption.

In 2018 the Company has no corruption cases as well as business misconduct.

## **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.

#### **Knowledge Development for Employees**

Online media has become a major medium used as a marketing tool and will play a greater role in the 4.0 marketing era in which the digital world is easily accessible for people at all levels. Therefore, it is essential that the company must update new digital platforms and use various digital medias for effective communication plan that can reach the target group with the suitable budget.

With this reason, the company has continuously focused on providing knowledge in digital media to employees to increase its potential on digital competency.

The followings are the digital training courses for the employees through the year 2018.

<b>Basic Online Marketing:</b>	The Beginner's Guide to Online Marketing.
<b>The Digital Garage Course:</b>	Online Marketing Strategies Every Entrepreneur Needs.
<b>Read Between Line:</b>	How to use LINE app effectively
<b>Strategic Thinking &amp; Strategic Development:</b>	How to create Online Marketing Strategies .
<b>Hyperbranding:</b>	Branding in the new era and how to write effective brief.
<b>Brand Switching Matrix 4.0:</b>	3 Divergent Tools
<b>Techsauce Global Summit 2018:</b>	One of the best SEA Conferences that gather new knowledge and new technologies in communication and marketing.
<b>Big Data 2018:</b>	From Hype to Reality : Big Data Guidelines.

In addition, the company also gives importance to increasing the potential of employees at the Management and Middle Management levels with the following programs :

<b>One-on-one executive coaching Program:</b>	personal guidance on a transformative journey of learning and development.
---	--

**Strategic and Appreciative Business Development Program (THE MASTER):** A Course that aims at creating creative business people, promote economic drive and creating business sustainability with ethics.

**Principle of Life Coaching Program:** A Course to make change in life progressively and is the basic skill of being a Life Coach.

**Leadership from within Program:** A course that strengthening leadership and good corporate governance.

Also, the company has continued 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.

### **Sub-Committees**

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

#### **1. 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      |
- Secretary to the Audit Committee: 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 Audit Committee meetings in 2018

In 2018, the Audit Committee held 4 meetings and the participation of each committee member is summarized below.

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

### **2. 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 Tantanunant       | 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. | Mrs. Kadekaew Ittikul        | Member  |
| 6. | Miss Waraporn Kulsawatpakdee | Member  |
| 7. | Mr. Anupol Puwapoonpol       | Member  |
|    | Mr. Arthorn Maeknoparat      | Member (Resigned : June 2018)                                 |

Secretary to the Risk Management and Anti-Corruption Committee : Miss Sujitra Mekanit

### 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 Risk Management and Anti-Corruption Committee meetings in 2018

In 2018, 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.	Miss Waraporn Kulsawatpakdee	Member	4/4
6.	Mr. Anupol Puwapoolpol	Member	4/4
7.	Mrs. Kadekaew Ittikul	Member	3/3
	Mr. Arthorn Maeknoparat		1/1

Remark : Mr. Arthorn Maeknoparat Resigned : June 2018

### **3. The Executive Committee**

The Board of Directors sets up the Executive Committee to manage the business of the Company in accordance with the policy, objectives and relevant regulations. The Executive Committee comprises 10 members as following names;

1.	Mr. Wichar Ldallitsakool	Chairman of the Executive Committee
2.	Mrs. Chailada Tantivejakul	Vice Chairman of the Executive Committee
3.	Miss Waraporn Kulsawatpakdee	Vice Chairman of the Executive Committee
4.	Mrs. Malee Leelasiriwong	Executive Director
5.	Mr. Anupol Puwapoonpol	Executive Director
6.	Mrs. Kadekaew Ittikul	Executive Director
7.	Mrs. Phunpit Chaneiang	Executive Director
8.	Mr. Rachapong Ngampisai	Executive Director
9.	Dr. Chalinee Hirano I	Executive Director
10.	Mrs. Sunee Chaijirarak	Executive Director

### Authority

1. To appoint, remove, transfer, evaluate and determine remuneration and welfare of employees of different levels.
2. To appoint and remove any other working committee to carry out actions necessary for the management of the Company.
3. To issue regulations and announcements on performance of duties, to assign authority to members of the Executive Committee and/or employees serving managerial posts, in order to execute authorization on Company's assets.
4. To approve loans to companies with a business relation with the Company as shareholders, or to companies with a trading relation, or to companies of other nature, provided that the amount does not exceed the limited amount 10 million.
5. To approve guarantee of loans for companies with a business relation with the Company as shareholders, or to companies with a trading relation or to companies of other nature, provided that the amount does not exceed the limited amount 10 million.
6. To approve legal engagement in non-financial transaction, provided that the amount does not exceed the limited amount 10 million.
7. To approve modification, destruction and depreciation of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, depreciated and outdated, provided that the aggregate amount as per book value does not exceed the limited amount 10 million.
8. To approve modification, change of price and destruction of raw materials and/or remaining inventory which are depreciated or outdated and causing devalue in book of accounts, provided that the amount does not exceed the limited amount 10 million.
9. To approve compromise or settlement of dispute by arbitration, complaint, filing of lawsuits and/or any legal proceeding on behalf of the Company on matters whether in normal business matters does not exceed the limited amount 2 million or not, of which the amount does not exceed the limited amount 10 million.
10. To authorize executives of the Company or other individuals to act on their behalf.
11. To invite members of the management or relevant employees to provide explanations, opinions or documents as necessary.
12. To consult with Company's specialists or consultants (if any), or hire third party as consultants or specialists if necessary, at the expense of the Company.
13. To stipulate any other regulations as deemed appropriate.

### Duties and Responsibilities

1. To propose goals, policies, operational plans and annual budgets to the Board of Directors.
2. To manage the business of the Company in accordance with desired directions, goals and business policies of the Company.
3. To enhance the competitiveness of the Company and encourage continuous innovation.
4. To ensure that the operation of the Company is consistent with the laws, Company's objectives and regulations, shareholders meeting resolutions, Board of Directors resolutions and relevant regulations.
5. Members of the Executive Committee may delegate responsibilities among themselves, provided that the Board of Directors meeting is kept informed of the progress of the matter each member oversees.
6. To arrange for financial statements to be prepared in order to be reviewed and/or audited by external auditor prior to proposing to the Audit Committee and the Board of Directors, respectively.
7. To review matters to be proposed to the board of Directors for approval.

8. To revise the Executive Committee Charter and propose it to the Board of Directors for approval.
9. To engage in any other action as assigned by the Board of Directors.

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

### **1. 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 2018, the company has 5 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
5. Dr. Preeyachit	Charoenwongse	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 14 directors:

- Executives Directors                      7 persons
- Non-Executive Directors                2 persons
- Independent Directors                  5 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, Mr.Wichar Ldallitsakool,  
Mrs.Chailada Tantivejakul, Mrs.Malee Leelasiriwong.

*Group B.*     Mr.Chailadol Chokwatana, Miss Waraporn Kulsawatpakdee, Mrs.Kadekaew Ittikul,  
Mr.Anupol Puwapoonpol

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.

Other matters except those disclosed above.

-None-

## **Responsibilities of the Board of Directors**

### **1. The structure of the Board of Directors**

The Board of Directors consists of individuals who have the knowledge and capability proven expertise from various fields and qualified according to law. At least one director is non-executive director who has experience in the Company's business undertaking and independent directors as announced by the Securities and Exchange Commission. All directors are committed to the duties entrusted by the Board of Directors and shareholders. They are free to voice opinions and approve matters for the best interest of the Company.

#### Balance of authority

Presently, the Board of Directors comprises of 14 directors:

- 2 non-executive directors
- 4 Audit Committee/ independent directors
- 1 Independent director
- 7 Executive Directors

The Company has five independent directors which are complied with the criteria of the Securities and Exchange Commission that determine independent director must be a minimum one-third of the Board of Directors.

#### Roles, duties and responsibilities of the Board of Directors

The Board of Directors must be comprised does not exceed the number of five individuals. The required qualifications for each director are as follows:

1. An individual of juristic age
2. Must not be bankrupt, incompetent or quasi-incompetent
3. Must never be imprisoned by a final verdict in connection with a fraudulent act
4. Must never be handed punishment or removed from an organization or a government office, in connection with a fraudulent act



## **2. Designation of Vision, Policies and Core Value**

The Board of Directors has prescribed a vision, policies and core value so that the executives officer and employees would strive towards the same goal, operated by the mission, goal, strategies, operational plans and the annual budget as necessary, taking into account the good corporate governance principles, in order to add value to the business and the shareholders.

The Board of Directors has required to report progress and the performance of the Management on a monthly basis at the Board of Directors meeting. In the case where any director has a transaction involving the company stock, a copy of the shareholding report filed to the Office of Securities and Exchange Commission must be submitted to the Company's Secretary for subsequent notification of the Board of Directors at the following meeting.

## **3. Designation of Corporate Governance Policy**

The Board of Directors thereby prescribed corporate governance policy, business ethics and codes of conduct for Company Directors, Executive Officers and employees to ensure a harmonized approach, and as a practice guideline for the Company Directors, Executive Officers and all employees, and disclose in Company's website [www.fareastfamineddb.com](http://www.fareastfamineddb.com)

## **4. Combination or separation of positions**

The Chairman of the Board of Directors and Chairman of the Executive Board are not the same person. Furthermore, charter of all committees has been assigned authority and responsibility of the directors is clearly. As well as, the Company's independent directors at the number of not less than one-third of the Board of Directors, are qualified member and they are free to verify the balance of authority.

## **5. Directorial term**

Directors serve the term specified under the company regulation. They may be re-elected upon the completion of a term.

The Company has not established requirements relating to the maximum age, the maximum number of companies for which the directors serve and has not fixed the maximum amount of director term. This is because we believe that the ability to manage business and the expertise of each director are not dependent upon their age or the number of companies for which they serve.

## **6. Number of companies for which the directors serve**

Names of directors, their background, experience, shareholding and service as directorial position for other companies of each director are reported in the annual report and Appendix 1 of the 56-1 Form. Currently, there are no directors who hold more than 5 listed companies. They have consistently dedicated their time achieving results for the company.

## **7. Sub-Committee**

The Board of Directors has appointed Sub-Committee to help assure shareholders of transparency and good corporate governance. Sub-Committee reports directly to the Board of Directors, Sub-Committee of the Company include the Executive Committee, the Audit Committee and the Risk Management & Anti-Corruption Committee. Their authority and responsibilities are independent of each other, for the purpose of corporate governance.

Given the lack of a selection committee, the Board of Directors selects directors from qualified, visionary and ethical individuals of different professions. Duties and responsibilities of all committees are clearly defined by the Board of Directors. The Chairman of the Executive Board in the capacity of the head of the management, is appointed by the Board of Directors to oversee the conduct of business and the operation of the company in order to achieve the goals set and in accordance with the policies established by the Board of Directors.

## **8. The Board of Directors Meetings**

The Board of Directors places great significance on its meetings, and meeting attendance is regarded as a principal duty for each director, so that the company's important matters can be decided upon. The Company usually pre-determines the dates and times of its monthly meeting throughout the year. The Company's Secretary sends out invitations to the meeting along with the agendas, the minutes of the previous meeting and relevant documents to the directors for their review ahead of the meeting, not less than five days prior to the meeting date. Directors are welcomed to propose additional agendas and give their opinions openly. Meeting minutes are prepared by the Company's Secretary, certified by the Board of Directors and kept for later review by the Board of Directors and relevant parties.

The Chairman of the Board of Directors acts as the chairman of the meeting. Directors and executives are allowed to give their opinions freely.

The Company set the policy for the quorum of the meeting that the resolution of the Board of Directors must be passed by the number of directors of not less than two-third (2/3) of the total directors.

At the end of each meeting, the Company's Secretary is responsible for preparing the meeting minutes in writing, and having them endorsed by the Chairman of Board of Directors. The minutes are presented to the assembly for certification as the first agenda of the following meeting. Directors can give opinions and request amendments as necessary.

Certified meeting minutes are systematically kept at the office of the company in electronic form, together with documents supporting each agenda for ease of reference.

## **9. The performance self-assessment of the Board of Directors**

The Board of Directors has assigned each company director to self-assess his or her own performance, as well as, the performance of the Board of Directors as a whole. Their valued opinions will be used to improve the performance of the Board of Directors.

In 2018 the average score from the assessment is in the positive range, The average score is 80.50%

## **10. Remuneration of company directors and executives**

### Remuneration of company directors

We do not presently have in place a remuneration sub-committee. The amount of remuneration is determined by the Board of Directors in accordance with the procedure established and proposed to shareholder meetings for their approval. This is based upon the performance of the Company, the amount approved and the actual amount paid in the previous year. Remuneration is paid in the form of meeting allowance per attendance of each director and annual remuneration to all directors. Directors who are members of a sub-committee are also compensated for their duty as a member of subcommittee in the form of meeting allowance per attendance. The 24th annual shareholders general meeting on April 26, 2018 has approved a total amount of 6 Million Baht in remuneration for directors per year. The actual amount paid was 5,873,000 Baht. Remuneration for each director is detailed in the annual report and the 56-1 Form.

#### Remuneration of company executives

The Company executives are remunerated according to company policy and based on the Company performance and their individual performance.

#### **11. Development programs for company directors and executives**

The Company places great importance on helpful seminars and training programs that will help directors and executives to perform better in their positions. Selected company personnel attended the Director Accreditation Program (DAP) and the Director Certification Program (DCP) by the Thai Institute of Directors (IOD), as well as other mini courses which contribute to their performance of directorial duties. We will continue to enroll our directors in future IOD courses.

Directors and executives have given importance to the training or attend seminars to increase the knowledge of continuous operation. In 2018, directors and executives attended the seminars on important topics such as “Corporate Governance Code new update 2017”, “Securities and Exchange Act (New issues)”,

#### **Attendance and Seminar of the Board of Directors in 2018**

Name of Directors		Course / Seminar
1. Mr. Boonchai	Chokwatana	- Corporate Governance Code new update 2017 - Securities and Exchange Act (New issues)
2. Mr. Wichar	Ldallitsakool	- Corporate Governance Code new update 2017 - Securities and Exchange Act (New issues)
3. Mrs. Chailada	Tantivejakul	- Corporate Governance Code new update 2017 - Securities and Exchange Act (New issues)
4. Mrs. Malee	Leelasiriwong	- Corporate Governance Code new update 2017 - Securities and Exchange Act (New issues)
5. Ms. Waraporn	Kulsawatpakdee	- Corporate Governance Code new update 2017 - Securities and Exchange Act (New issues)
6. Mrs. Kadekaew	Ittikul	- Corporate Governance Code new update 2017 - Securities and Exchange Act (New issues) - Director Accreditation Program (DAP) 153/2018
7. Mr. Anupol	Puwapoonpol	- Corporate Governance Code new update 2017 - Securities and Exchange Act (New issues)
8. Mr. Khachornsakdi	Vanaratseath	- Corporate Governance Code new update 2017 - Securities and Exchange Act (New issues)
9. Mr. Vichit	Tantianunanont	- Corporate Governance Code new update 2017 - Securities and Exchange Act (New issues)
10. Assoc.Prof.Dr.Preeyachit	Charoenwongse	- Corporate Governance Code new update 2017 - Securities and Exchange Act (New issues) - Director Accreditation Program (DAP) 153/2018

### **The Implementation of the Corporate Governance Code for listed companies 2017**

The Securities and Exchange Commission (SEC) has issued Corporate Governance Code for listed companies 2017 (Corporate Governance Code: CG Code). This will replace The Corporate Governance Code for listed companies in 2012 of the Stock Exchange of Thailand. The purpose is to raise The Corporate Governance Code by applying the principle to deploy (apply or explain) so the practice is appropriate. It is a valuable asset to sustainability including the board as an organization leader. The 8 principles apply to the implementation in accordance with the good practice set by the company to cover the operations of the organization.

The Board of Directors recognizes the role as leader of the organization. Set up a working group to study, analyze and compare CG and CG code to apply the principles to the implementation of the appropriate and was instrumental in the creation of value to your organizations sustainable. The Board of Directors has agreed to use the Corporate governance Code for listed companies 2017 (Corporate Governance Code: CG CODE) in the context of the Company's business. The Board requires that the CG code review process be adapted to suit the business, at least 1 time per year.

## CORPORATE SOCIAL RESPONSIBILITY

---

In 2018, 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 12th year. The company also became a partner in the “Si Ayutthaya Road Goes Green Network” which aims to strengthen cooperation in the field of environmental conservation and social contribution activities together.

### **1. The 12th School Project activity in support of needy schools in underdeveloped rural areas under the concept, ‘Learn ENG with Real’**

2018 was the 12th 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 ‘Learn ENG with Real’ , the company supports Ban Khok Sa-at School in Saraburi province to build an English Learning Garden, arrange the English camp for students in every level and support training course “Training to Young Guide” program with the intention to increase the opportunity to learn English to the poor school as English is so in demand and has the major role in the modern world.

The company also cooperated with Lion (Thailand) Co., Ltd. to support "Beautiful teeth, bright smile by ourselves" project by donating toothbrushes and toothpaste and encouraging tooth brushing after lunch for the whole school to create awareness and encourage the student to know how to maintain cleanliness within the mouth and teeth. The company also composed the English songs about brushing teeth for the school to use in such activity.

On behalf of all our clients, the company’s employees delivered this wonderful occasion to Ban Khok Sa-at School in Saraburi province on 16 November 2018. Employees participated in joyful activities with the students, donated learning materials, stationery, consumer products and scholarship, while also preparing lunch, as a special gift to the children in the hope of encouraging them to have fun in the New Year. It was a happy occasion that provided equal joy to both the giver and the recipient.

### **2. Activities with the members of ‘Si Ayutthaya Road Goes Green’ Network**

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

The Company and the network have organized various activities together as follows:

#### **2.1 Calendar Donation to the Blinds**

The Company and the members of Si Ayutthaya Road Goes Green Network donated used calendars, books, and magazines to The Educational Technology for the Blind Center on March 16, 2018 in order to further use as materials for producing braille books and distribute to nationwide blind centers.

#### **2.2 Walk campaign for Earth Hour 2018 Bangkok**

Si Ayutthaya Road Goes Green Network join the 60+ Earth Hour 2018 campaign in Ratchathewi District on March 20, 2018 to encourage the community to turn off lights for an hour in “Earth Hour 2018 Bangkok” on March 24, 2018 during 8.30-9.30 p.m., together with others in 7,000 cities in 187 nations

across the world to mark the Earth Hour, the world's biggest annual environmental event to raise awareness of climate change and the need for environmental protection.

### **2.3 Donation to priest hospital**

Si Ayutthaya Road Goes Green Network, led by Marisa Sukosol – Chairman of the Network, support the network to arrange for merit making among 25 network members in the activity " Si Ayutthaya Ruamjai Dedicated to the priest hospital" on 9 August 2018 in the amount of 133,505 baht to honor HM Queen Sirikit of the late King Bhumibol Adulyadej on the occasion of her 86th birthday anniversary.

### **2.4 Si Ayutthaya Goes Strong : Running Project 2018**

Members of the Si Ayutthaya Road Goes Green participated in the “Si Ayutthaya goes Strong : Running Project 2018” at Suan Santipap park on 21 December 2018 to enhance a good health among all members and strengthen a good relationship between 20 members in the network.

# INTERNAL CONTROL AND RISK MANAGEMENT

---

## Internal Control

The company has focused on having a good internal control system. It has Internal Audit Department that works independently and directly report to Audit Committee to inspect, review and follow up the company's operation to continuously improve the defects that may happen.

In the Board of Directors' meeting No. 237(2/2019) held on 25 February 2019, which 4 Audit Committee members attending, they have assessed the internal control system in 2018 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, under the supervision of the Board of Director.

### **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 in order to consider issues that may have a significant impact on the operation.

### **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 regularly reviews the performance to comply with the rules and regulation. It 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 to ensure that the operation has adequate internal control systems.

### **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.

For the Risk Management, the Board is acknowledged the important risks that may affect the operation during the Risk Management Meeting in order to find an appropriate risk management solution and set guidelines for resolving that risk and mitigating the risk to the acceptable level and closely monitoring.

### **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 2018, 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 Stock Exchange of Thailand, the Company will comply with such rules and propose to the Company's 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 2018, 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.25.

### **1. The Transactions Related to Assets or Services, Renting of Immovable Property and Consultancy Fee Income.**

The Board of Directors' Meeting No.1/2018 at January 25th, 2018 approved the transaction at the amount of 2,083,000 Baht, as follows:

<b>Companies</b>	<b>Relationship</b>	<b>Rental and Parking Fee Income (Baht)</b>	<b>Consultancy Fee Income (Baht)</b>
1. Springboard Plus Co., Ltd. (Subsidiary)	Co-Directors	130,000.00	
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. Image First Co., Ltd.	Co-Directors	173,000.00	
6. Diginakorn Co., Ltd. (Associated Company)	Co-Directors	40,000.00	
<b>Total</b>			<b>180,000.00</b>

**Note:**

- Rental Income of immovable assets and parking fee : Baht 1,903,000.00. The Company has signed the rental contract and parking fee with related 6 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 180,000.00. The Company is the consultant on human resources and computer for 1 related company. The consultant fee is calculated from cost plus the reasonable profit which depend on the difficulty and scope of service.

The related person : Co-Directors

**2. Selling of Shares of American Food Company Limited.**

As the resolution of the Board of Directors' meeting no. 8/2018 held on November 12, 2018, the meeting approved the company to sell shares of American Food Company Limited to Saha Pathanapibul Public Company Limited, amount of 420,000 shares , at price of Baht 10.11 per share, for a total amount of Baht 4,246,200.

The related persons : Saha Pathanapibul Public Company Limited is the Company' major shareholder and join the major shareholder, Saha Pathana Inter-holding Public Company Limited.

**3. Selling of Shares of Saha Pathana Inter-holding Public Company Limited.**

As the resolution of the Board of Directors' meeting no. 8/2018 held on November 12, 2018, the meeting approved the company to sell shares of Saha Pathana Inter-holding Public Company Limited to Mrs.Chailada Tantivejakul, amount of 249,666 shares , at price of Baht 65.52 per share, for a total amount of Baht 16,358,116.32.

The related persons : Mrs.Chailada Tantivejakul being the Vice President of Far East Fame Line DDB Public Company Limited.

**4. Selling of Shares of Waseda Education (Thailand) Company Limited.**

As the resolution of the Board of Directors' meeting no. 9/2018 held on December 21, 2018, the meeting approved the company to sell shares of Waseda Education (Thailand) Company Limited to Mr.Boonsithi Chokwatana, amount of 4,464 shares , at price of Baht 320 per share, for a total amount of Baht 1,428,480.

The related persons : Mr.Boonsithi Chokwatana being the Director of Waseda Education (Thailand) Company Limited. / Mr.Boonchai Chokwatana being the Chairman of Far East Fame Line DDB Public Company Limited. / Mr. Boonsithi Chokwatana is the brother of Mr. Boonchai Chokwatana.

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

Most of the Company's business operation, such transactions are normal commercial business undertakings under general trade agreements. In the case that transaction is the connected transaction, the Company proceeded in accordance with the rules and regulations of the Capital Market Regulatory Board and the Stock Exchange of Thailand.



# FINANCIAL STATUS

## ANALYSIS AND DESCRIPTION OF THE MANAGEMENT

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

#### Overview

The operating results of Far East Fame Line DDB Public Company Limited and its subsidiaries in the consolidated financial statements for the year 2018 are as follows:

(Unit : Million Baht)

Performance Overview	For the year ended 31, December			
	2018	2017	Increase/(Decrease)	
			Amount	(%)
Revenue from the rendering of service, commissions	702.32	742.20	(39.88)	(5.37)
Costs of rendering of service and commissions	465.08	519.88	(54.80)	(10.54)
Gross Profit	237.24	222.32	14.92	6.71
Others Income	70.34	93.52	(23.17)	(24.78)
Selling administrative expenses	181.83	160.68	21.15	13.16
Profit Before Tax	125.75	155.16	(29.41)	(18.95)
Corporate Income Tax	22.07	28.37	(6.30)	(22.21)
Profit After Tax	103.68	126.78	(23.10)	(18.22)

#### Result of Operation

In 2018, Far East Fame Line DDB Public Company Limited and its subsidiaries had total gross income from the rendering of service and commission amount of THB 237.24 million, an increase from 2017 in an amount of THB 14.92 million or 6.71 per cent and had a net profit for the year amount of THB 103.68 million, a decrease from previous year amount of THB 23.10 million or 18.22 per cent, the results of decreasing net profit in 2018 because the Company had an increasing service and administrative expenses amount of THB 22.50 million.

The Company has a project to grant rights to purchase ordinary shares to the Board of directors, management and employees (FE-ESOP). The Company has recorded the difference price from the selling price and the market price as expenses using shares as a basis, resulting in additional expenses incurred from such projects from the previous year.

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

Item	Year 2018	Year 2017	Year 2016
Gross income (%)	33.78	29.95	44.15
Return of Revenue from service & commission = EAT/REV (%)	14.76	17.08	15.62
Return on Shareholders' Equity = EAT/EQUITY (%)	8.48	10.60	10.50

In 2018 and 2017, the Company and its subsidiaries had improved the costs of service by transferring and allocating the wages of employees from the productions of advertising pieces as the labor cost is calculated as the cost of the actual service revenue in the current period.

The company also gives priority to cost management policies by strictly using costly personnel instead of outsourcing.

### **Total Revenue**

For the year 2018, Total Revenue includes revenue from the rendering of service and commissions, dividend income, Gain on sales of investments in available-for-sale securities, other income and share of profits from investments in associates.

The Company and its subsidiaries had total revenue amount of THB 772.66 million, a decrease from previous year of THB 63.05 million or 7.54 per cents. Details are as follow:

#### **Revenue from rendering of service and commission**

In 2018, The Company and its subsidiaries earned revenue from the rendering of service and commissions of THB 702.32 million, a decrease from previous year of THB 39.88 million or 5.37 per cent.

The decreasing overall of the main income of the Company and its subsidiaries results from the domestic economy slowdown, no economic expansion, decreasing purchasing power of consumers and the Customers are careful in using advertising budgets and some have cut down the budget.

#### **Other Incomes**

Other income of the Company and subsidiaries in 2018 consists of dividend income and Private fund returns recovery income, an increase of THB 2.80 million or 27.19 per cent,

Gain on sale of investment in available-for-sale securities in the amount of THB 14.04 million, an increased from the previous year of THB 10.78 million or 331.45 per cent. The share of profits from investments in associates amounted of THB 31.49 million, an increase of THB 2.09 million or 7.10 per cent. Other income other than those mentioned above, amount of THB 11.70 million, a decrease from the previous year of THB 20.52 million or 63.69 per cent.

In 2018, other income a decrease amount of THB 23.17 million or 24.78 per cent. The Company and its subsidiaries had gain on sale of investment in an associated company amount of THB 18.33 million in 2017, resulting in the decreasing of total number of others income in 2018.

### **Total Operating Expenses**

Total expenses consisted of cost of service and commissions and selling and administrative expenses. In 2018, the Company and its subsidiaries reported total expenses of THB 646.91 million, a decrease of THB 33.65 million or 4.94 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 THB 465.08 million, a decrease from 2017 amount of THB 54.80 million or 10.54 per cent, which related to decreasing revenue as well as from the cost management policy.

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

The Consolidated Financial Statement of the Company and its subsidiaries had selling and administrative expenses amount of THB 181.83 million, compared with the year 2017, an increase amount of THB 21.15 million or 13.16 per cent. The additional expenses are derived from the difference in the price of the shares issued under the project for selling ordinary shares to directors, executives and employees (FE-

ESOP) with the market price of THB 22.50 million. The company has recorded expenses by using shares as a basis.

### **Total Net Profit**

The Company and its subsidiaries had total profit for year 2018 amount of THB 103.68 million, a decrease from year 2017 amount of THB 23.10 million or 18.22 per cent, as divided to

- Net profit attributed to owners of the parent in 2018 was THB 100.98 million, a decrease from previous year of THB 20.42 million or 16.82 per cent.
- Net profit attributed to non-controlling interests in 2018 was THB 2.69 million, a decrease from previous year of THB 2.69 million or 50.00 per cent.

### **Financial Position**

#### **Assets**

The Company and its subsidiaries had total assets at the end of 2018 amount of THB 1,664.71 million, a decrease from previous year amount of THB 15.65 million or 0.93 per cents. The Current assets decrease of THB 118.47 million or 15.45 per cents. Cash and cash equivalents and temporary investment had total amount of THB 282.86 million, a decrease from the year 2017 amount of THB 135.05 million. Other current assets amount of THB 19.59 million, an increase from previous year amount of THB 17.12 million

<b>Efficiency Ratio</b>	<b>Year 2018</b>	<b>Year 2017</b>	<b>Year 2016</b>
Return on Total Assets (%)	6.20	7.55	7.02

Return on Total Assets Ratio of the Company and its subsidiaries in 2018, a decrease from 2017 from 7.55 per cent to 6.20 per cent, as a result of decreasing of total assets. However, the Company still has ability to manage assets effectively to achieve the highest performance and ability to increase profitability.

#### **Cash and Cash equivalents**

The Company and its subsidiaries had cash and cash equivalents at the end of 2018 of THB 64.37 million, a decrease from previous of THB 227.96 million or 77.98 per cent. The decrease results from normal performance. However, the company still has sufficient liquidity to circulate in the business, liquidity ratios are as follows:

<b>Liquidity Ratio</b>	<b>Year 2018</b>	<b>Year 2017</b>	<b>Year 2016</b>
Current Ratio (times)	1.85	1.84	1.73
Quick Ratio (times)	1.77	1.81	1.69
Cash Ratio (times)	0.81	1.01	0.97

At year-end 2018, current ratio is 1.85 times. The Company still have liquidity of working capital ratio is higher than current liabilities at a high level. It would not affect to the business.

Quick ratio decreased 0.04 times. Cash ratio is 0.81 times, decreased 0.20 times from previous year. The liquidity of the company in 2018 was slightly decreased. However, the company still had a high level of liquidity and has the flexibility to manage and operate the business.

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

In 2018, the Company and its subsidiaries had accounts receivable trade amount of THB 336.50 million, an increase from 2017 amount of THB 2.66 million or 0.80 per cents. Other accounts receivable has

consisted accrued income, prepaid expenses and others in amount of THB 4.15 million, a decrease from previous year amount of THB 2.07 million or 33.33 per cents.

<b>Liquidity Ratio</b>	<b>Year 2018</b>	<b>Year 2017</b>	<b>Year 2016</b>
Customer Turnover Ratio (times)	4.29	4.62	4.32
Average Collection Period (Days)	85	79	84

The average ratio of debt collection period in 2018 is 85 days. The company has taken into account the liquidity in business operations. Therefore increasing caution in managing credit for efficiency closely to follow up the debt and report the outstanding debt to the management at the end for every month in order not to affect the liquidity of the company.

#### Liabilities

The Company and its subsidiaries had total liabilities at the end of year 2018, amount of THB 416.21 million, a decrease from previous year amount of THB 67.69 million or 13.99 per cent. These consist of Accounts Payable Trade amount THB 258.32 million, a decrease from previous amount of THB 89.86 million or 25.81 per cent. Other Accounts Payable which including accrued expenses, Directors' remuneration, bonus payable and other items, total amount of THB 58.52 million, an increase of THB 4.00 million or 7.33 per cent. Corporate Income Tax Payable amount of THB 8.05 million, an increase from previous year of THB 2.24 million or 38.65 per cent.

<b>Liquidity Ratio</b>	<b>Year 2018</b>	<b>Year 2017</b>	<b>Year 2016</b>
Payable Turnover Ratio (times)	3.94	3.55	3.18
Average Payment Period (Days)	93	102	115

The company assigns credit term to pay creditors about 75 days. From the table above, liquidity ratio of debt repayment has an average payment period about 100 days, due to 2 times payment date a month. If some accounts payable do not get paid on time of the schedule of appointment. Thus, the payment period was postponed to the next month, as it is clearly defined by the company's policy.

#### Non-current liabilities

In 2018, the Company and its subsidiaries had total non-current liabilities amount THB 65.49 million, a decrease of THB 2.74 million or 4.01 per cent, the result from the Deferred Corporate Tax a decrease amount of THB 4.66 million or 21.17 per cent, reservation for employee benefits an increase of THB 1.83 million or 4.03 per cent.

#### Shareholders' Equity

The shareholders' equity of the Company and its subsidiaries as of the end of 2018 amount to 1,248.50 million baht, an increase of THB 52.04 million baht or 4.35 per cent from the previous year.



#### Cash Flow Statement Analysis

The consolidated statement of cash flow for the year ended as of December 31, 2018 was summarized below:

(Unit : Million Baht)

**Cash and cash equivalents as of December 31, 2017** **292.33**

Net Change in cash due to

- Operating activities (77.63)
- Investment activities (101.25)
- Financial activities (31.12)

Net Change in cash and cash equivalents (210.00)

Less Cash and cash equivalents are transferred from the change of money type.

Invest in a subsidiary as an associated company (17.96)

**Cash and Cash equivalents as of December 31, 2018** **64.37**

Cash and cash equivalents decreased from amount of THB 292.33 million at year-end 2017 to amount of THB 64.37 million in 2018 or 77.98 per cent. Decreasing cash flow in operation activities was because the Company increase the investment in the open-end fund amount of THB 56.72 million, a decrease of Accounts Payable Trade amount of THB 75.70 million, an increase investment in available-for-sale securities - Private funds amount of THB 110 million and an increase of fixed deposits amount of THB 35.14 million and dividend payment amount of THB 75.00 million.

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

##### Suitability of Capital structure

Items	Year 2018	Year 2017	Year 2016
Debt to Equity Ratio (times)	0.33	0.40	0.49

In 2018, the Company's Debt to Equity Ratio is 0.33 times, decreasing 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 and investment.

#### **Key Liquidity**

At the end of year 2018, the Company and its subsidiaries had total current assets amount of THB 648.22 million, higher than current liabilities amount of THB 297.50 million. 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**

Due to the sluggish global economy, which affect domestic economy. The declining public spending and purchasing power had caused operators to be cautious in using advertising budgets, which inevitably has an impact on the company operation.

In addition, the Company still has risks that impacts to the operation as follow:

#### **loss of major client**

With the high competitive in current situation of the advertising business, the Company has the risk of loss of major clients which will have significant impact on revenue. Therefore, the Company have to maintain the existing clients.



The company need to make confidence, create high quality of work and maintain good relationships with clients in order to help the clients to receive the effectiveness of advertising and achieve marketing success.

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

Disasters, terrorism, sabotage and political unrest are unpredictable. However the outrage of these incidents were inevitable affect the Company's revenue.

**Audit Fee for the year 2018**

1. Audit Fee

The Company, subsidiaries and associated companies paid audit fee to Dr. Virach & Associates Office Co., Ltd, the Company's Auditor for the year 2018 as follows:

Far East Fame Line DDB Plc.	Baht	1,110,000.00
Springboard Plus Co., Ltd. (Subsidiary)	Baht	120,000.00
Diginakorn Co., Ltd. (Associated Company)	Baht	85,000.00
Integrated Communication Co., Ltd. (Associated Company)	Baht	220,000.00
Media Intelligence Co., Ltd. (Associated Company)	Baht	520,000.00

2. Non - Audit Fee

- None .

## REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITY FOR 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 Fame Line DDB Public Company Limited. The financial statements were prepared in accordance with Thai Financial Reporting Standards, 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, 2018, 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  
and Chief Financial Officer

**FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED**  
(FORMERLY KNOWN AS "FAR EAST DDB PUBLIC COMPANY LIMITED")  
**CONSOLIDATED AND SEPARATE**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

# AUDITOR'S REPORT

**To The Shareholders of**

**Far East Fame Line DDB Public Company Limited**

**(Formerly known as " Far East DDB Public Company Limited ")**

## **Opinion**

I have audited the consolidated financial statements of Far East Fame Line DDB Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2018, 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 Fame Line 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 Fame Line DDB Public Company Limited and its subsidiaries and of Far East Fame Line DDB Public Company Limited as at December 31, 2018, 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 25 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 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 25, 2019

# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

### AS AT DECEMBER 31, 2018

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
Notes		2018	2017	2018	2017
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	4.2 and 5	64,369,681.50	292,333,312.32	54,545,962.33	59,803,565.50
Short-term investments					
Fixed deposit at bank		55,341,968.89	20,197,662.04	47,341,968.89	12,181,727.11
Investments in Open-end Fund	4.3 and 6	163,150,548.79	105,377,334.43	151,842,030.03	76,166,378.36
Total short-term investments		218,492,517.68	125,574,996.47	199,183,998.92	88,348,105.47
Trade accounts receivable	4.4 and 7	336,504,174.98	333,842,020.52	305,264,700.70	168,865,496.89
Other receivables					
Accrued income		94,235.53	71,116.81	61,839.95	59,920.05
Prepaid expenses		3,677,460.42	4,394,659.60	3,606,833.96	3,294,721.63
Others		374,815.51	1,753,654.85	395,580.13	718,493.86
Total other receivables		4,146,511.46	6,219,431.26	4,064,254.04	4,073,135.54
Advertising-in-progress	4.5	5,123,931.46	6,256,219.42	4,409,050.84	329,686.74
Other current assets		19,585,401.65	2,468,430.94	15,343,422.55	1,303,137.41
Total Current Assets		648,222,218.73	766,694,410.93	582,811,389.38	322,723,127.55
Non-Current Assets					
Fixed deposit with obligations		8,000,000.00	8,000,000.00	5,000,000.00	5,000,000.00
Investments in available-for-sale securities	4.6 and 8	609,108,951.20	510,724,163.44	599,298,599.95	510,724,163.44
Investments in associates	4.6 and 9	162,370,675.09	144,876,284.17	8,701,470.00	6,001,470.00
Investments in subsidiaries	4.6 and 10	-	-	1,400,000.00	22,766,010.00
Other long-term investments	4.6 and 11	32,326,940.00	36,488,455.00	31,326,940.00	35,488,455.00
Investments in convertible debentures	4.6 and 12	-	11,235,000.00	-	11,235,000.00
Property, plant and equipment	4.7 and 13	199,571,539.38	194,571,463.57	197,982,104.03	175,581,332.05
Intangible assets	4.8 and 14	-	19,049.50	-	-
Refundable withholding tax		4,368,626.04	7,195,242.26	-	2,434,991.43
Other non-current assets		741,038.14	561,138.64	141,827.00	125,518.00
Total Non-Current Assets		1,016,487,769.85	913,670,796.58	843,850,940.98	769,356,939.92
TOTAL ASSETS		1,664,709,988.58	1,680,365,207.51	1,426,662,330.36	1,092,080,067.47

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

# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

### AS AT DECEMBER 31, 2018

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
Notes		2018	2017	2018	2017
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current Liabilities					
Trade accounts payable		258,323,473.32	348,178,559.83	227,728,606.81	123,602,673.24
Other payable					
Accrued expenses		3,623,713.51	7,621,765.77	3,231,101.32	6,907,419.91
Accrued directors' remuneration and bonus		53,968,198.00	45,503,753.42	49,588,698.00	13,400,000.00
Others		925,840.25	1,397,097.82	762,293.85	315,969.50
Total other accounts payable		58,517,751.76	54,522,617.01	53,582,093.17	20,623,389.41
Accrued corporate income taxes		8,045,227.56	5,802,488.50	8,045,227.56	1,698,821.32
Other current liabilities		25,832,221.16	7,171,493.45	22,767,109.80	1,767,123.34
Total Current Liabilities		350,718,673.80	415,675,158.79	312,123,037.34	147,692,007.31
Non-Current Liabilities					
Provision for long-term employee benefits	4.10 and 15	47,262,096.34	45,430,159.34	40,203,851.34	22,289,101.34
Deferred tax liabilities	4.11 and 22	17,346,642.51	22,013,842.17	18,772,210.68	26,260,516.77
Other non-current liabilities		884,000.00	784,000.00	983,000.00	1,081,500.00
Total Non-Current Liabilities		65,492,738.85	68,228,001.51	59,959,062.02	49,631,118.11
TOTAL LIABILITIES		416,211,412.65	483,903,160.30	372,082,099.36	197,323,125.42

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



# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

### AS AT DECEMBER 31, 2018

		BAHT			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
Notes		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
Shareholders' Equity					
Share capital					
Authorized share capital	16 and 17				
7,870,000 common stocks of Baht 10 par value		78,700,000.00		78,700,000.00	
7,500,000 common stocks of Baht 10 par value			75,000,000.00		75,000,000.00
Issued and paid-up share capital					
7,749,950 common stocks at Baht 10 each		77,499,500.00		77,499,500.00	
7,500,000 common stocks at Baht 10 each			75,000,000.00		75,000,000.00
Premium on common stocks	17	117,245,550.00	95,000,000.00	117,245,550.00	95,000,000.00
Capital reserve for share-based					
payment transactions	4.12 and 17	22,495,500.00	-	22,495,500.00	-
Surplus from change in shareholding in					
subsidiary and associate		19,948.15	91,689.57	-	-
Retained earnings					
Appropriated					
Legal reserve	18	8,500,000.00	7,500,000.00	8,500,000.00	7,500,000.00
Unappropriated		866,823,277.99	844,796,215.05	695,118,390.09	567,263,355.40
Other components of the shareholders' equity		133,467,161.10	149,832,437.59	133,721,290.91	149,993,586.65
Total Shareholders' Equity of Parent Company		1,226,050,937.24	1,172,220,342.21	1,054,580,231.00	894,756,942.05
Non-controlling interests		22,447,638.69	24,241,705.00	-	-
Total Shareholders' Equity		1,248,498,575.93	1,196,462,047.21	1,054,580,231.00	894,756,942.05
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,664,709,988.58	1,680,365,207.51	1,426,662,330.36	1,092,080,067.47

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

# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF INCOME

### FOR THE YEAR ENDED DECEMBER 31, 2018

BAHT				
Notes	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Revenue from rendering of services and commissions	702,318,425.92	742,201,327.06	572,647,748.37	264,176,880.30
Cost of services and commissions	465,077,728.29	519,878,087.77	362,065,769.94	179,343,288.98
Gross profit	237,240,697.63	222,323,239.29	210,581,978.43	84,833,591.32
Dividend income and return on investments				
in Private Fund	13,118,950.75	10,314,100.00	34,210,950.75	138,896,020.00
Other incomes				
Gain on disposal of investments in available-for-sale securities	4.6 and 8 14,037,952.49	3,253,675.11	14,037,952.49	-
Gain on investment disposal in associates	4.6 and 9 -	18,328,863.92	-	40,420,337.93
Others	11,697,879.15	32,215,656.79	13,017,986.36	11,958,172.66
Total other incomes	25,735,831.64	53,798,195.82	27,055,938.85	52,378,510.59
Profit before expenses	276,095,480.02	286,435,535.11	271,848,868.03	276,108,121.91
Services and administrative expenses	159,328,208.07	160,682,480.91	140,754,712.59	74,857,478.13
Share-based payment expenses	4.12 and 17 22,495,500.00	-	22,495,500.00	-
Finance costs	10,815.18	-	-	-
Share of profit from investments in associates	4.6 and 9 31,489,740.62	29,404,090.78	-	-
Profit before income tax expenses	125,750,697.39	155,157,144.98	108,598,655.44	201,250,643.78
Income tax expenses	4.13 and 22 22,070,612.02	28,373,291.73	20,784,546.98	13,389,518.01
Profit for the years	103,680,085.37	126,783,853.25	87,814,108.46	187,861,125.77
Profit attributable to				
Equity holders of the parent	100,988,642.91	121,401,623.22	87,814,108.46	187,861,125.77
Non-controlling interests	2,691,442.46	5,382,230.03	-	-
	103,680,085.37	126,783,853.25	87,814,108.46	187,861,125.77
Earnings per share to equity holders of the parent				
Basic earnings per share	4.14 and 23 13.35	16.19	11.61	25.05
Weighted average number of common stocks outstanding (share)	7,562,488	7,500,000	7,562,488	7,500,000

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

# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED DECEMBER 31, 2018

Note	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Profit for the years	103,680,085.37	126,783,853.25	87,814,108.46	187,861,125.77
Other comprehensive income (loss) :				
Items that may be reclassified subsequently profit or loss :				
Translation of financial statement differences	(193,442.21)	-	-	-
Gain (loss) from the remeasuring of investments in available-for-sale securities	(4,250,065.24)	73,886,675.37	(4,060,416.49)	73,886,675.37
Components of income tax	850,013.04	(14,777,335.07)	812,083.29	(14,777,335.08)
Gain (loss) from the remeasuring of investments in available-for-sale securities-net of tax	(3,400,052.20)	59,109,340.30	(3,248,333.20)	59,109,340.29
The reversal gain from the remeasuring of investments in available-for-sale on disposals	(16,279,953.17)	(1,491,292.47)	(16,279,953.17)	-
Components of income tax	3,255,990.63	298,258.49	3,255,990.63	-
The reversal gain from the remeasuring of investments in available-for-sale on disposals -net of tax	(13,023,962.54)	(1,193,033.98)	(13,023,962.54)	-
Total gain (loss) from the remeasuring of investments in available-for-sale -net of tax	(16,424,014.74)	57,916,306.32	(16,272,295.74)	59,109,340.29
Items that not reclassified subsequently to profit or loss :				
Actuarial loss from employee benefit plan	15	(2,280,032.00)	-	(849,788.00)
Components of income tax	-	456,006.80	-	169,958.00
Actuarial loss from employee benefit plan-net of tax	-	(1,824,025.20)	-	(679,830.00)
Actuarial gain from employee benefit plan of associate-net of tax	985,988.64	-	-	-
Total other comprehensive income (loss) for the years	(15,631,468.31)	56,092,281.12	(16,272,295.74)	58,429,510.29
Total comprehensive income for the years	88,048,617.06	182,876,134.37	71,541,812.72	246,290,636.06
Total comprehensive income attributable to				
Equity holders of the parent	85,448,206.00	177,547,819.48	71,541,812.72	246,290,636.06
Non-controlling interests	2,600,411.06	5,328,314.89	-	-
	88,048,617.06	182,876,134.37	71,541,812.72	246,290,636.06

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

# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### CONSOLIDATED

BAHT

	Shareholders' equity of the parent								
	Retained earnings			Other components of the shareholders' equity					
	Issued and paid-up share capital	Premium on common stocks	Surplus from changes in interest in subsidiary and associate	Appropriated Legal reserve	Unappropriated	Other comprehensive income	Total equity holders of the parent		
						Investments in available-for-sale securities			
Note									
Year 2017									
Beginning balances, January 1, 2017	75,000,000.00	95,000,000.00	87,085.15	7,500,000.00	777,664,791.37	91,916,041.79	1,047,167,918.31	53,792,604.53	1,100,960,522.84
Comprehensive income for the year 2017:-									
Comprehensive income for the year					121,401,623.22	57,916,395.80	179,318,019.02	5,382,140.55	184,700,159.57
Adjustment of actuarial loss from employee benefit plan - net of tax					(1,770,199.54)		(1,770,199.54)	(53,825.66)	(1,824,025.20)
Total comprehensive income for the year 2017					119,631,423.68	57,916,395.80	177,547,819.48	5,328,314.89	182,876,134.37
Dividend payment					(52,500,000.00)		(52,500,000.00)		(52,500,000.00)
Subsidiary's dividend paid to non-controlling interests								(19,368,000.00)	(19,368,000.00)
Decrease in non-controlling interests from purchase of investments in subsidiary			4,604.42				4,604.42		(15,506,610.00)
Ending balances, December 31, 2017	75,000,000.00	95,000,000.00	91,689.57	7,500,000.00	844,796,215.05	149,832,437.59	1,172,220,342.21	24,241,705.00	1,196,462,047.21

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

# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### CONSOLIDATED (CONTINUED)

BAHT

Shareholders' equity of the parent														
	Notes	Retained earnings				Other components of the shareholders' equity				Total equity holders of the parent	Non-controlling interests	Total shareholders' equity		
		Capital reserve for share-based payment transactions	Surplus (deficit) from changes in interest in subsidiary and associate	Appropriated Legal reserve	Unappropriated	Other comprehensive income		Total other components of the shareholders' equity						
						Translation of financial statements differences	Investments available-for-sale securities							
Year 2018														
Beginning balances, January 1, 2018		75,000,000.00	95,000,000.00	-	91,689.57	7,500,000.00	844,796,215.05	-	149,832,437.59	149,832,437.59	1,172,220,342.21	24,241,705.00	1,196,462,047.21	
Capital increase ordinary shares	16 and 17	2,499,500.00	22,245,550.00								24,745,050.00		24,745,050.00	
Capital reserve for share-based payment transactions	4,12 and 17		22,495,500.00								22,495,500.00		22,495,500.00	
Comprehensive income (loss) for the year 2018														
Comprehensive income (loss) for the year														
Adjustment of actuarial gain from employee benefit plan of associate														
Total comprehensive income (loss) for the year 2018														
Capital deficit from change in shareholding in associate					(67,137.00)									
Change in shareholding from business transfer	27				(4,604.42)	1,000,000.00	(4,947,568.61)		161,149.06	161,149.06	(3,791,023.97)	3,791,023.97	-	
Decrease in non-controlling interests from change in subsidiary to associate														
Dividend payment	19						(75,000,000.00)				(75,000,000.00)		(4,825,501.34)	
Subsidiary's dividend paid to non-controlling interests													(75,000,000.00)	
Ending balances, December 31, 2018		77,499,500.00	117,245,550.00	22,495,500.00	19,948.15	8,500,000.00	866,823,277.99	(193,442.21)	133,660,603.31	133,467,161.10	1,226,050,937.24	22,447,638.69	1,248,498,575.93	

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

# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### THE SEPARATE FINANCIAL STATEMENTS

BAHT

	Notes	Retained earnings				Other components of the shareholders' equity		
		Issued and paid-up share capital	Premium on common stocks	Capital reserve for share-based payment transactions	Other comprehensive income			
					Appropriated		Investments in available-for-sale securities	
					Legal reserve	Unappropriated		
								Total shareholders' equity
Year 2017								
Beginning balances, January 1, 2017		75,000,000.00	95,000,000.00	-	7,500,000.00	432,582,059.63	90,884,246.36	700,966,305.99
Comprehensive income for the year 2017:-								
Comprehensive income for the year								
Adjustment of actuarial loss from employee benefit plan - net of tax						187,861,125.77	59,109,340.29	246,970,466.06
						(679,830.00)	(679,830.00)	(679,830.00)
Total comprehensive income for the year 2017						187,181,295.77	59,109,340.29	246,290,636.06
Dividend payment						(52,500,000.00)		(52,500,000.00)
Ending balances, December 31, 2017		75,000,000.00	95,000,000.00	-	7,500,000.00	567,263,355.40	149,993,586.65	894,756,942.05
Year 2018								
Beginning balances, January 1, 2018		75,000,000.00	95,000,000.00	-	7,500,000.00	567,263,355.40	149,993,586.65	894,756,942.05
Increase in unappropriated retained earnings from business transfer								
Change in legal reserve from business transfer								
Capital increase ordinary shares		2,499,500.00	22,245,550.00		1,000,000.00			1,000,000.00
Capital reserve for share-based payment transactions				22,495,500.00				22,495,500.00
Comprehensive income (loss) for the year 2018						87,814,108.46	(16,272,295.74)	71,541,812.72
Dividend payment						(75,000,000.00)		(75,000,000.00)
Ending balances, December 31, 2018		77,499,500.00	117,245,550.00	22,495,500.00	8,500,000.00	695,118,390.09	133,721,290.91	1,054,580,231.00

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

# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (1/4)

### FOR THE YEAR ENDED DECEMBER 31, 2018

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	125,750,697.39	155,157,144.98	108,598,655.44	201,250,643.78
Adjustment to reconcile profit before income tax to cash provided from (used in) operation :				
Depreciation	6,197,811.79	6,782,403.43	6,342,971.02	3,290,786.04
Amortization of intangible assets	-	5,599.80	-	-
Gain on disposal of investments in available-for-sale securities	(14,037,952.49)	(3,253,675.11)	(14,037,952.49)	-
Gain on disposal of investments in associate	-	(18,328,863.92)	-	(40,420,337.93)
Gain on disposal of investments in other companies	(1,028,280.00)	-	(1,028,280.00)	-
Dividend income from investments in associates	-	-	(18,900,000.00)	(22,699,920.00)
Dividend income from investments in subsidiaries	-	-	(2,240,000.00)	(105,882,000.00)
Dividend income from investments in other companies	(5,118,950.75)	(6,314,100.00)	(5,070,950.75)	(6,314,100.00)
Return on investments in Private Fund	(8,000,000.00)	(4,000,000.00)	(8,000,000.00)	(4,000,000.00)
Interest income	(792,074.38)	(1,480,863.09)	(629,670.95)	(569,121.03)
Interest expenses	10,815.18	-	-	-
Write-off withholding tax	28,184.03	84,936.22	28,184.03	6,792.82
Gain on disposal and unused equipment	(56,348.14)	(1,301,429.77)	(56,069.77)	(1,227,921.37)
Unrealized gain on investments in Open-end Fund	(1,052,542.87)	(406,478.06)	(975,357.73)	(194,501.44)
Long-term employee benefits expenses	3,427,740.00	3,696,169.00	3,002,293.00	2,065,292.00
Loss on diminution of investments in other companies	8,535.00	138,350.00	8,535.00	138,350.00
Share of profit from investments in associates	(31,489,740.62)	(29,404,090.78)	-	-
Profit from operation before changes in operating assets and liabilities items	73,847,894.14	101,375,102.70	67,042,356.80	25,443,962.87
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Investments in Open-end Fund	(56,720,671.49)	185,544,972.21	(74,700,293.94)	21,130,827.75
Trade accounts receivable	(8,181,302.53)	16,880,174.73	16,241,385.99	(26,631,111.89)
Other receivables	2,085,813.52	10,626,914.69	1,045,179.98	6,919,305.77
Advertising-in-progress	1,132,287.96	(5,596,352.90)	(508,710.39)	(60,420.22)
Other current assets	(15,068,035.76)	(1,707,059.62)	(12,297,670.41)	(1,303,137.41)
Fixed deposit with obligation	-	4,500,000.00	-	-
Other non-current assets	(195,899.50)	797,921.00	182,500.00	44,396.64
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade accounts payable	(75,701,774.51)	(46,802,501.19)	(96,169,926.98)	(5,081,025.08)
Other accounts payable	3,598,072.90	5,806,261.09	4,834,781.31	5,201,221.37
Other current liabilities	18,803,192.33	(1,230,193.14)	16,882,071.08	(879,983.48)
Provision for long-term employee benefits	(1,595,803.00)	(8,285,835.00)	(1,432,469.00)	(8,285,835.00)
Other non-current liabilities	100,000.00	(40,000.00)	(98,500.00)	(40,000.00)
Cash provided from (used in) operation	(57,896,225.94)	261,869,404.57	(78,979,295.56)	16,458,201.32

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

# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (2/4)

### FOR THE YEAR ENDED DECEMBER 31, 2018

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Interest expenses paid	(10,815.18)	-	-	-
Income tax expenses paid	(22,438,003.90)	(28,756,178.01)	(19,064,002.16)	(10,435,357.80)
Proceeds from income tax refund	2,713,475.70	4,978,434.63	2,406,807.40	2,098,462.99
<b>NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>	<b>(77,631,569.32)</b>	<b>238,091,661.19</b>	<b>(95,636,490.32)</b>	<b>8,121,306.51</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(Increase) decrease in fixed deposit at bank	(35,144,306.85)	42,465,548.63	(35,160,241.78)	39,448,634.55
Interest income	768,955.66	1,660,237.97	627,751.05	750,465.74
Purchase of investments in associate	-	(1,500.00)	-	(1,500.00)
Purchase of investments in subsidiary from non-controlling interests	-	(15,506,610.00)	-	(15,506,610.00)
Purchase of investments in available-for-sale securities - Private Fund	(110,000,000.00)	(100,000,000.00)	(100,000,000.00)	(100,000,000.00)
Purchase of investments in convertible debentures	-	(11,235,000.00)	-	(11,235,000.00)
Purchase of other investments	(632,820.00)	(6,043,760.00)	(632,820.00)	(5,043,760.00)
Purchase of plant and equipment	(10,523,737.75)	(4,892,883.12)	(10,495,345.60)	(1,221,076.49)
Proceeds from sales of investments in associates	-	8,550,000.00	-	8,550,000.00
Proceeds from sales of investments in other companies	5,674,680.00	-	5,674,680.00	-
Proceeds from disposal of equipment	56,355.14	1,756,074.77	56,074.77	1,392,523.37
Proceeds from capital decrease of investments in other companies	139,400.00	672,000.00	139,400.00	672,000.00
Proceeds from investments in convertible debentures	30.00	-	30.00	-
Proceeds from disposal of investments in available-for-sale securities	16,358,116.32	53,054,481.17	16,358,116.32	-
Dividend income from investments in associates	18,932,000.00	22,699,920.00	18,900,000.00	22,699,920.00
Dividend income from investments in subsidiaries	-	-	2,240,000.00	105,882,000.00
Dividend income from investments in other companies	5,118,950.75	6,314,100.00	5,070,950.75	6,314,100.00
Proceeds from return on investments in Private Fund	8,000,000.00	4,000,000.00	8,000,000.00	4,000,000.00
<b>NET CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES</b>	<b>(101,252,376.73)</b>	<b>3,492,609.42</b>	<b>(89,221,404.49)</b>	<b>56,701,697.17</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Subsidiary's dividend paid to non-controlling interests	(3,360,000.00)	(19,368,000.00)	-	-
Dividend payments	(75,000,000.00)	(52,500,000.00)	(75,000,000.00)	(52,500,000.00)
Proceeds from increase in share capital	47,240,550.00	-	47,240,550.00	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(31,119,450.00)</b>	<b>(71,868,000.00)</b>	<b>(27,759,450.00)</b>	<b>(52,500,000.00)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>(210,003,396.05)</b>	<b>169,716,270.61</b>	<b>(212,617,344.81)</b>	<b>12,323,003.68</b>
<b>CASH AND CASH EQUIVALENTS AS AT JANUARY 1,</b>	<b>292,333,312.32</b>	<b>122,617,041.71</b>	<b>59,803,565.50</b>	<b>47,480,561.82</b>
<u>Add</u> Increase in cash and cash equivalents from business transferred				
(Supplementary statement 1)	-	-	207,359,741.64	-
<u>Less</u> Cash and cash equivalents transferred out from change in subsidiary				
to associate (Supplementary statement 2)	(17,960,234.77)	-	-	-
<b>CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,</b>	<b>64,369,681.50</b>	<b>292,333,312.32</b>	<b>54,545,962.33</b>	<b>59,803,565.50</b>

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



# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (3/4)

### FOR THE YEAR ENDED DECEMBER 31, 2018

	BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS :				
NON-CASH FLOWS ITEMS COMPRISE :				
Decrease investments in associate due to translation of financial statements differences on exchange rate	(193,442.21)	-	-	-
Gain (loss) from the remeasuring of investments in available-for-sale securities	(4,250,065.24)	73,886,675.37	(4,060,416.49)	73,886,675.37
Reversal on gain from the remeasuring of investments in available-for-sale securities	(16,279,953.17)	(1,491,292.47)	(16,279,953.17)	-
Transferred investments in subsidiary to investments in associate	4,211,240.87	-	2,700,000.00	-
Decrease investments in associate due to advance received from disposal of investment	-	(33,333,500.00)	-	(33,333,500.00)
Increase investments in associate from adjustment of actuarial estimates from employee benefit plan of associate	985,988.64	-	-	-
Increase in equipment from asset payable	674,156.85	11,700.00	674,156.85	-
Converted investments in convertible debentures to investments in available-for-sale securities	11,234,970.00	-	11,234,970.00	-
Effect of adjustment of actuarial estimates from employee benefit plan :-				
- Increase in deferred tax assets	-	(456,006.80)	-	(169,958.00)
- Increase in provision for long-term employee benefits	-	2,280,032.00	-	849,788.00
- Decrease in retained earnings	-	(1,770,199.54)	-	(679,830.00)
- Decrease in non-controlling interests	-	(53,825.66)	-	-

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

# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (4/4)

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### SUPPLEMENTARY STATEMENT 1 (THE SEPARATE FINANCIAL STATEMENTS)

Amalgamation with subsidiary

As at January 3, 2018, the Company received business transferred from Fame Line Company Limited, a subsidiary of the Company as follows:

	<u>BAHT</u>
Cash and cash equivalents	207,359,741.64
Trade accounts receivable	152,640,589.80
Other receivables	1,034,378.58
Advertising-in-progress	3,570,653.71
Other current assets	1,742,614.73
Investments in related company-Diginakhon Co., Ltd.	300,000.00
Plant, property improvement and equipment	17,574,245.55
Deferred tax assets	2,929,843.53
Other non-current assets	198,809.00
Trade accounts payable	(200,295,860.55)
Other accounts payable	(27,449,765.60)
Accrued corporate income taxes	(4,135,472.78)
Other current liabilities	(4,117,915.38)
Provision for long-term employee benefits	(16,344,926.00)
Legal reserve	(1,000,000.00)
Net assets as at business transferred date	<u>134,006,936.23</u>
Investments in subsidiary as at business transferred	<u>(18,966,010.00)</u>
Retained earnings received from business transferred	<u><u>115,040,926.23</u></u>

#### SUPPLEMENTARY STATEMENT 2 (THE CONSOLIDATED FINANCIAL STATEMENTS)

Diginakhon Company Limited, formerly its subsidiary has a change of directors's structure, as a result, the Company has a loss in control, therefore transfers a change of investments in subsidiary to investments in associate, and transfer the net assets as at January 1, 2018 out of consolidated as follows:

	<u>BAHT</u>
Cash and cash equivalents	17,960,234.77
Trade accounts receivable	5,519,148.07
Other accounts receivables	10,225.00
Intangible assets	19,049.50
Refundable withholding tax	84,956.49
Other non-currents assets	16,000.00
Trade accounts payable	(14,153,312.00)
Other accounts payable	(277,095.00)
Other current liabilities	(142,464.62)
Non-controlling interests	<u>(4,825,501.34)</u>
Net assets in subsidiary transferred out to investments in associate	<u><u>4,211,240.87</u></u>

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

# FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2018

#### 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	<p>(1) Advertising agent or broker, and in production and advertising related services.</p> <p>(2) Investing in its associates and subsidiaries which carry on business according to Notes 9 and 10 to the financial statements, respectively.</p>

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 amalgamation 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.

#### 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 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 Fame Line DDB Public Company Limited and its subsidiaries and its equity in associates as follows:

## SUBSIDIARIES

COMPANIES	% HOLDING		ESTABLISHED IN
	2018	2017	
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>			
FAME LINE COMPANY LIMITED	-	99.99	THAILAND
SPRINGBOARD PLUS COMPANY LIMITED	99.99	99.99	THAILAND
INTEGRATED COMMUNICATION COMPANY LIMITED	40.00	40.00	THAILAND
DIGINAKHON COMPANY LIMITED	-	40.00	THAILAND
<u>SUBSIDIARIES HELD IN DIGINAKHON COMPANY LIMITED</u>			
FAME LINE COMPANY LIMITED	-	5.00	THAILAND
INTEGRATED COMMUNICATION COMPANY LIMITED	4.00	4.00	THAILAND

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

The Company has changed investment in Diginakorn Co., Ltd. from subsidiary to investments in associate because of Diginakorn Co., Ltd. has a change of directors' structure, as a result, has a loss in control.

## ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	2018	2017	
<u>ASSOCIATES DIRECTLY HELD BY THE COMPANY</u>			
MEDIA INTELLIGENCE COMPANY LIMITED	30.00	30.00	THAILAND
DIGINAKHON COMPANY LIMITED	45.00	-	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	70.00	THAILAND
I-DAC (BANGKOK) COMPANY LIMITED	60.00	60.00	THAILAND
MEDIA INTELLIGENCE (MYANMAR) LIMITED	70.00	70.00	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 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)**

44. TFRIC 1 (revised 2017) Changes in Existing Decommissioning, Restoration and Similar Liabilities
45. TFRIC 4 (revised 2017) Determining Whether an Arrangement Contains a Lease
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

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, 2019

**Thai Accounting Standards (TAS)**

1. TAS 1 (revised 2018) Presentation of Financial Statements
2. TAS 2 (revised 2018) Inventories
3. TAS 7 (revised 2018) Statement of Cash Flows
4. TAS 8 (revised 2018) Accounting Policies, Changes in Accounting Estimates and Errors
5. TAS 10 (revised 2018) Events After the Reporting Period
6. TAS 12 (revised 2018) Income Taxes
7. TAS 16 (revised 2018) Property, Plant and Equipment

8. TAS 17 (revised 2018) Leases
9. TAS 19 (revised 2018) Employee Benefits
10. TAS 20 (revised 2018) Accounting for Government Grants and Disclosure of Government Assistance
11. TAS 21 (revised 2018) The Effects of Changes in Foreign Exchange Rates
12. TAS 23 (revised 2018) Borrowing Costs
13. TAS 24 (revised 2018) Related Party Disclosures
14. TAS 26 (revised 2018) Accounting and Reporting by Retirement Benefit Plans
15. TAS 27 (revised 2018) Separate Financial Statements
16. TAS 28 (revised 2018) Investments in Associates and Joint Ventures
17. TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies
18. TAS 33 (revised 2018) Earnings Per Share
19. TAS 34 (revised 2018) Interim Financial Reporting
20. TAS 36 (revised 2018) Impairment of Assets
21. TAS 37 (revised 2018) Provisions, Contingent Liabilities and Contingent Assets
22. TAS 38 (revised 2018) Intangible Assets
23. TAS 40 (revised 2018) Investment Property
24. TAS 41 (revised 2018) Agriculture

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

25. TFRS 1 First-time Adoption of International Financial Reporting Standards
26. TFRS 2 (revised 2018) Share-based Payment
27. TFRS 3 (revised 2018) Business Combinations
28. TFRS 4 (revised 2018) Insurance Contracts
29. TFRS 5 (revised 2018) Non-current Assets Held for Sale and Discontinued Operations
30. TFRS 6 (revised 2018) Exploration for and Evaluation of Mineral Resources
31. TFRS 8 (revised 2018) Operating Segments
32. TFRS 10 (revised 2018) Consolidated Financial Statements
33. TFRS 11 (revised 2018) Joint Arrangements
34. TFRS 12 (revised 2018) Disclosure of Interests in Other Entities
35. TFRS 13 (revised 2018) Fair Value Measurement
36. TFRS 15 Revenue from Contracts with Customers

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

37. TSIC 10 (revised 2018) Government Assistance - No Specific Relation to Operating Activities
38. TSIC 15 (revised 2018) Operating Leases-Incentives
39. TSIC 25 (revised 2018) Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders

40. TSIC 27 (revised 2018) Evaluating the Substance of Transactions Involving the Legal Form of a Lease
41. TSIC 29 (revised 2018) Service Concession Arrangements: Disclosure
42. TSIC 32 (revised 2018) Intangible Assets - Web Site Costs

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

43. TFRIC 1 (revised 2018) Changes in Existing Decommissioning, Restoration and Similar Liabilities
44. TFRIC 4 (revised 2018) Determining Whether an Arrangement Contains a Lease
45. TFRIC 5 (revised 2018) Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
46. TFRIC 7 (revised 2018) Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economies
47. TFRIC 10 (revised 2018) Interim Financial Reporting and Impairment
48. TFRIC 12 (revised 2018) Service Concession Arrangements
49. TFRIC 14 (revised 2018) TAS 19 (revised 2018) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
50. TFRIC 17 (revised 2018) Distributions of Non-cash Assets to Owners
51. TFRIC 20 (revised 2018) Stripping Costs in the Production Phase of a Surface Mine
52. TFRIC 21 (revised 2018) Levies

And Effective for fiscal years beginning on or after January 1, 2020

**Thai Accounting Standards (TAS)**

53. TAS 32 Financial Instruments: Presentation

**Thai Financial Reporting Standards (TFRS)**

54. TFRS 7 Financial Instruments: Disclosures
55. TFRS 9 Financial Instruments

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

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

Management of group companies is evaluating the impact of such accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations 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 services 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 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 Advertising-in-progress**

Cost of work, which is not yet recognized as revenues, is recorded in advertising in progress 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 investments 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 long-term 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:

	<u>Years</u>
Building and building 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 Share-based payment transactions**

Granting right to equity securities purchase to employees or individuals is considered share-based payment transaction when it does not appear that the right to equity securities purchase has an objective other than a payment for goods or services provided to the Company. The Company will record the difference between fair value and purchase price of equity securities at the date on which the options are granted as expenses in statements of income, and recorded a capital reserve for share-based payment transactions presented in shareholders' equity.

#### **4.13 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 statements of income unless part of transaction recorded in shareholders' equity recorded directly to equity.

#### **4.14 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.

#### **4.15 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.

#### 4.16 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	
	2018	2017	2018	2017
Cash	101,156.80	109,847.14	93,138.39	33,946.04
Cash at bank	43,125,397.97	271,372,880.58	33,459,728.45	39,051,972.40
Short term fixed deposit	21,143,126.73	20,850,584.60	20,993,095.49	20,717,647.06
Cash and cash equivalents	64,369,681.50	292,333,312.32	54,545,962.33	59,803,565.50

## 6. INVESTMENTS IN OPEN-END FUND

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Investments in Open-end Fund-Debt securities	162,013,872.28	104,970,856.37	150,825,406.44	75,971,876.92
<u>Add</u> Allowance for investment adjustment	1,136,676.51	406,478.06	1,016,623.59	194,501.44
Investments in Open-end Fund-Fair value	163,150,548.79	105,377,334.43	151,842,030.03	76,166,378.36

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 YEARS ENDED DECEMBER 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Unrealized gain on investments in Open-end Fund	1,052,542.87	406,478.06	975,357.73	194,501.44
Realized gain on disposal of investments in Open-end Fund	563,909.86	2,121,418.64	502,894.92	352,638.31
Gains on investments in Open-end Fund	1,616,452.73	2,527,896.70	1,478,252.65	547,139.75

## 7. TRADE ACCOUNTS RECEIVABLE

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
<b><u>Trade accounts receivable of related parties</u></b>				
Trade accounts receivable				
Current	190,517,193.64	182,607,634.55	182,076,530.74	94,508,090.05
Overdue within 3 months	47,866,751.64	85,117,481.20	46,883,092.77	58,338,098.34
Overdue between 6 to 12 months	963,695.50	-	963,695.50	-
Total	239,347,640.78	267,725,115.75	229,923,319.01	152,846,188.39
<b><u>Trade accounts receivable of other companies</u></b>				
Trade accounts receivable				
Current	38,401,172.25	49,433,120.28	28,564,595.34	11,652,829.00
Overdue within 3 months	58,158,301.95	16,552,950.68	46,179,726.35	4,266,480.00
Overdue between 3 to 6 months	597,060.00	-	597,060.00	-
Overdue between 6 to 12 months	-	100,000.00	-	100,000.00
Overdue more than 12 months	9,810,492.50	9,810,492.00	9,810,492.50	9,810,492.00
Total	106,967,026.70	75,896,562.96	85,151,874.19	25,829,801.00
<u>Less</u> Allowance for doubtful accounts	(9,810,492.50)	(9,810,492.50)	(9,810,492.50)	(9,810,492.50)
Trade accounts receivable others-net	97,156,534.20	66,086,070.46	75,341,381.69	16,019,308.50
Note receivable	-	30,834.31	-	-
Trade accounts receivable - net	336,504,174.98	333,842,020.52	305,264,700.70	168,865,496.89

## 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 for the years	
	2018	2017	2018	2017	2018	2017
<b>Related Companies</b>						
1. Saha Pathana Inter-Holding Plc.	0.24	0.28	12,896,366.17	3,981,560.00	1,040,805.00	624,483.00
2. I.C.C. International Plc.	0.29	0.29	5,519,382.00	5,519,382.00	927,289.00	969,438.50
3. Saha Pathanapibul Plc.	0.33	0.33	7,510,671.54	7,510,671.54	1,638,577.50	1,966,293.00
4. Boutique New City Plc.	0.06	0.06	1,710,000.00	1,710,000.00	36,000.00	54,000.00
Total cost			27,636,419.71	18,721,613.54	3,642,671.50	3,614,214.50
<u>Add</u> Gain from the remeasuring of investments in available-for-sale			167,216,679.04	175,860,447.71		
Investments in available-for-sale - related companies - fair value			194,853,098.75	194,582,061.25		
<b>Other Companies</b>						
1.The Siam Cement Plc.			386,397.20	386,397.20	31,500.00	57,000.00
2. Nation Multimedia Group Plc.			4,072,387.00	4,072,387.00	-	-
3. Nation International Edutainment Plc.			51,782.40	51,782.40	-	-
Total cost			4,510,566.60	4,510,566.60	31,500.00	57,000.00
<u>Less</u> Loss from the remeasuring of investments in available-for-sale			(1,715,854.36)	(1,188,595.62)		
Investments in available-for-sale - other companies-fair value			2,794,712.24	3,321,970.98		
<b>Private Fund</b>						
1. BBL Asset Management Co., Ltd.			190,000,000.00	140,000,000.00	2,000,000.00	4,000,000.00
2. Kasikorn Asset Management Co., Ltd.			210,000,000.00	160,000,000.00	6,000,000.00	-
Total cost			400,000,000.00	300,000,000.00	8,000,000.00	4,000,000.00
<u>Add</u> Gain from the remeasuring of investments in available-for-sale			1,650,788.96	12,820,131.21		
Investments in available-for-sale - Private fund-fair value			401,650,788.96	312,820,131.21		
<b>Total investments in available-for-sale - net (Separate financial statements)</b>			599,298,599.95	510,724,163.44	11,674,171.50	7,671,214.50
<b>Subsidiary invested in Private Fund</b>						
BBL Asset Management Co., Ltd.			10,000,000.00	-	-	-
<u>Less</u> Loss from the remeasuring of investments in available-for-sale			(189,648.75)	-		
<b>Total investments in available-for-sale of the subsidiary - net</b>			9,810,351.25	-	-	-
<b>Total investments in available-for-sale-net (Consolidated)</b>			609,108,951.20	510,724,163.44	11,674,171.50	7,671,214.50

BAHT

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			2018	2017
1. Saha Pathana Inter-Holding Plc.	Commerce	Co - directors	567,971,154.00	494,034,300.00
2. I.C.C. International Plc.	Fashion	Co - directors	290,633,730.00	290,633,730.00
3. Saha Pathanapibul Plc..	Commerce	Co - directors	330,000,000.00	330,000,000.00
4. Boutique New City Plc.	Fashion	Co - directors	120,000,000.00	120,000,000.00

In November 2018, the Company has sold investments in Saha Pathana Inter-Holding Public Company Limited to related person amount of shares 249,666 (cost value of Baht 9.29 per share) at price Baht 65.52 per share. The Company obtained proceed from disposal amount of Baht 16.36 million, recognized gain on disposal of investment in the statements of income amount of Baht 14.04 million in the consolidated financial statements and the separate financial statements.

In June 2018, investments in Saha Pathana Inter-Holding Public Company Limited has increased 249,666 shares, amount of Baht 11.23 million, from the conversion of convertible debentures (see Note 12).

## 9. INVESTMENTS IN ASSOCIATES

BAHT

CONSOLIDATED	% Holding		Equity Method	
	2018	2017	2018	2017
Media Intelligence Co., Ltd.	30.00	30.00	158,079,684.10	144,876,284.17
Diginakhon Co., Ltd.	46.60	-	4,290,990.99	-
Total			162,370,675.09	144,876,284.17
THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method	
	2018	2017	2018	2017
Media Intelligence Co., Ltd.	30.00	30.00	6,001,470.00	6,001,470.00
Diginakhon Co., Ltd.	45.00	-	2,700,000.00	-
Total			8,701,470.00	6,001,470.00

BAHT

ASSOCIATES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS FOR THE YEARS	
		2018	2017	2018	2017
Myanmar Spa Today Far East Advertising Limited.	Agency or broker advertising	-	-	-	2,700,000.00
Media Intelligence Co., Ltd.	Agency or broker advertising	20,000,000.00	20,000,000.00	18,000,000.00	19,999,920.00
Diginakhon Co., Ltd.	Agency or broker advertising	6,000,000.00	-	900,000.00	-
Total				18,900,000.00	22,699,920.00

In January 2018, the Company changed the type of investment in Diginakorn Company Limited from investments in subsidiary to investments in associated company. Due to changes in the management structure Causing the business to lose control in that company.

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 in the statements of income 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 in the statements of income 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 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, 2018 and 2017, as follows :

BAHT

SHARE OF PROFIT (LOSS) FROM INVESTMENTS FOR USING THE EQUITY METHOD FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED	
	2018	2017
MEDIA INTELLIGENCE COMPANY LIMITED	30,477,990.50	27,860,002.55
DIGINAKHON COMPANY LIMITED	1,011,750.12	-
MYANMAR SPA TODAY FAR EAST ADVERTISING LIMITED	-	1,620,567.93
SPA TODAY FAR EAST (THAILAND) COMPANY LIMITED	-	(76,479.70)
Total	31,489,740.62	29,404,090.78

#### 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 years	
	2018	2017	2018	2017	2018	2017
MEDIA INTELLIGENCE COMPANY LIMITED	1,229.78	1,045.23	677.05	541.75	101.59	92.87
DIGINAKHON COMPANY LIMITED	18.81	-	9.60	-	2.17	-
MYANMAR SPA TODAY FAR EAST ADVERTISING LIMITED	-	-	-	-	-	5.40
SPA TODAY FAR EAST (THAILAND) COMPANY LIMITED	-	-	-	-	-	(0.25)



## 10. INVESTMENTS IN SUBSIDIARIES

BAHT

SUBSIDIARIES	% Holding		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	2018	2017	2018	2017
FAME LINE COMPANY LIMITED	-	99.99	-	18,966,010.00
SPRINGBOARD PLUS COMPANY LIMITED	99.99	99.99	* 3,385,631.00	* 3,385,631.00
INTEGRATED COMMUNICATION COMPANY LIMITED	40.00**	40.00**	1,400,000.00	1,400,000.00
DIGINAKHON COMPANY LIMITED	-	40.00**	-	2,400,000.00
Total cost			4,785,631.00	26,151,641.00
Less Allowance for impairment			* (3,385,631.00)	* (3,385,631.00)
Total Investments in Subsidiaries - net			1,400,000.00	22,766,010.00

\*\* 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.

BAHT

SUBSIDIARIES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS FOR THE YEARS	
		2018	2017	2018	2017
<b><u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u></b>					
FAME LINE COMPANY LIMITED	Advertising Agency	-	4,000,000.00	-	103,782,000.00
SPRINGBOARD PLUS COMPANY LIMITED	Advertising Agency	6,511,000.00	6,511,000.00	-	-
INTEGRATED COMMUNICATION COMPANY LIMITED	Public Relation	3,500,000.00	3,500,000.00	2,240,000.00	2,100,000.00
DIGINAKHON COMPANY LIMITED	Advertising Agency	-	6,000,000.00	-	-
<b><u>SUBSIDIARIES HELD IN DIGINAKHON CO., LTD.</u></b>					
FAME LINE COMPANY LIMITED	Advertising Agency	-	4,000,000.00	-	-
INTEGRATED COMMUNICATION COMPANY LIMITED	Public Relation	3,500,000.00	3,500,000.00	-	-
TOTAL				2,240,000.00	105,882,000.00

On January 3, 2018, the Company has acquired the transferred business of Fame Line Company Limited, in order to increase efficiency of the Company's operation and Fame Line Company Limited has registered a dissolution with the Ministry of Commerce on January 12, 2018.

In January 2018, the Company has changed its investment in Diginakhon Co., Ltd. from investments in subsidiaries to investments in associates because of Diginakhon Co., Ltd. has a change of directors' structure, as a result, has a loss in control of such company.

## 11. OTHER LONG-TERM INVESTMENTS

BAHT

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Investment Value		Dividends for the years	
	2018	2017	2018	2017	2018	2017
1. Thai Samsung Electronics Co., Ltd.	0.08	0.08	1,000,000.00	1,000,000.00	300,000.00	300,000.00
2. Raja Uchino Co., Ltd.	1.50	1.50	1,533,500.00	1,533,500.00	18,225.00	182,250.00
3. Treasure Hill Co., Ltd.	1.00	1.00	* 2,000,000.00	* 2,000,000.00	-	-
4. Advantage Footwear Co., Ltd.	0.38	0.38	**1,387,500.00	**1,387,500.00	32,606.25	34,687.50
5. Sahapat Properties Co., Ltd.	2.50	2.50	500,000.00	500,000.00	40,000.00	20,000.00
6. Eastern Rubber Co., Ltd.	1.50	1.50	* 450,000.00	*450,000.00	-	-
7. Spec Thai Plc.	4.64	4.64	* 9,280,000.00	*9,280,000.00	-	-
8. K. Commercial & Construction Co., Ltd.	2.00	2.00	1,000,000.00	1,000,000.00	-	100,000.00
9. Imperial Technology Management Services Co., Ltd.	0.70	0.70	* 6,250,000.00	* 6,250,000.00	-	-
10. Thai Flying Maintenance Co., Ltd.	10.00	10.00	* 200,000.00	* 200,000.00	-	-
11. First United Industry Co., Ltd.	1.00	1.00	400,000.00	400,000.00	120,000.00	120,000.00
12. Waseda Education (Thailand) Co., Ltd.	4.91	7.14	982,200.00	1,568,000.00	-	-
13. Thanara Co., Ltd.	1.67	1.67	1,500,000.00	1,500,000.00	-	-
14. Pinnacle Travel Co., Ltd.	3.93	3.93	* 122,500.00	* 122,500.00	-	-
15. Dairy Thai Co., Ltd.	3.04	3.04	** 5,850,000.00	**5,850,000.00	-	-
16. Sun108 Co., Ltd.	0.63	1.27	** 3,164,080.00	**2,531,260.00	885,948.00	885,948.00
17. United Utility Co., Ltd.	5.71	5.71	20,000,000.00	20,000,000.00	-	1,000,000.00
18. American Food Co.,Ltd.	-	0.03	-	4,200,000.00	-	-
Total cost			55,619,780.00	59,772,760.00	1,396,779.25	2,642,885.50
Less Allowance for loss on capital decrease			** (6,112,495.00)	** (6,112,495.00)		
Allowance for impairment of investments in other companies			*(18,180,345.00)	*(18,171,810.00)		
Total other long-term investments companies-net (Separate financial statements)			31,326,940.00	35,488,455.00		
GSB Lottery No.101 (3 years) (Due on September 26, 2020)			1,000,000.00	1,000,000.00		
Total other long-term investments companies-net (Consolidated) (Consolidated)			32,326,940.00	36,488,455.00		

In December 2018, the Company has purchased ordinary shares in Sun108 Co., Ltd., amount of 63,282 shares, at Baht 10 per share, worth amount of Baht 0.63 million.

In December 2018, the Company has sold investment in Waseda Education (Thailand) Company Limited to related person amount of 4,464 shares (cost value of Baht 100 per share), at price of Baht 320 per share, recognized gain on disposal of investment amount of Baht 982,080 in the statements of income and resulted to the investment proportion decrease to 4.91 percent.

In December 2018, the Company has sold investment in American Food Co., Ltd. to related company amount of 420,000 shares (cost value of Baht 10 per share), at a price of Baht 10.11 per share, recognized gain on disposal of investment amount of Baht 46,200 in the statements of income.

In June 2018, Waseda Education (Thailand) Company Limited has reduced its capital from 219,520 shares, at Baht 100 par value to 200,000 shares at Baht 100 par value. The Company has recorded decrease in proportion of investment refund from investment in the amount of Baht 139,400.

In December 2017, the Company has purchased ordinary shares in Sun 108 Co., Ltd, amount of 84,376 shares, at Baht 10 per share, 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 per share, 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.

## 12. INVESTMENTS IN CONVERTIBLE DEBENTURES

On June 22, 2017, the Company has invested in convertible debentures issued by Saha Pathana Inter-Holding Plc. according to the proportion of shareholding in such company. The additional details are as follows:

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	AMOUNT OF UNIT (UNIT)		INVESTMENT VALUE (BAHT)	
	2018	2017	2018	2017
<b>Related Company</b> Convertible Debentures of Saha Pathana Inter-Holding Public Company Limited No. 1/2017 Due 2024 (At face value of Baht 1,000)	-	11,235	-	11,235,000.00
TYPE OF CONVERTIBLE DEBENTURES	The Convertible Debentures are issued in registered form, unsecured, unsubordinated, associated with the rights of conversion into the newly issued common stocks of the Company and with a debenture holders' representative.			
TENOR (YEARS)	7			
INTEREST RATE (%) PER ANNUM	0.70			
INTEREST PERIOD	Interest is receivable 4 times per annum on 29 every March, June, September and December of each year during the terms of the Convertible Debentures.			
CONVERSION PRICE (BAHT : COMMON STOCKS)	45 : 1			
CONVERSION RATIO (CONVERTIBLE DEBENTURES : COMMON STOCKS)	1 : 22.222222			
CONVERSION DATE	4 times per annum, in March, June, September and December of each year. The first conversion date is in June 2018.			

In June 2018, the Company has converted all investments in convertible debentures into ordinary shares, amount of 249,666 shares, at a conversion price of Baht 45 each to 1 ordinary share, worth amount Baht 11,234,970 and the Company has recorded as investments in available-for-sale (see Note 8).

13. PROPERTY, PLANT AND EQUIPMENT

BAHT

CONSOLIDATED	Land	Building and building improvement	Office furniture and fixtures equipment	Motor vehicles	Assets under installation	Total
<b><u>Cost</u></b>						
January 1, 2017	159,185,182.50	104,918,307.23	87,216,053.92	39,059,767.06	-	390,379,310.71
Purchases	-	2,816,460.66	2,088,122.46	-	-	4,904,583.12
Disposal/unused	-	-	(1,188,294.49)	(4,728,000.00)	-	(5,916,294.49)
December 31, 2017	159,185,182.50	107,734,767.89	88,115,881.89	34,331,767.06	-	389,367,599.34
Purchases	-	6,173,974.23	3,076,420.37	-	1,947,500.00	11,197,894.60
Disposal/ unused	-	-	(5,308.41)	(8,522.40)	-	(13,830.81)
December 31, 2018	159,185,182.50	113,908,742.12	91,186,993.85	34,323,244.66	1,947,500.00	400,551,663.13
<b><u>Accumulated depreciation</u></b>						
January 1, 2017	-	80,064,112.33	80,747,994.72	32,663,274.78	-	193,475,381.83
Depreciation for the year 2017	-	3,376,426.50	2,488,016.00	917,960.93	-	6,782,403.43
Disposal/ unused	-	-	(1,188,251.49)	(4,273,398.00)	-	(5,461,649.49)
December 31, 2017	-	83,440,538.83	82,047,759.23	29,307,837.71	-	194,796,135.77
Depreciation for the year 2018	-	3,569,057.82	2,420,589.77	208,164.20	-	6,197,811.79
Disposal/ unused	-	-	(5,306.41)	(8,517.40)	-	(13,823.81)
December 31, 2018	-	87,009,596.65	84,463,042.59	29,507,484.51	-	200,980,123.75
<b><u>Net book value</u></b>						
December 31, 2017	159,185,182.50	24,294,229.06	6,068,122.66	5,023,929.35	-	194,571,463.57
December 31, 2018	159,185,182.50	26,899,145.47	6,723,951.26	4,815,760.15	1,947,500.00	199,571,539.38

THE SEPARATE FINANCIAL STATEMENTS	Land	Building and building improvement	Office furniture and fixtures equipment	Motor vehicles	Assets under installation	Total
<b><u>Cost</u></b>						
January 1, 2017	159,185,182.50	83,247,131.51	65,512,082.89	23,021,016.06	-	330,965,412.96
Purchases	-	532,570.66	688,505.83	-	-	1,221,076.49
Disposal/ unused	-	-	-	(3,748,000.00)	-	(3,748,000.00)
December 31, 2017	159,185,182.50	83,779,702.17	66,200,588.72	19,273,016.06	-	328,438,489.45
Purchases	-	6,173,974.23	3,048,028.22	-	1,947,500.00	11,169,502.45
The business transferred	-	19,450,502.05	16,171,004.33	7,443,000.00	-	43,064,506.38
Disposal/ unused	-	-	-	(8,522.40)	-	(8,522.40)
December 31, 2018	159,185,182.50	109,404,178.45	85,419,621.27	26,707,493.66	1,947,500.00	382,663,975.88
<b><u>Accumulated depreciation</u></b>						
January 1, 2017	-	69,108,822.90	62,901,151.35	21,139,795.11	-	153,149,769.36
Depreciation for the year 2017	-	1,682,063.65	1,102,535.84	506,186.55	-	3,290,786.04
Disposal/ unused	-	-	-	(3,583,398.00)	-	(3,583,398.00)
December 31, 2017	-	70,790,886.55	64,003,687.19	18,062,583.66	-	152,857,157.40
Depreciation for the year 2018	-	3,554,939.95	2,209,027.20	579,003.87	-	6,342,971.02
The business transferred	-	8,159,215.48	12,872,381.97	4,458,663.38	-	25,490,260.83
Disposal/ unused	-	-	-	(8,517.40)	-	(8,517.40)
December 31, 2018	-	82,505,041.98	79,085,096.36	23,091,733.51	-	184,681,871.85
<b><u>Net book value</u></b>						
December 31, 2017	159,185,182.50	12,988,815.62	2,196,901.53	1,210,432.40	-	175,581,332.05
December 31, 2018	159,185,182.50	26,899,136.47	6,334,524.91	3,615,760.15	1,947,500.00	197,982,104.03

#### 14. INTANGIBLE ASSETS

BAHT

Computer softwares	CONSOLIDATED
<b>Cost</b>	
January 1, 2017	28,000.00
December 31, 2017	28,000.00
Decreased from transferred of investment type	(28,000.00)
December 31, 2018	-
<b>Accumulated amortization</b>	
January 1, 2017	3,350.70
Amortization for the year 2017	5,599.80
December 31, 2017	8,950.50
Decreased from transferred of investment type	(8,950.50)
December 31, 2018	-
<b>Net book value</b>	
December 31, 2017	19,049.50
December 31, 2018	-

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

BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
<u>Defined benefit obligation</u>				
Beginning balances	29,085,233.34	47,739,793.34	22,289,101.34	27,659,856.34
<u>Add</u> Increase employee benefits from business transferred	16,344,926.00	-	16,344,926.00	-
Actuarial loss from employee benefit plan	-	2,280,032.00	-	849,788.00
<u>Add</u> Current service cost	2,364,057.00	2,595,017.00	2,073,981.00	1,442,309.00
Interest cost	1,063,683.00	1,101,152.00	928,312.00	622,983.00
<u>Less</u> Benefit paid during the years	(1,595,803.00)	(8,285,835.00)	(1,432,469.00)	(8,285,835.00)
Ending balances	47,262,096.34	45,430,159.34	40,203,851.34	22,289,101.34

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

PERCENTAGE PER ANNUM

PARTICULARS	CONSOLIDATED	SEPARATE FINANCIAL STATEMENTS
Discount rate	2.08 - 2.11	2.08
Salary increase rate (depends on the age)	6.43	6.43
Staff turnover rate (depends on the age) :		
20 - 29 years old	37.00	37.00
30 - 39 years old	21.00	21.00
40 - 49 years old	12.00	12.00
50 - 59 years old	7.00	7.00

On December 13, 2018, the National Legislative Assembly approved the draft Labor Protection Act, that will become effective 30 days after its publication in the Government Gazette, to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This change is considered a post-employment benefits plan amendment, as a result of this change when the labor law come into force. The Company and its subsidiaries will record the effect of this change by additional increase the liabilities for long-term employee benefits in the statements of financial position and recognize past service costs as expenses in the statements of income, which the Company and its subsidiaries have expect to record such transactions after the labor law come into force.

## 16. SHARE CAPITAL AND EMPLOYEE STOCK OPTIONS

On August 15, 2018, the Company has registered the increase of registered capital with the Department of Business Development, Ministry of Commerce, follow the resolutions of the Extraordinary Meeting of Shareholders No.1/2018, approval of the capital increase of the Company, in the amount of Baht 3.70 million from the existing registered capital of Baht 75 million to Baht 78.70 million by issuing 370,000 ordinary shares of Baht 10 par value, which will be allocated for reserving to accommodate the issuance and offering of the newly issued ordinary shares to directors, executives and employees of the Company under the FE-ESOP scheme.

Stock options exercised during the period to interim date current year resulted in 249,950 shares being issued, in the totalling share amount of 370,000 shares, the exercise price of the stock option at a price of Baht 99 per share, the market prices at the grant date Baht 189 per share. On October 1, 2018, the Company has registered the paid-up share capital with the Ministry of Commerce amount Baht 2,499,500 (249,950 ordinary shares of Baht 10 par value) from The Employee Stock Option Program (FE-ESOP) in the first period.

## 17. THE DIRECTORS, EXECUTIVES AND EMPLOYEES OF THE COMPANY UNDER THE STOCK OPTIONS PROGRAM (FE-ESOP)

In the resolutions of the Company's Extraordinary Shareholders' Meeting No.1/2018 held on August 1, 2018, shareholders approved The Employee Stock Option Program (FE-ESOP), as follows:

Term of scheme	- 1 year starting from the date that the Shareholders' Meeting approved the FE-ESOP.
Offering period	- August 1, 2018 to July 31, 2019.
Type	- Registered transferable ordinary shares.
Total number of ordinary shares to be offered	- 370,000 ordinary shares of Baht 10 par value.
Offering price per share	- Baht 99 per share.
Fair value price of ordinary share at the grant date	- The market price of share at the grant date, the price from references from The Stock Exchange of Thailand (SET).
Silent period	- Directors, Executives and Employees of the Company under FE-ESOP allocating of newly issued ordinary shares will be able to sell shares when holding shares 2 years or more from the date of ownership of the newly issued ordinary shares.

During the September 10, 2018 to September 14, 2018, the Company has opened the newly issued ordinary shares to Directors, Executives and Employees of the Company under FE-ESOP offering the exercise price of the stock option at a price of Baht 99 per share, the market prices at the grant date Baht 189 per share, details of exercising right and remaining balance are as follows:

	<b><u>Amount of stock option</u></b>
Issued	370,000
Exercised	(249,950)
Remaining balance as at December 31, 2018	<u>120,050</u>

In October 2018, the Company has registered the increase of shares capital from the right to purchase 249,950 shares issued to employees to the amount of 249,950 ordinary shares, at a par value of 10 Baht per share, amount of Baht 2,499,500 with the Ministry of Commerce and recorded premium on common stocks shares at Baht 89 per share, amount of Baht 22,245,550, the residual from the market price the Company, has recorded share-based payment expenses in the consolidated and separate financial statements in the amount of Baht 22,495,500 (249,950 stock option at Baht 90).



## 18. 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. During the period the Company has additional legal reserve from the transfer business of Fame Line Company Limited, a subsidiary of the Company, amount of Baht 1,000,000.

## 19. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On April 26, 2018, the resolutions of the Company's Ordinary General Shareholders' Meeting No. 24 for the year 2018, approved to pay dividends from the past result of the Company's operations, amount 7,500,000 shares at Baht 10 per share the amount of Baht 75 million. The dividend payment was made on May 23, 2018 and approved a resolution to pay directors' remuneration at the maximum of Baht 6 million per year.

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.

## 20. EXPENSES BY NATURE

PARTICULARS	BAHT			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Services and commissions expenses	344,400,519.80	399,139,866.69	259,441,056.94	127,009,291.98
Director and management benefit expenses	62,775,668.00	40,117,801.00	57,486,950.00	25,378,214.00
Employee benefit expenses	205,893,512.38	203,272,603.64	178,232,201.16	83,808,829.16
Depreciation	6,197,811.79	6,782,403.43	6,342,971.02	3,290,786.04
Amortization of intangible assets	-	5,599.80	-	-
Other expenses	27,644,739.57	31,242,294.12	23,812,803.41	14,713,645.93
Total	646,912,251.54	680,560,568.68	525,315,982.53	254,200,767.11

## 21. 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, 2018 and 2017 are Baht 6.64 million (the Company Baht 5.61 million) and Baht 6.77 million (the Company Baht 3.15 million), respectively.

## 22. INCOME TAX

Corporate income taxes of the Company and subsidiaries for the years ended December 31, 2018 and 2017 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	
	2018	2017	2018	2017
The corporate income tax for the years	22,631,808.01	27,369,932.92	21,274,935.62	12,134,179.12
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(561,195.99)	1,003,358.81	(490,388.64)	1,255,338.89
<b>Income tax expenses</b>	<b>22,070,612.02</b>	<b>28,373,291.73</b>	<b>20,784,546.98</b>	<b>13,389,518.01</b>

As at December 31, 2018 and 2017, the deferred tax assets/liabilities arose from the following temporary differences:

BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
<b>Accumulated temporary differences in the statements of income</b>				
Allowance for doubtful trade accounts receivable	9,810,492.50	9,810,492.50	9,810,492.50	9,810,492.50
Allowance for investments in Open-end Fund	(1,136,676.51)	(406,478.06)	(1,016,623.59)	(194,501.44)
Allowance for loss on capital decrease and for impairment in investments	24,292,840.00	24,284,305.00	24,292,840.00	24,284,305.00
Provision for long-term employee benefits	47,262,096.34	43,150,127.34	40,203,851.34	21,439,313.34
Calculate depreciation difference from tax rate	-	(1,695,708.35)	-	-
<b>Total</b>	<b>80,228,752.33</b>	<b>75,142,738.43</b>	<b>73,290,560.25</b>	<b>55,339,609.40</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	(166,961,964.89)	(187,491,983.30)	(167,151,613.64)	(187,491,983.30)
<b>- recognized in retained earnings</b>				
Provision for long-term employee benefits	-	2,280,032.00	-	849,788.00
<b>Total</b>	<b>(86,733,212.56)</b>	<b>(110,069,212.87)</b>	<b>(93,861,053.39)</b>	<b>(131,302,585.90)</b>
<b>Deferred tax liabilities</b>	<b>(17,346,642.51)</b>	<b>(22,013,842.17)</b>	<b>(18,772,210.68)</b>	<b>(26,260,516.77)</b>

## 23. EARNINGS PER SHARE

Basic earnings per share for the years ended December 31, 2018 and 2017 were calculated by dividing profit for the year attributable to equity holders of the parent with the number of common stocks held by outsiders by the weighted average method as follows:

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
<b>Profit attributable to common stocks</b>				
Equity holders of the parent	<b>100,988,642.91</b>	<b>121,401,623.22</b>	<b>87,814,108.46</b>	<b>187,861,125.77</b>
Number of common stocks outstanding at January 1, (share)	7,500,000	7,500,000	7,500,000	7,500,000
Effect of shares options exercised (share)	62,488	-	62,488	-
<b>Weighted average number of common stocks outstanding (share)</b>	<b>7,562,488</b>	<b>7,500,000</b>	<b>7,562,488</b>	<b>7,500,000</b>
<b>Earnings per share (Baht)</b>	<b>13.35</b>	<b>16.19</b>	<b>11.61</b>	<b>25.05</b>

## 24. FINANCIAL INFORMATION BY SEGMENT

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

## 25. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

The Company has certain business transactions with its related persons 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.

RELATED PERSONS AND PARTIES	RELATIONSHIP
Associates	See Note 9
Subsidiaries	See Note 10
Related companies	
Saha Pathana Inter-Holding Plc.	Shareholders / co - directors
I.C.C. International Plc.	Shareholders / co - directors
Saha Pathanapibul Plc.	Shareholders / co - directors
Lion Corporation (Thailand) Limited	Co - directors
Boutique New City Plc.	Co - shareholders
Thai President Foods Plc.	Co - directors/ Co - shareholders
Ruamissara Co., Ltd.	Co - directors
Winteregency Co., Ltd.	Major shareholder in an associate of Company
HAKUHODO DY MEDIA PARTNERS INC.	Shareholder in an associate of the Company
President Bakery Plc.	Co - major shareholders
Pinnacle (Travel) Co., Ltd.	Co - directors
Chailadadol Co., Ltd.	Co - directors
Data First Co., Ltd.	Co - directors
Chokwattana Co., Ltd.	Co - directors
Bangkok Athletic Co., Ltd.	Director is relative with director of the the Company
Related persons	Directors's Company /subsidiaries and spouses of directors 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	
	2018	2017	2018	2017
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	8,086,524.91	11,447,287.18
- Associates	3,497,203.35	3,417,423.67	3,497,203.35	3,417,423.67
- Related companies	235,850,437.43	264,307,692.08	218,339,590.75	137,981,477.54
Total	239,347,640.78	267,725,115.75	229,923,319.01	152,846,188.39
<u>Other receivables</u>				
- Subsidiaries	-	-	20,764.62	227,582.42
- Associates	600.00	-	600.00	-
- Related companies	53,265.05	229,260.00	53,265.05	229,260.00
Total	53,865.05	229,260.00	74,629.67	456,842.42
<u>Investments in available-for-sale-fair value securities</u>				
- Related companies (Note 8)	194,853,098.75	194,582,061.25	194,853,098.75	194,582,061.25
<u>Investments in convertible debentures</u>				
- Related company	-	11,235,000.00	-	11,235,000.00
<u>Purchase investments in subsidiaries</u>				
- Related person	-	11,497,220.00	-	11,497,220.00
<u>Sale investments in associates</u>				
- Related person	-	8,550,000.00	-	8,550,000.00
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	1,163,090.00	5,230,996.46
- Associates	12,988,614.32	6,871,624.00	11,434,348.57	6,490,306.37
- Related companies	1,138,397.52	15,465,170.78	1,138,397.52	468,530.00
Total	14,127,011.84	22,336,794.78	13,735,836.09	12,189,832.83
<u>Other non-current liabilities</u>				
- Subsidiaries	-	-	99,000.00	297,500.00
- Associates	16,000.00	-	16,000.00	-
- Related companies	756,000.00	552,000.00	756,000.00	552,000.00
Total	772,000.00	552,000.00	871,000.00	849,500.00

Transactions in statements of income for the years ended December 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
<u>Income from services and commissions</u>				
- Subsidiaries	-	-	14,440,607.94	14,737,713.70
- Associates	5,103,157.84	-	5,103,157.84	-
- Related companies	337,770,267.56	342,111,873.96	296,279,281.21	107,916,419.62
Total	342,873,425.40	342,111,873.96	315,823,046.99	122,654,133.32
<u>Gain on disposal of investments in available-for-sale security</u>				
- Related person	14,037,952.49	-	14,037,952.49	-
<u>Gain on investments disposal in associate</u>				
- Related companies	-	17,920,089.60	-	32,666,830.00
- Related person	-	408,774.40	-	7,753,507.93
Total	-	18,328,864.00	-	40,420,337.93
<u>Gain on disposal of investments in other companies</u>				
- Related companies	46,200.00	-	46,200.00	-
- Related person	982,080.00	-	982,080.00	-
Total	1,028,280.00	-	1,028,280.00	-
<u>Other incomes</u>				
- Subsidiaries	-	-	1,708,800.00	5,085,600.00
- Associates	30,000.00	300,000.00	30,000.00	300,000.00
- Related companies	4,295,992.30	2,856,080.00	4,261,080.00	2,856,080.00
Total	4,325,992.30	3,156,080.00	5,999,880.00	8,241,680.00
<u>Dividend income</u>				
- Subsidiaries	-	-	2,240,000.00	105,882,000.00
- Associates	-	-	18,900,000.00	22,699,920.00
- Related companies	3,642,671.50	3,614,215.00	3,642,671.50	3,614,215.00
Total	3,642,671.50	3,614,215.00	24,782,671.50	132,196,135.00
<u>Cost of services and commissions</u>				
- Subsidiaries	-	-	3,804,200.00	27,706,392.13
- Associates	12,290,997.36	8,605,078.57	12,290,997.36	6,486,068.40
- Related companies	1,806,747.50	22,171,469.83	181,747.50	-
Total	14,097,744.86	30,776,548.40	16,276,944.86	34,192,460.53
<u>Other expenses</u>				
- Related companies	120,000.00	120,000.00	120,000.00	120,000.00
<u>Interest expenses</u>				
- Related person	10,815.18	-	-	-

## **26. COMMITMENT AND CONTINGENT LIABILITIES**

26.1 As at December 31, 2018, 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.

26.2 As at December 31, 2018, 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.

26.3 As at December 31, 2018, the Company had outstanding forward contract line from a commercial bank of USD 200,000 from the total of USD 200,000 or equivalent.

## **27. THE BUSINESS TRANSFER**

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 amalgamation 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 the business of Fame Line Company Limited is similar to the Company's business. Furthermore, the transfer of business of Fame Line Company Limited shall strengthen and increase the potential to expand customer base and lead the Company to be a leader in the business. This transaction pursuant to the relevant regulations issued under the Revenue Code and the Company shall be entitled to tax exemption. Under the entire business transfer all assets, debts, rights, duties and obligations of Fame Line Company Limited shall be transferred to the Company. Then, the Company presented the initial amount of account with the total value of net book value according to the financial statements as of January 3, 2018. This transaction of business transfer has no effect to the structure of shareholding of the Group companies. (As the Statement of Cash Flow, Supplement Statement 1).

## **28. RECLASSIFICATION**

The Company certain accounting transactions in the consolidated financial statements and the separate financial statements for the year ended December 31, 2017 have been reclassified to conform to the consolidated financial statements and the separate financial statements for the year ended December 31, 2018. The reclassifications had no effect to previously reported profit or shareholders' equity.

## **29. 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:

### **29.1 Accounting policies and procedure**

See Note 4.

### **29.2 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.

#### 29.3 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.

#### 29.4 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.

### **30. FINANCIAL STATEMENTS APPROVAL**

These financial statements were authorized for issuing by the Company's authorized directors on February 25, 2019.





# OUR WORK

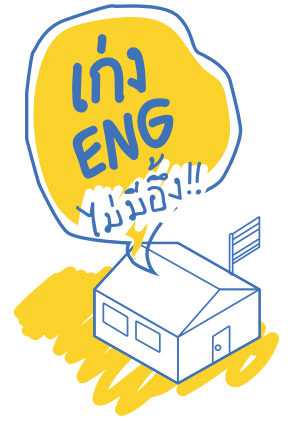






# OUR CSR

## School Project 12th “Learn ENG with Real!”



2018 was the 12th 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 ‘Learn ENG with Real’ concept, the company supports Ban Khok Sa-at School in Saraburi province to build an English Learning Garden, arrange the English camp for students in every level and support training course “Training to Young Guide” program with the intention to increase the opportunity to learn English to the poor school as English is so in demand and has the major role in the modern world.



The company also cooperated with Lion (Thailand) Co., Ltd. to support "Beautiful teeth, bright smile by ourselves" project by donating toothbrushes and toothpaste and encouraging tooth brushing after lunch for the whole school to create awareness and encourage the student to know how to maintain cleanliness within the mouth and teeth. The company also composed the English songs about brushing teeth for the school to use in such activity.



On behalf of all our clients, the company’s employees delivered this wonderful occasion to Ban Khok Sa-at School in Saraburi province on 16 November 2018. Employees participated in joyful activities with the students, donated learning materials, stationery, consumer products and scholarship, while also preparing lunch, as a special gift to the children in the hope of encouraging them to have fun in the New Year. It was a happy occasion that provided equal joy to both the giver and the recipient.





## Activities with the members of 'Si Ayutthaya Road Goes Green' Network



The company and Far East Fame Line DDB Group as a whole joined 'Si Ayutthaya Road Goes Green' network, the collaboration between owners of high-rise buildings and government departments located on Si Ayutthaya road which aims to strengthen cooperation and promote a conservation conscience with the goal of increasing greenery, reducing waste and energy consumption on Si Ayutthaya road. The Company and the network have organized various activities together as follows:

### Calendar Donation to the Blinds

The Company and the members of Si Ayutthaya Road Goes Green Network donated used calendars, books, and magazines to The Educational Technology for the Blind Center on March 16, 2018 in order to further use as materials for producing braille books and distribute to nationwide blind centers.



### Walk campaign for Earth Hour 2018 Bangkok

Si Ayutthaya Road Goes Green Network join the 60+ Earth Hour 2018 campaign in Ratchathewi District on March 20, 2018 to encourage the community to turn off lights for an hour in "Earth Hour 2018 Bangkok" on March 24, 2018 during 8.30–9.30 p.m., together with others in 7,000 cities in 187 nations across the world to mark the Earth Hour, the world's biggest annual environmental event to raise awareness of climate change and the need for environmental protection.



### Donation to priest hospital

Si Ayutthaya Road Goes Green Network, led by Marisa Sukosol – Chairman of the Network, support the network to arrange for merit making among 25 network members in the activity "Si Ayutthaya Ruamjai Dedicated to the priest hospital" on 9 August 2018 in the amount of 133,505 baht to honor HM Queen Sirikit of the late King Bhumibol Adulyadej on the occasion of her 86th birthday anniversary.



### Si Ayutthaya Goes Strong : Running Project 2018

Members of the Si Ayutthaya Road Goes Green participated in the "Si Ayutthaya goes Strong : Running Project 2018" at Suan Santipap park on 21 December 2018 to enhance a good health among all members and strengthen a good relationship between 20 members in the network.

