

Chuo Senko Annual Report 2012

Dynamic Growth And Prosperity.



Annual Report 2012

Index

6 Financial Highlights

10 Message from Chairman

14 General Information

18 Organization Structure

20 Management Team

26 Personal Information of Directors & Managements

36 Policy Role Responsibility

44 Nature of Business

48 Risk Factors

52 Capital Structure

53 Connected Transactions

58 Financial Position & Operating Results

64 Board of Directors' Responsibility for Financial Reporting

65 Audit Committee Report

68 Financial Statements



An abstract graphic featuring a large, stylized circular shape. The shape is composed of several concentric, overlapping arcs in a light orange color, creating a sense of motion or a stylized 'C' or 'O'. The background is white.

Financial **H**ilights

Financial Highlights

CHUO SENKO (THAILAND) PUBLIC COMPANY LIMITED FINANCIAL HIGHLIGHTS

(Unit : Baht in Millions)

Operating Results	2012	2011	2010	2009	2008
Billings	1,452.78	1,351.81	1,535.99	1,397.97	1,366.94
Commission and services income	321.08	322.14	323.16	276.81	288.87
Other income	10.10	10.21	12.69	6.10	16.73
Total revenues	331.18	332.34	335.85	282.91	305.60
Net profit	-21.81	-10.76	17.24	1.77	13.58
Current assets	675.23	461.41	581.80	584.43	534.79
Total assets	796.64	547.54	615.29	613.17	581.34
Total liabilities	663.61	395.72	427.25	426.59	385.75
Total shareholders' equity	133.03	151.82	188.03	186.58	195.59

Financial Ratios	2012	2011	2010	2009	2008
Net profit margin	-6.79%	-3.34%	5.34%	0.64%	4.70%
Return on equity	-15.31%	-6.33%	9.21%	0.93%	6.92%
Return on assets	-3.24%	-1.85%	2.81%	0.30%	2.29%
Current ratio	1.07	1.24	1.38	1.39	1.40
Debt to equity ratio	4.99	2.61	2.27	2.29	1.97
Earnings per share (Baht)	-1.94	-0.96	1.53	0.16	1.21
Dividend per share (Baht)		0.30	0.80	0.30	0.70
Book value per share (Baht)	10.34	13.15	16.17	14.93	15.18
Par value (Baht)	5.00	5.00	5.00	5.00	5.00

Operating Results



An abstract graphic featuring a large, light orange circle with a white center. The circle is surrounded by several concentric, slightly irregular orange rings, creating a sense of depth and movement. The overall design is clean and modern.

Message from Chairman

A portrait of Mr. Katsuyuki Mizumachi, a middle-aged man with dark hair and glasses, wearing a dark blue pinstriped suit, white shirt, and blue patterned tie. He has his arms crossed and is standing against a background of large, stylized orange and white circular patterns.

Mr. Katsuyuki Mizumachi

Chairman and
Authorized Director

Message from Chairman

Towards Half a Century it is my pleasure to announce that 2012 marks the end of our 49th year in business in ASEAN, and as we embark into our 50th anniversary in 2013, we do so on a solid footing of trust, service and appreciation with our clients as well as exciting new opportunities on the horizon.

Based on this history and experience, we have positioned ourselves to be a "GLOCAL" company, meaning that we seek to offer the highest Global standards accompanied with a deep local knowledge across ASEAN of the local cultures, tastes and business practices.

Our 49-year history in ASEAN combined with our deep understanding of the local cultures is one of our greatest strengths and competitive advantage.

Strengthen The Team for Higher Efficiency and Quality :

Heading into our 50th year, we continue to bolster our Team's Expertise. I am pleased to announce that in September we gained a strong new President, Mr. Shuji Okawa, who has extensive experience in Japan as well as the U.S., the U.K., Korea and other markets in the advertising industry over 30 years. He will be able to greatly contribute to our company by improving cost efficiency whilst raising our standards and quality of work, as well as supporting our regional team. He is already doing an excellent job and we look forward to succeeding together.

Vision & Expansion :

In light of the global trend that the World Economy is moving away from the '40% US 40% EU 20% ASIA', of 10 years ago, to a more balanced and equal state of closer to '30% US 30% EU 30% ASIA', our management team decided and acted to further invest in Asia. To summarize some of our major decisions in 2012, this year we :

- Entered into a Joint Venture with one of the largest and most awarded advertising agencies in India, DDB Mudra, which gives us unparalleled scope in the Indian market
- Entered into strategic alliance with Daiko (4th largest Japanese Advertising Agency), allowing us to assist in serving new Japanese clients across our existing ASEAN network
- Launched a Second Brand, Ad Asia, to grow our new business in ASEAN
- Became one of the world's first advertising agencies to open an office in Myanmar where we are already making TV Commercials, Hosting Events for clients across the country and have started doing our core business of Shop Design and renovation

Evolution :

Going forward, whilst rigorously maintaining our core business and its service values, we intend to continue to seek business opportunities which match with our specialized abilities. It is self evident that time is changing our business environment, and we are implementing plans that will allow the company to adapt and be flexible, so that we can evolve smoothly to benefit from new opportunities.

Appreciation :

To all of our valued stakeholders, I give my personal gratitude for your ongoing encouragement and faith in your Company. Lastly, I give my thanks and appreciation to all our staff and employees throughout our home and regional offices for their dedication and contribution to building a stronger and better company.

An abstract graphic featuring a large, light orange circle with a white center. The circle is surrounded by several concentric, slightly irregular orange rings, creating a sense of depth and movement. The overall design is clean and modern.

General Information

General Information

ISSUER

Name	: Chuo Senko (Thailand) Public Company Limited
Nature of Business	: Advertising Agency
Head Office	: 622 Emporium Tower, 18th Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Registration No.	: 0107544000116
Telephone	: (662) 664-9700
Facsimile	: (662) 664-9720-21
Home Page	: www.chuosenko.co.th
Paid-up Share Capital	: Baht 56.25 million of which 11,250,000 shares

ENTITIES WHOSE SHARES ARE HELD BY CHUO EXCEEDING 10%

Chuo Senko Vietnam Design Services One Member Company Limited

Nature of Business	: Advertising Agency
Registered Office	: 19th floor, Fideco Tower, 81-83-85 Ham Nghi Street, Dist.1, Ho Chi Minh City, SR Vietnam
Telephone	: +84-8-3824-5231
Facsimile	: +84-8-3824-5230
Registered Capital	: Baht 22.14 million
Investment Portion	: 100%

JM Chuo Senko Sdn. Bhd.

Nature of Business	: Advertising Agency
Registered Office	: Upper Penthouse, Wisma RKT, 2, Jalan Raja Abdullah, Off Jalan Sultan Ismail, 50300 Kuala Lumpur, Malaysia
Telephone	: +603-2287-1888
Facsimile	: +603-2287-1889
Registered Capital	: Baht 7.21 million
Investment Portion	: 100%

Chuo Senko (Cambodia) Holding Co., Ltd.

Nature of Business	: Advertising Agency
Registered Office	: Building 35-37 1st floor Room B5, Street 214, Sangkat, Boeung Rieng, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia
Telephone	: +855-23-991481
Facsimile	: +855-23-991116
Registered Capital	: Baht 0.23 million
Investment Portion	: 100%

PT. Chuo Senko Consultant

Nature of Business	: Business Management Consulting Services
Registered Office	: Sentral Senayan II, 7th floor Jl. Asia Afrika No. 8, Jakarta 10270 Indonesia
Telephone	: +62-21-572-5845
Facsimile	: +62-21-572-5844
Registered Capital	: Baht 6.17 million
Investment Portion	: 99%

Chuo Senko Dynamics (ROH) Co., Ltd.

Nature of Business	: Business Planning and Support Group Companies
Registered Office	: 622 Emporium Tower, 18th Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Telephone	: (662) 664-9772
Facsimile	: (662) 664-9773
Registered Capital	: Baht 30.00 million
Investment Portion	: 82%

Wonder Asia Co., Ltd.

Nature of Business	: Marketing and Event Services
Registered Office	: 622 Emporium Tower, 18th Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Telephone	: (662) 664-9880
Facsimile	: (662) 664-9720
Registered Capital	: Baht 1.00 million
Investment Portion	: 100%

RDSS Co., Ltd.

Nature of Business	: Shop Decoration and Development Services
Registered Office	: 622 Emporium Tower, 18th Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Telephone	: (662) 664-9770-1
Facsimile	: (662) 664-9720
Registered Capital	: Baht 3.00 million
Investment Portion	: 100%

Digital DNA Co., Ltd.

Nature of Business	: Digital Marketing Services
Registered Office	: 622 Emporium Tower, 18th Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Telephone	: (662) 664-9200
Facsimile	: (662) 664-9720
Registered Capital	: Baht 1.00 million
Investment Portion	: 100%

Chuo Senko (Myanmar) Pte. Ltd.

Nature of Business	: Production and Advertising Services
Registered Office	: 10 Anson Road, 17-21 International Plaza, Singapore 079903
Registered Capital	: Baht 9.00 million
Investment Portion	: 65%

Be 1 Communications Co., Ltd.

Nature of Business	: Operating Public Relations Business and Advertising Services
Registered Office	: 622 Emporium Tower, 18th Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Registered Capital	: Baht 16.00 million
Investment Portion	: 50.80%

Ad Asia Co., Ltd.

Nature of Business	: Production and Advertising Services
Registered Office	: 121 Moo 13 Kookot, Lamlukka, Pathumthani
Registered Capital	: Baht 10.00 million
Investment Portion	: Chuo Senko Dynamics (ROH) Co., Ltd. holds 100%

OTHER REFEREES**Company Registrar**

Name	: Thailand Securities Depository Co., Ltd.
Registered Office	: The Stock Exchange of Thailand Building, 62 Rachadapisek Rd., Klongtoey, Klongtoey, Bangkok 10110
Telephone	: 0-2359-1200
Facsimile	: 0-2359-1259

Auditors

Auditor's Name	: Ms.Supannee Triyanantakul Certified Public Accountant No.4498
Company's Name	: Ernst & Young Office Limited
Registered Office	: 33rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	: 0-2264-0777
Facsimile	: 0-2264-0789-90

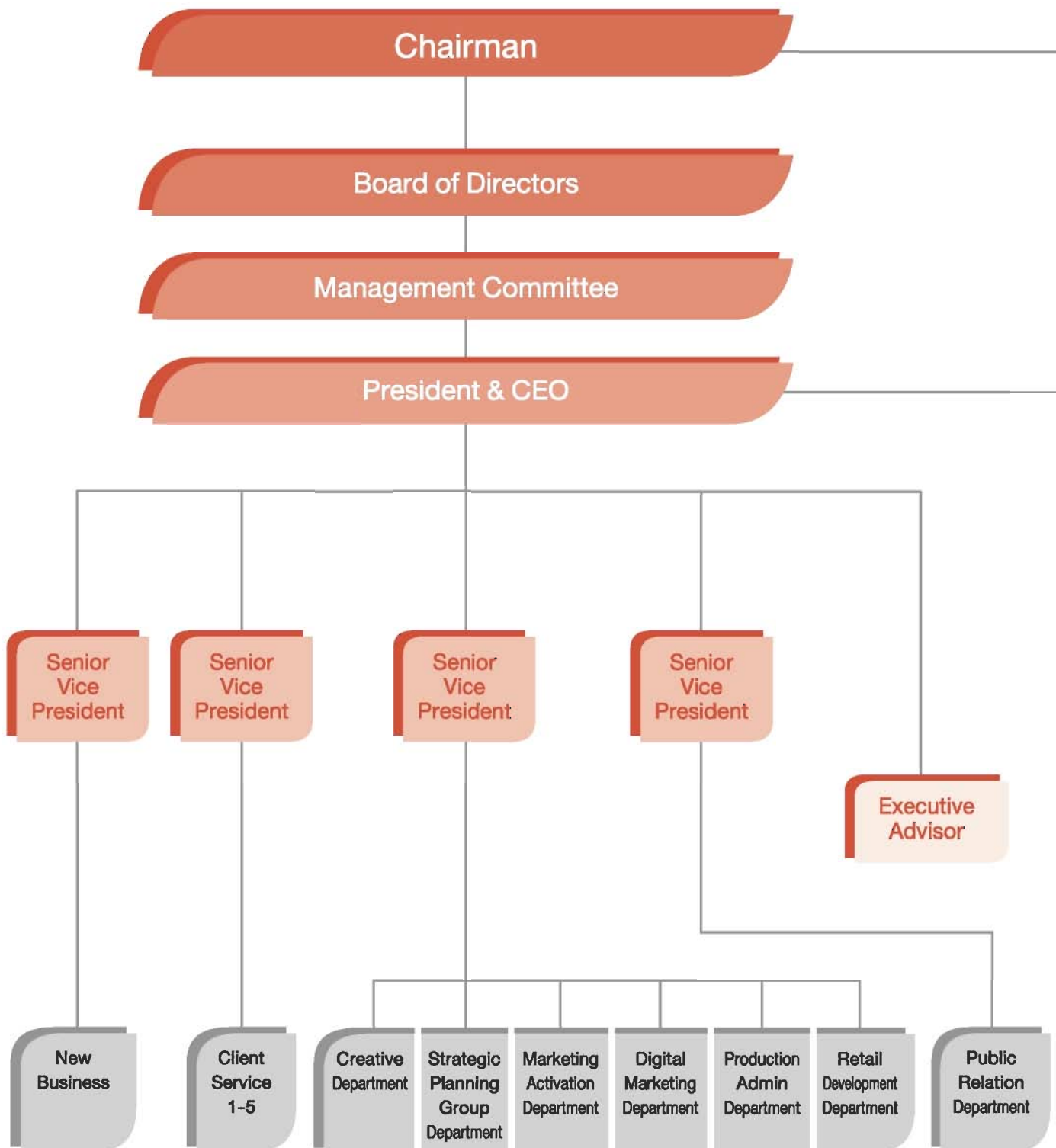
Legal Consultant

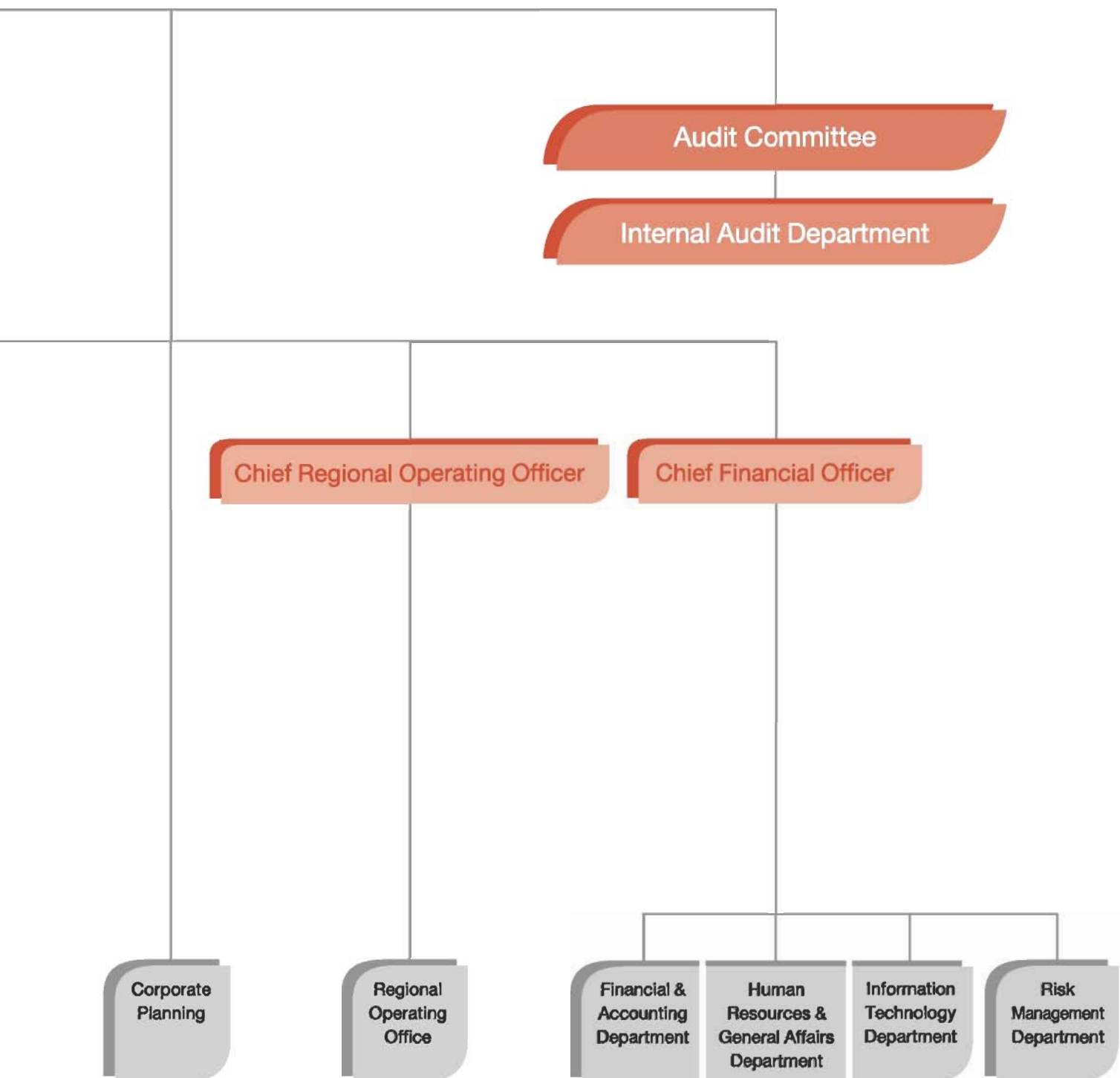
Company's Name	: KPMG Phoomchai Legal & Tax Ltd.
Registered Office	: 195 Empire Tower, 49th Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	: 0-2677-2000
Facsimile	: 0-2677-2441-4

An abstract graphic featuring a large, light orange circle with a white center. The circle is surrounded by several concentric, slightly irregular orange rings, creating a sense of depth and movement. The overall design is clean and modern.

Organization Structure

Organization Strcture





Management Team



Mr. Katsuyuki Mizumachi
Chairman and Authorized Director



Mr. Shuji Okawa
Authorized Director



Mr. Apirux Wanasathop
Independent Director and
Chairman of the Audit Committee



Mr. Kiichi Okuyama
Authorized Director



Mr. Vichien Linchongsubongkoch
Director



Mr. Teetitorn Chullapram
Independent Director and
Audit Committee's Member



Mr. Gurdaib Singh s/o Pala Singh
Independent Director and
Audit Committee's Member

Management Team

As of February 15th, 2013, the company has 3 sets of boards/ committees, which are The Board of Directors, Audit Committee and Management Committee.

Board of Directors

The Board of directors is comprised of 7 members as follows :

- | | | |
|----|----------------------------------|--|
| 1. | Mr. Katsuyuki Mizumachi | Chairman and Authorized Director |
| 2. | Mr. Shuji Okawa | Authorized Director |
| 3. | Mr. Kiichi Okuyama | Authorized Director |
| 4. | Mr. Vichien Linchongsubongkoch | Director |
| 5. | Mr. Apirux Wanasathop | Independent Director and Chairman of the Audit Committee |
| 6. | Mr. Teetitorn Chullapram | Independent Director and Audit Committee's Member |
| 7. | Mr. Gurdaib Singh s/o Pala Singh | Independent Director and Audit Committee's Member |

Audit Committee

The Audit Committee is comprised of 3 members who were elected at the Board of Directors' meeting no. 9/2011, held on April 28, 2011. Those members are considered Independent Directors and are not employees of the company.

- | | | |
|----|----------------------------------|--|
| 1. | Mr. Apirux Wanasathop | Chairman of Audit Committee |
| 2. | Mr. Teetitorn Chullapram | Audit Committee's Member |
| 3. | Mr. Gurdaib Singh s/o Pala Singh | Audit Committee's Member
(Audit Committee's Member qualified for reviewing the reliability of financial statements) |

Management Committee

The Management Committee is comprised of 6 members as follows :

- | | | |
|----|----------------------------|----------------------------------|
| 1. | Mr. Katsuyuki Mizumachi | Chairman and Management Director |
| 2. | Mr. Shuji Okawa | Management Director |
| 3. | Mr. Kiichi Okuyama | Management Director |
| 4. | Ms. Chanita Chulachata | Management Director |
| 5. | Mr. Songklod Akeunnop | Management Director |
| 6. | Ms. Jongkolnee Subruenruay | Management Director |

Executive Team

The Executive Team was formed in accordance with the notification of the Capital Market Supervisory Board, and comprises of 9 members as follows :

- | | | |
|----|----------------------------|----------------------------------|
| 1. | Mr. Katsuyuki Mizumachi | Chairman |
| 2. | Mr. Shuji Okawa | President and CEO |
| 3. | Mr. Kiichi Okuyama | Chief Financial Officer |
| 4. | Mr. Takayoshi Makino | Chief Regional Operating Officer |
| 5. | Mr. Swasthorn Kuanswang | Senior Vice President |
| 6. | Ms. Chanita Chulachata | Senior Vice President |
| 7. | Mr. Songklod Akeunnop | Senior Vice President |
| 8. | Ms. Jongkolnee Subruenruay | Senior Vice President |
| 9. | Mr. Krisda Leeaphorn | Senior Vice President |

An abstract graphic featuring a large, swirling orange shape that resembles a stylized 'C' or a wave, set against a white background. The shape has a textured, brush-stroke-like appearance.

Personal **I**nformation of **D**irectors & **M**anagements

Personal Information of Directors & Managements

1. Board Of Directors

No.	Name - Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work experience		
						Period	Position	Department / Name of Company / Type of Business
1.	Mr. Katsuyuki Mizumachi		See additional detail in Management detail table				Chairman and Authorized Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
2.	Mr. Shuji Okawa		See additional detail in Management detail table				Authorized Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
3.	Mr. Kiichi Okuyama		See additional detail in Management detail table				Authorized Director and Company Secretary	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
4.	Mr. Vichien Linchongsubongkoch	58	Bachelor Degree Communication Arts Chulalongkorn University	0.01	None	2011-Present	Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2008-2009	Advisor	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2005-2008	President & Chief Executive Officer	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2002-2005	Senior Executive Vice President & COO	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						1996-2002	Managing Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						1978-1996	Client Service Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service

No.	Name - Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work experience		
						Period	Position	Department / Name of Company / Type of Business
5.	Mr. Apirux Wanasathop	52	Master Degree Industrial Engineering and Management Oklahoma State University U.S.A. Bachelor Degree Engineering Chulalongkorn University Certificate Director Certification Program and Audit Committee Program from Thai Institute of Directors	0.00	None	2011-Present	Independent Director and Chairman of the Audit Committee	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2009-Present	Founder and Managing Director	ALL PA Co., Ltd. / Public Affairs
						2008-2009	Managing Director	APCO Worldwide Co., Ltd. / Public Relation Service
						2003-2005	Executive Director	Board of Trade of Thailand (BOT) & Thai Chamber of Commerce (TCC)
6.	Mr. Teetitor Chullapram	54	Bachelor Degree Engineering Chulalongkorn University Certificate Director Certification Program and Audit Committee Program from Thai Institute of Directors	0.00	None	2011-Present	Independent Director and Audit Committee's Member	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2007-Present	Council Member	Thai-Nichi Institute of Technology
						2005-Present	Executive Director & Vice President	Technology Promotion Association (Thailand-Japan)
						2005-2006	Managing Director	Starcom Co., Ltd. / Tele-Communication
7.	Mr. Gurdaib Singh s/o Pala Singh	59	Master Degree Business Administration of Strategic Management University of East London U.K. Bachelor Degree Business of Economic & Finance Middlesex Polytechnic U.K. Diploma in Law City University, London U.K. Barrister-at-law Lincoln's Inn, London U.K.	0.00	None	2011-Present	Independent Director and Audit Committee's Member	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2006-Present	Independent Director	Pollux Properties Co., Ltd. / Property
						1981-Present	Director	Advocate & Solicitor of the Supreme Court (Singapore) / Law Firm

2. Management Director

No.	Name – Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work experience		
						Period	Position	Department / Name of Company / Type of Business
1.	Mr. Katsuyuki Mizumachi		See additional detail in Management detail table				Chairman and Management Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
2.	Mr. Shuji Okawa		See additional detail in Management detail table				Management Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
3.	Mr. Kiichi Okuyama		See additional detail in Management detail table				Management Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
4.	Ms. Chanita Chulachata		See additional detail in Management detail table				Management Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
5.	Mr. Songklod Akeunnop		See additional detail in Management detail table				Management Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
6.	Ms. Jongkolnee Subruenruay		See additional detail in Management detail table				Management Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service

3. Management Team

No.	Name - Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work experience		
						Period	Position	Department / Name of Company / Type of Business
1.	Mr. Katsuyuki Mizumachi	64	Bachelor Degree Law Keio University Japan Certificate Thai Institute of Directors	0.08	None	2011-Present	Chairman	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2010 - Present	President and Chief Executive Officer	Asia Business Support Association Co., Ltd. / Consulting Service
						2007-2010	Executive Advisor	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						1997-2007	Senior Executive Vice President & CFO	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
2.	Mr. Shuji Okawa	59	Bachelor Degree Economics Keio University Japan	0.00	None	2012-Present	President and CEO	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2010-2012	President and CEO	Hakuhodo Cheil Inc. (Korea) / Advertising Service
						1999-2010	Managing Director	Group Nexus / H Ltd. (UK) / Advertising Service
						1997-1999	Managing Director	Hakuhodo UK Ltd. (UK) / Advertising Service
						1990-1997	Account Director	Hakuhodo Inc. (Japan) / Advertising Service
						1985-1990	Vice President	Hakuhodo Advertising America Inc. (USA) / Advertising Service

No.	Name - Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work experience		
						Period	Position	Department / Name of Company / Type of Business
3.	Mr. Kiichi Okuyama	57	Bachelor Degree Economics Kwansei Gakuin University Japan	0.00	None	2011-Present	Chief Financial Officer	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2010-Present	Director of Japan Affairs	Asia Business Support Association Co., Ltd. / Consulting Service
						2008-2010	Director	Pollars Laboratory Co., Ltd. / Bio-Energy Service
						2004-2007	Managing Director	Onward International Co., Ltd. / Trading Service
						2001-2004	General Manager	Nippon Outsourcing Co., Ltd. (Japan) / Outsourcing Service
						1998-2001	Senior Risk Analyst	GE Capital Leasing Co., Ltd. (Japan) / Leasing
						1979-1998	Leasing Business	Japan Leasing Corporation Co., Ltd. (Japan) / Leasing
4.	Mr. Takayoshi Makino	62	Bachelor Degree Education Tokyo University Japan	0.00	None	2012-Present	Chief Regional Operating Officer	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2008- 2011	Marketing Advisor	MCDecaux Inc. (Japan) / OOH Media Service
						2003-2008	Strategic Planning Director	Adcabinet Inc. (Japan) / Recruitment Service
						2001-2003	Marketing Planner	Asatsu-DK Inc. (Japan) / Advertising Service
						1983-2001	Senior Manager	Asatsu-DK Inc. (Japan) / Advertising Service
						1977-1983	Media Planning Director	Grey-Daiko Advertising Inc. (Japan) / Advertising Service

No.	Name - Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work experience		
						Period	Position	Department / Name of Company / Type of Business
5.	Mr. Swasthorn Kuanswang	48	Master Degree MBA Southeastern University Washington, DC, USA Bachelor Degree BSBA American University Washington, DC, USA	0.00	None	2010-Present	Senior Vice President	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2004-2010	Country Director	Chuo Senko (Cambodia) Holding Co., Ltd / Advertising Service
						2002-2004	Director	Euro RSCG Flagship Co., Ltd. / Advertising Service
						2001-2002	Director	Raku Entertainment / Entertainment Service
						1994-2001	Account Director	Bates (Thailand) Co., Ltd / Advertising Service
6.	Ms. Chanita Chulachata	48	Bachelor Degree Humanity Chiang Mai University	0.00	None	2012-Present	Senior Vice President	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2009-2012	Vice President	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2008-2009	Group Client Service Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						1993-2008	Client Service Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						1992-1993	Assistant Manager	J-PHO Co., Ltd. / Studio
						1991-1992	Account Executive	Thai Image Advertising Co., Ltd. / Advertising Service
						1987-1991	Advertising and Promotion Officer	Viceroy Inter Co., Ltd. / Cosmetic

No.	Name - Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work experience		
						Period	Position	Department / Name of Company / Type of Business
7.	Mr. Songklod Akeunnop	42	Bachelor Degree Journalism Thammasat University	0.00	None	2012-Present	Senior Vice President	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2010-2012	Vice President	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2009-2010	Group Client Service Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						1995-2009	Client Service Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						1993-1995	Account Executive	Meitsu Co., Ltd. / Advertising Service
						1990-1993	Account Executive	Prosper Ad Co., Ltd. / Advertising Service
8.	Ms. Jongkolnee Subruenruay	49	Master Degree Communication Arts Dhurakij Pundit University Bachelor Degree Journalism Thammasat University	0.00	None	2012-Present	Senior Vice President	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2008-2012	Managing Director	M1 Network Co., Ltd./ Consulting and marketing communication
						2005-2008	Managing Director	Be 1 Communications Co., Ltd. / Advertising Service
						1990-2005	Director	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service

No.	Name - Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work experience		
						Period	Position	Department / Name of Company / Type of Business
9.	Mr.Krisda Leeaphorn	51	Master Degree Business Administration University of Texas at Arlington USA Bachelor Degree Civil Engineering Iowa State University USA	0.00	None	2012-Present	Executive Senior Vice President	Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
						2008-2012	Executive Director	Nobilis-Thai Co., Ltd. / Consulting
						1998-2008	Director	Societe Generale Bank / Banking
						1997-1998	Vice President	Deutsche Bank / Banking
						1995-1997	Treasurer	Submicron Technology Plc. / Electronics
						1992-1995	Vice President	Bank of America / Banking
						1988-1992	Account Relationship Manager	Standard Chartered Bank / Banking

An abstract graphic featuring a large, light orange circle with a white center. The circle is surrounded by several concentric, slightly irregular orange rings, creating a sense of depth and movement. The overall design is clean and modern.

Policy Role **R**esponsibility

Policy Role Responsibility

Roles and Responsibilities of Directors

1. Directors must implement and direct the company's policies, as well as monitor and supervise its operations.
2. Directors have the power to appoint one or several management directors to perform, within the scope of roles and responsibilities of board, any acts on its behalf. The board has the right to call off, rectify or from time to time revise the appointment.

Roles and Responsibilities of Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:

- An opinion on the accuracy, completeness and creditability of the Company's financial report,
 - An opinion on the adequacy of the Company's internal control system,
 - An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - An opinion on the suitability of an auditor,
 - An opinion on the transactions that may lead to conflicts of interests,
 - The number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - Other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

The Audit Committee will have the term of service covers for 2 years to ensure the continuity of the performance of work. The Audit Committee members may be re-appointed for another term as the Board of Director's Meeting may think fit, but their membership term should not be automatically renewed.

Definitions and Qualification of Independent Director of the Company

Independent director must be independent from the management, the major shareholder, executive, and the connected persons of the company, including look after the interests of all shareholders equally with the following characteristics:

1. Hold not more than 1% of the total outstanding voting shares of the company, the company's major shareholder, a subsidiary or an associate or in any juristic person with a conflict of interests, calculating by each company.
2. Be neither a director that has a management authority, nor an employee, staff, advisor or retainer, authority figure of the company, the company's major shareholder, a subsidiary, an associate, a subsidiary of the same tier, or any juristic person with a conflict of interests, both in the present and at least two years prior to taking the position of independent director.
3. Is not involved in a business relationship with the company, the company's major shareholder, a subsidiary, an associate, or any juristic person with conflict of interests in a nature which may obstruct his independent judgment, both in the present and at least two years prior to taking the independent directorship.
4. Is neither an auditor nor professional service provider for the company.
5. Is not involved with management and major shareholders of the company.
6. Is not a director that has management authority in The Group of Companies.
7. No relationship by blood or legal registration to management, major shareholders, authority figures or nominees for management and authority figures of the company or a subsidiary.
8. Is not appointed as a representative of the company's directors, major shareholders, or shareholders who are related to the major shareholders of the company.
9. No other impediments or impairments to express independent opinions concerning the operations of the company.

Roles and Responsibilities of Management Directors, and Management Team

1. In conducting the business of the company, the managing directors and management team shall comply with the objectives, and the articles of association

of the company. In the instance, that the directors and/or management team may have a direct interest in, or a conflict of interest within the company, or in any of the subsidiaries, this business cannot be executed without a resolution from the board of directors meeting, in which independent directors have joined.

2. In setting up any direction for managing and expanding the business, the managing directors and management team shall comply with the policies set forth by the board, except those regulated by laws in which a resolution from the shareholder's meeting is required.

3. Examine, set-up and improve regulations and internal working systems of the company.

4. Examine information and/or facts in conducting business, before proposing them to the board of directors.

5. Develop salary structures, and other fringe benefits structures.

6. Have the authority to approve investments within established limits.

7. Have the authority to approve operating expenses within established limits.

8. May perform any other acts as assigned by the board.

To ease the performance of the business, the Board empowers the Managing Directors and Management team in order to conduct the business, to authorize the following. Service cost, Operating expenses, Customer credits, Financial institution credits and investments. The authorization level is organized starting from Head of Department, Vice President, Senior Vice President, Managing Director and President. Each level has the authority to approve only within its limits. Any requirements above established limits must receive approval from the Management team and the Board of Directors.

Appointment of Directors and Management

Appointment of the Directors

The Company does not have a nominating committee to consider the election of directors at present. However, the Board of Directors has discussed and considered the nomination of directors by taking into consideration the qualification of nominees, who shall be of knowledgeable with expertise from various occupations and having performed well their duties as Directors. In selecting a new director, an approval from a directors' meeting, that the independent directors have joined, must be granted.

In appointing the directors of the company, a resolution from the shareholder's meeting is required. The numbers of directors will be specified in the shareholder's meeting. In voting for the directors, each shareholder shall have a number of votes equal to the number of shares held. After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to exceeded, the chairperson shall have deciding vote.

One third of the directors shall vacate the office every year. However, retired directors may be re-elected.

Appointment of the Management

The existing management of the company is the nominating committee with the role to select qualified person to be the management of the company. The committee shall select the persons according to their knowledge, capabilities and related experience of the business. In selecting new management, the majority votes from a director's meeting must be granted.

Director's Remuneration

Remuneration of the directors in 2012.

Cash Remuneration

1. Remuneration of 7 directors

In 2012, the company did not pay the remuneration to directors who are the management team. However, the company has a policy of allocating Baht 1,680,000 as a meeting allowance and retainer fee for independent directors. Details are as following:

Unit (Baht)

Name	Position	Remuneration during year 2012		Total Remuneration
		Meeting Allowance	Retainer Fee	
Mr. Katsuyuki Mizumachi	Authorized Director	none	none	none
Mr. Shuji Okawa*	Authorized Director	none	none	none
Mr. Kiichi Okuyama	Authorized Director	none	none	none
Mr. Vichien Linchongsubongkoch	Director	none	none	none
Mr. Apirux Wanasathop	Independent Director and Chairman of the Audit Committee	200,000	400,000	600,000
Mr. Teetitorn Chullapram	Independent Director and Audit Committee's Member	200,000	350,000	550,000
Ms. Gurdaib Singh s/o Pala Singh	Independent Director and Audit Committee's Member	180,000	350,000	530,000

*Mr. Shuji Okawa was appointed to be Director effective from August 29, 2012

2. Remuneration of Management Directors, and Management Team

In 2012, the Group paid salaries, bonus, meeting allowances and related benefits to their directors and management totaling Baht 41 million (Company financial statements: Baht 35 million) (2011: Baht 50 million, company financial statements: Baht 36 million).

Other Remuneration

None

The Principles of Good Corporate Governance

The Policy of Internal Audit and Business Monitoring is under the supervision of the Managing Directors, is well aware of the importance of good corporate governance and set of corporate governance policies to ensure sustainable growth with honesty, professionalism, transparency and the equal treatment of shareholders and stakeholders, in order to fulfill according to the law and purposes of the Shareholders and Board of Directors resolution as is regulated at the Stock Exchange of Thailand as follows:

1. Rights of Shareholders

Shareholders all entitled to all basic rights at acceptable and trusted standards: the rights of investors in the stock exchange and the rights of owners of the company such as the rights to buy new shares, sell or transfer their own shares, the rights to receive dividends from the company, the rights to attend shareholders' meeting, the rights to propose the advance meeting's agenda and propose the nominated director, the rights to express opinions freely. Shareholders have the rights to vote at meeting according to the number of shares owned by each shareholder, whereby one share is for one vote and no particular shares allow them privilege to limit the rights of other shareholders.

1.1 The Company has disclosed all important and relevant information on the Company's website: www.chuosenko.co.th and SET's channel in order that shareholders are able to obtain clarify information and current situation of the Company.

1.2 In 2012, there was 1 shareholders meetings: The Annual General Meeting of Shareholders. The event was held at Heliconia Room 1-2 EL. Floor, Emporium Suites 622 Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110, and the company had forwarded the invitation letter with all details of the meeting to all shareholders (e.g. the agenda, the documents required to attend meeting, registration and voting for the meeting), prior to the event. In each agenda, the directors were able to give their opinion and details were recorded accurately so information could be rechecked. The company posted all information regarding shareholders meetings on the company's web site before sending out the notice of the meetings so that shareholders can study all information prior to receiving the notice.

1.3 The Board of Directors has a resolution of "The Principle for minority shareholders to propose AGM agenda items and nomination of candidates in advance" The company allows shareholders to propose any matters, as deemed appropriate, to be considered to include in the agenda for the Annual General Shareholders Meeting ("AGM") and name of qualified director candidate prior to the meeting. In this regard, it is considered as a part of the company's good corporate governance with the purpose of equitable and fair treatment of all shareholders. In addition, to let the procedures and consideration be obvious and transparent, and to ensure that the agenda selected is truly beneficial to the company. The Board will consider the proposal unless the board says otherwise. Moreover, the proposal approved by the Board will be included in the agenda of the AGM notice. The comment of the Board required in the notice will be stated as the agenda items proposed by shareholders. In the 2012 Shareholders' Annual General Meeting, the company invites shareholders to propose in advance agenda starting from October 11, 2011 until December 31, 2011 complied with its principal set by the Company. However, to date there are no proposals from shareholders.

2. Equitable Treatment of Shareholders

2.1 The company treats all shareholders, including those with management positions, non-executive shareholders and foreign shareholders in equitable and ethical treatments with abides by all guidelines and legal requirements.

2.2 The company encourages the use of proxy forms on which shareholders are able to specify their votes, provide an option to shareholders whereby they may appoint an independent director as their proxy and utilize a process in which shareholders are able to vote on individual nominees. Details of activities facilitating shareholders in attending the AGM is disclosed as the first item in the shareholders rights section.

2.3 The company has in place policies against the Company's Board of directors, the management and staff using insider information for personal gains or benefits and abusing self-dealing for example insider trading, using the company's internal information.

3. Role of Stakeholders

The company puts emphasis on the rights of all its stakeholders whether external and internal and conducts its business with responsibility and fairness to all stakeholders. The stakeholders shall also be treated fairly in accordance with their rights as specified in the Company's business ethics as summarized as follows:

- Shareholder : The company is focused in operating its business with the utmost honesty, integrity and ethics along with the utmost transparency to ensure sustainable growth for the company, and ultimately increasing the shareholders' long-term value and wealth.
- Client : The company operates with honesty and fairness, provides accurate information to customers, provides quality services and keep clients' confidential information.
- Supplier and Creditors : The company has conducted all business in a fair manner according to all contract conditions agreed with suppliers. In addition, The company honors all its obligations to creditors.
- Competitor : The company acts according to gentleman's practice and avoids any dishonesty in acquiring business.
- Employee : Employees are the key resources to the company's success. The company's policies include equitable treatment of all staffs; provide comparable compensation and ongoing personal developments.

The company provides a channel for such person to give their opinions and directly contact to board of directors and audit committee through e-mail address bod@chuosenko.co.th and auditcom@chuosenko.co.th, respectively or send a letter to the company with attention to board of director or audit committee.

4. Disclosure and Transparency

4.1 Investors Relations

The Board of Directors is aware that the company's information both financial and non-financial, affects the decision making of investors. Therefore, the management team is advised to give accurate and consistent information. The company has organized an Investor Relations office to provide information and news of the company's activities to investors, shareholders, analysts, and the general public. Investors can contact directly to Mr. Kiichi Okuyama, Tel: (02) 664-9700 ext. 1500 fax: (02) 664-9720-21 or email at okuyama@chuosenko.co.th

4.2 Directors' Report

The Board of Directors is responsible for the overall financial statements of the company and subsidiaries as reported in this annual report. The mentioned financial report is developed in accordance with accounting and financial standard as being generally accepted in Thailand. The company uses a proper accounting and financial practice on a regular basis. Important information is adequately reported in the note to financial statements.

The effective internal audit system will support the accuracy of financial and accounting information. Not only it will control the company's asset but it will also and allows the company to prevent any abnormality in the operation.

Furthermore, Audit Committee, comprising of independent directors, will review an accuracy of the financial statements and internal control system.

4.3 Shareholders Meeting

In the 2012, Shareholder Meeting, there were 7 persons of Directors and Management Directors who attended the meeting. The Chairman of the meeting gave equal rights to all shareholders to examine the company's operation, inquire, and give suggestions.

4.4 Board Meeting

The company schedules that the regular board meeting will be held every quarter. However, the company can set up an irregular meeting schedule if necessary. In any meeting, agenda will be previously set and follow-up actions will be taken. To organize a meeting, the secretary of the company will issue an invitation letter to attend the meeting to every board member. Each board member will receive a letter including necessary information at least 7 days prior to the meeting date. In general, a meeting will last 1 hour. For the year 2012, the company held 11 board meetings. Details of attendance for board of directors members are declared as following.

Name	Position	Meeting Attendance during year 2012
Mr. Katsuyuki Mizumachi	Chairman and Authorized Director	11
Mr. Shuji Okawa*	Authorized Director	2*
Mr. Munehiro Sagawa**	Authorized Director	8**
Mr. Kiichi Okuyama	Authorized Director	11
Mr. Vichien Linchongsabongkoch	Director	11
Mr. Apirux Wanasathop	Independent Director and Chairman of the Audit Committee	10
Mr. Teetitor Chullapram	Independent Director and Audit Committee's Member	11
Mr. Gurdaib Singh s/o Pala Singh	Independent Director and Audit Committee's Member	9

*Mr. Shuji Okawa was appointed to be Director effective from August 29, 2012.

**Mr. Munehiro Sagawa resigned from Director effective from August 21, 2012.

Minutes of the above meetings are recorded accurately and able to be rechecked.

4.5 Director and Management Director's Remuneration

Information has been revealed in annual report and 56-1 form, in section "Director's Remuneration".

The company has not yet set up any sub-committee for remuneration consideration. However, the company currently has a remuneration package which is based on standard packages being implemented by other companies of the same industry. Companies that the company uses information as a guideline are those who's billing and size are about the same to that of the company. The remuneration package is subject to an approval from a shareholder meeting.

5. Responsibilities of the Board

The Board of Directors participated in setting the directions, policy, administration, and managing all progress according to plan and budget effectively by distinguishing roles and responsibility.

5.1 Balance of power of the Directors who are not in the Management Team

Board of Directors comprises of the following details.

- Directors who are in management team of the Company and subsidiaries 4 persons
- Independent Directors 3 persons

The company has Independent Directors more than one third of the directors, which makes a balance power of management in the company.

The company's policy for holding director position in listed company is not greater than 5 listed companies. At the present, there are no directors with more than 5 positions in other listed companies.

5.2 The Separation of Positions

In order to separate the roles and responsibility in placing policy of Internal Audit affairs and routine management, the President is not the same person with the Managing Directors. All important matters should have the resolution from the Board of Directors in order to benefit and secure the shareholders most.

5.3 Conflict of interests

In order to avoid conflict of interests, the directors have set policies and approval procedures in written documents. Moreover, there is also a policy set to prevent managements and related persons from using company's internal information for their own benefit by:

Lists with possible conflict of interests.

The directors have acknowledged the lists of conflict of interests and related transactions and have taken into thorough consideration and actions in accordance with the regulations of the Stock Exchange of Thailand. Price and condition of related transactions are pursuant to arm's length basis, and are revealed in annual report and 56-1 form.

Internal Information Control

The management must report any change of stock holding to the Securities and Exchange Commission (SEC.) according to the Securities And Exchange Commission Act B.E. 2535, section 59.

It is prohibited that the management or party that receive internal information to disclose any information to unrelated external parties and prohibited from any trading within 1 month before the financial statements open to public.

5.4 Internal Audit Control

The company considers that internal audit is very important to control the efficiency levels of both management and operation teams. As such, the company has documented roles, authorization and responsibilities of all management and operation members for reference and guideline for practice. The company has a policy to control the usage of company's assets to generate the maximum benefits to the company. The company also has a policy to separate those who work as internal control from daily operation clearly so that proper audit is effective executed. Additionally, the company has implemented financial auditing and that the auditing is properly reported to concerned directors.

5.5 Risk Management Policy

Chuo Senko (Thailand) Public Company Limited has a vision of becoming Asia's finest advertising corporation. Therefore, in order to meet this target, Chuo Senko (Thailand) Public Company Limited must have a proficient and effective policy with regard to risk management. To protect the company from unacceptable exposure to risk, the organization implements the following procedures that maximizes opportunities and minimizes threats:

1. Providing, managing and maintaining a systematic risk management process that facilitates the constant assessment of the impact and likelihood of risks to the business in all departments.
2. Promoting risk management in all departments and understanding the causes of risk arising from both internal and external forces.
3. All employees of Chuo Senko (Thailand) Public Company Limited, including executives at all levels manage and control risk, and use the same consistent procedures from the identification of, to the evaluation of risk.
4. A Risk Management Plan shall be drafted to aid employees in understanding and implementing the guidelines for risk management.
5. Risk management systems shall be reviewed and developed to ensure that Chuo Senko (Thailand) Public Company Limited has in place the necessary structures and procedures to appropriately manage its opportunities and risks.
6. Employees shall always consider risk management during their daily work.

Vision on Risk Management

All departments and employees of Chuo Senko (Thailand) Public Company Limited must be proficient in risk management.

Culture of Risk Management

Risk management is a fundamental part of the organization. All departments, when they encounter a risk, must manage, control and reduce the impact of the risk.

Objectives of Risk Management

1. To educate management and employees of the principles and processes of risk management.
2. To inform management and employees of the steps and processes in the Risk Management Plan.
3. To be a tool for communicating and creating awareness of the risks involved in the business in order to plan and prepare countermeasures to them.
4. To reduce threats and adverse impacts to Chuo Senko (Thailand) Public Company Limited.

Target of Risk Management

1. To make the employees of Chuo Senko (Thailand) Public Company Limited knowledgeable in the field of Risk Management, and to aid employees in implementing proper risk management to achieve the company's targets and objectives.
2. For the employees of Chuo Senko (Thailand) Public Company Limited to be able to identify, analyze and evaluate risks, and manage them appropriately.
3. To implement risk management in the workplace daily.
4. For the employees of Chuo Senko (Thailand) Public Company Limited to be able to depend on the company's Risk Management Plan and implementation.
5. To develop risk management as a part of Chuo Senko (Thailand) Public Company Limited's corporate culture.

5.6 Business Ethics

A resolution was reached at the Board Meeting 6/2009 held on August 4, 2009 in approving the announcement of the Company Good Corporate Governance guidelines to all of the directors, managements and employees and held encourage understanding of the agreement of being honest and just in all operation to the company any related party, public and society. The company has held the training for all of staff members and prepares booklets of code of conduct to distribute to its managements and employees with acknowledge receipt. The company, moreover, disclosed on the Company website: www.chuosenko.co.th as code of business practices on its operation.

Internal Information Control

The company has established a policy to prevent the management team to use internal information in their own interests. The company prohibits the management, as well as their spouses, or dependent who are not sui juris to use internal information that has not yet been disclosed, to sell, buy, or transfer stocks offered by the company before the information has been disclosed to the public complies with laws and regulations for any public company. Any time that management sells, buys, or transfer company stocks, the laws and regulations stipulate that, management must inform the Securities and Exchange Commission and the Stock Exchange of Thailand within 3 days of the transaction written warning as well as terminate employment.

Human Resources

Legal Disputes

None

Number of staff

As of December 31st, 2012, the company and subsidiaries companies have a total staff of 257 persons. Details are as following:

Chuo Senko (Thailand) Public Co., Ltd.	181	persons
Chuo Senko Vietnam Design Services One Member Ltd.	57	persons
JM Chuo Senko SDN. BHD.	4	persons
Chuo Senko (Cambodia) Holding Co., Ltd.	7	persons
PT. Chuo Senko Consultant	8	persons
Total	257	persons

As part of Chuo Senko (Thailand) Public Co., Ltd., the 181 staffs are separated as the following details:

Management	6	persons
Advisors to Client Service Department	12	persons
Client Service Department	42	persons
Creative Department	40	persons
Retail Development Department	8	persons
Strategic Planning Group Department	9	persons
New Business Department	6	persons
Marketing Activation Department	10	persons
Digital Marketing Department	5	persons
Public Relation Department	2	persons
Corporate Planning Department	1	person
Production Administration Department	3	persons
Financial and Accounting Department	11	persons
Human Resources & General Affairs Department	21	persons
Information Technology Department	4	persons
Internal Audit Department	1	person
Risk Management	0	person
Total	181	persons

Staff Remuneration

In 2012, the company paid Baht 171 million for staff remunerations in the form of salaries, bonuses, contributed social security fund and other welfares. Additionally, the company contributed 5 percent of the salaries of staff, who have been working with the company for more than 4 months to the Provident Funds. The total amount allocated was Baht 5 million.

Loans to directors and staff

To motivate staff to work, to ease their financial burden, and to reward the directors and staff, the company has a welfare policy through which directors and staff can obtain loans from the company to purchase vehicles, buy houses, renovate their homes, and sustain their children's education. The conditions of the loans are that only employees who have been working for no less than 1 year with the company can obtain a loan, equivalent from 2 to 10 times of their salaries, but not exceeding Baht 300,000 per person. Annual interest rates is at 75% of MOR with an installment period of 4 years. Instance varying from the policy as outlined above, must receive approval from a management review board meeting. The company will deduct payments for the loan, with interest, on a monthly basis from the employees' salaries. In the event that employees resign prior to having repaid the loan, the employees must make full restitution of the balance of the loan prior to leaving the company.

As of December 31, 2012, the company has extended loans to directors and staff amounting Baht 1,571,000 as following:

Loans to directors	-	Baht
Loans to staff	1,571,000	Baht

Staff Development Policy

Our staff is the key success factor to the company. The company is well aware of the importance of developing staff to increase their skills and knowledge. The company has allocated a budget to train staff, both internally and externally.

Expenses for staff training and development during year 2008 - 2012 [Unit: Baht]

	2008	2009	2010	2011	2012
Staff Training and Seminar Expenses	600,966	265,808	520,562	887,413	328,931

An abstract graphic featuring a large, stylized circular shape composed of multiple overlapping, curved segments in shades of orange and white, creating a sense of motion or a stylized 'C' or 'S' shape. The text is centered within the white space of this graphic.

Nature of **B**usiness **R**isk **F**actors

Nature of Business

Chuo Senko (Thailand) Public Company Limited inaugurated into the advertising business by being a total solution advertising agency since 1963. Based upon trust and respect, the Company has had remarkable growth for more than 49 years of operation experience in marketing communication specialist and has numerous created advertising campaigns for well-known products and services, which can provide visible confirmation of our highly professional standard very well, e.g. Honda Motorcycles, Honda Cars, Yum-Yum Instant Noodle, Hitachi, AEON Finance Institution, Tokyu Department Store, Thanachart Bank, and etc.

Chuo Senko (Thailand) Public Company Limited is the center of investment policy and business operations of the Group throughout Asia which has been operating in a total of 6 countries including Thailand, Vietnam, Malaysia, Cambodia, Indonesia and Singapore. In addition, the Company has been involving in many communication campaigns.

COMPANY BACKGROUND

Chuo Senko (Thailand) Co., Ltd. was incorporated on 24 August 1981. Since its establishment, the company has increased its capital from time to time. Currently its registered capital issued on 31 December 2012 is Baht 56.25 million.

The company was listed to be "public company", and changed its name to Chuo Senko (Thailand) Public Company Limited on 2 October 2001. Moreover, the company has brought itself to list on the Market for Alternative Investment (MAI).

SIGNIFICANT CHANGES IN THE GROUP STRUCTURE

During 2012, the significant changes in the structure of ownership interest in subsidiaries can be described below.

July 2012	The Company invested in Wonder Asia Company Limited. The Company acquires 9,997 ordinary shares of such company at a price of Baht 100 per share, for a total of Baht 1 million, which registered its incorporation with the Ministry of Commerce on 20 July 2012. The Company's investment represents 100 percent of the registered capital of such company.
August 2012	The Company invested in Chuo Senko Dynamics (ROH) Company Limited. The Company acquires 24,596 ordinary shares of such company at a price of Baht 1,000 per share, for a total of Baht 25 million, which registered its incorporation with the Ministry of Commerce on 1 August 2012. The Company's investment represents 82 percent of the registered capital of such company.
August 2012	The Company invested in RDSS Company Limited. The Company acquires 29,997 ordinary shares of such company at a price of Baht 100 per share, for a total of Baht 3 million, which registered its incorporation with the Ministry of Commerce on 7 August 2012. The Company's investment represents 100 percent of the registered capital of such company.
September 2012	Chuo Senko Dynamics (ROH) Company Limited, a subsidiary, invested in 9,997 ordinary shares of AD-Asia Company Limited at a price of Baht 100 per share, for a total of Baht 1 million. The subsidiary's investment represents 100 percent of the registered capital of such company.
September 2012	Chuo Senko Asia (ROH) Co., Ltd. was dissolved and liquidated. That company registered its liquidation with the Ministry of Commerce on 9 October 2012. Thus, the consolidated financial statements for this year did not include the financial statements of this subsidiary.
October 2012	The Company invested in 10,000 ordinary shares of Digital DNA Company Limited at a price of Baht 100 per share, for a total of Baht 1 million. The Company's investment represents 100 percent of the registered capital of such company.
October 2012	V.Excess Co.,Ltd was dissolved and liquidated. Thus, the consolidated financial statements for this year did not include the financial statements of this subsidiary.
November 2012	The Company invested in 1,950 ordinary shares of Chuo Senko (Myanmar) Pte. which registered in Singapore at a price of USD 100 per share, for a total of Baht 6 million. The Company's investment represents 65 percent of the registered capital of such company.

NATURE OF BUSINESS

OVERALL BUSINESS ACTIVITIES OF THE GROUP

The Company and its subsidiaries are collaborating together as an advertising agency which provides total-solution services for integrated marketing communication comprised of the following services.

1) **Strategic Planning and Research** The service is to provide missions to create added value for clients' communication. The important part of this service is to serve as "Partner" for clients' business, and also act as "Strategic Consultant" for the very best interest for the clients.

2) **Creative** This service is the main service of the Company which provides a wide range of creative production including TVC, Radio Spot, Print ads in newspaper and magazine, billboard, Mobile media, etc.

3) **Producer and Printing** Advertising and creation also need 'Tangible media' in order to support 'Main media'. This service is to serve the details part of communication, to complement communication with partners and targets.

4) **Marketing Activation** This service has been developed from event marketing in order to establish a linkage to target consumers. The roles of "Marketing Activation" are creating consumer experience and induce purchasing decisions. There is variety of consumers' contact point which we can create big idea such as Special Events, Launching Events, Press and Dealer Conference, Activities in exhibition, Public Relation, Press Release, Press Visit, Interactive marketing, Social networking, Viral Marketing, Call center, Sales promotion, Road show. This is the integrated service among all communication tools including Public Relation in accordance with the big idea.

5) **Retail Development** Retail Development service provides efficiency of retail space both of shop interior and exterior design which are stylish, different, utilized, and value for money. This service also includes operation and function development in order to match with clients' various communication strategies and tools i.e. Corporate shop and Showroom, Exhibition and Booth, Corner and Shop-in-shop, POP and Kiosk, Corporate Identity and Sign System.

6) **Media Planning & Buying** These services offering to bridge the gap between creative and channel solution. Our services include strategic media recommendation, media plan development & execution, new media opportunities, media buying strategy & execution, monitoring, reviewing and reporting. Effective media buying plan has become a big factor to manage all investment in marketing communication campaigns to the utmost benefits.

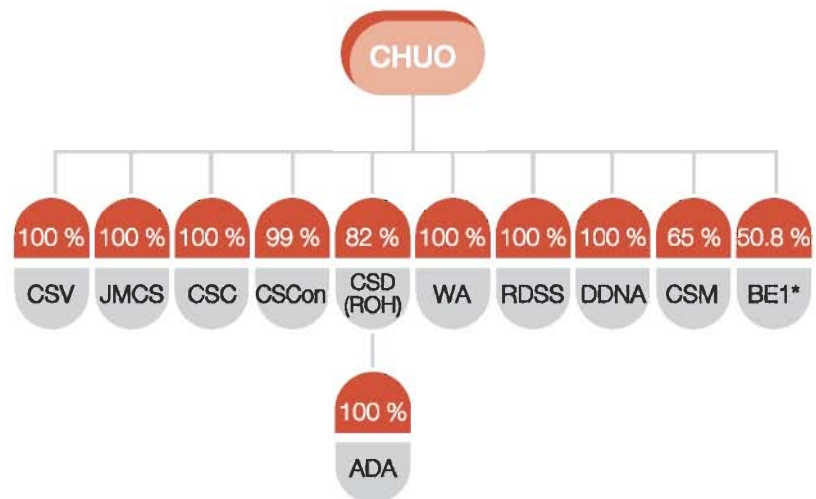
7) **Media Production** This total video and media production service include video shooting, video editing, all kinds of computer graphics and files conversion to digital media to support a presentation or a public relation in various types as needed.

For all campaigns of our customers to succeed truly, the Company has collaborated in all spectrums. All of the great services are for the best customers, and support to customers' needs with communication surrounding 360 degree into success and optimized customers' satisfaction.

OPERATING POLICY IN THE GROUP

The company provides full-range of advertising services in Thailand and is the center to support business operation for all of foreign subsidiaries. The company would expand our investment in line with our clients base. The subsidiaries in foreign countries provides full-range of advertising services and business consultant services. Each company would operate and serves the client in the particular country by their own.

The following is structure of the Group as of 31 December 2012



Abbrev.	Company's Name	Country of Incorporation
CHUO	Chuo Senko (Thailand) Public Company Limited	Thailand
CSV	Chuo Senko Vietnam Design Services One Member Co., Ltd.	Vietnam
JMCS	JM Chuo Senko Sdn. Bhd.	Malaysia
CSC	Chuo Senko (Cambodia) Holding Co., Ltd.	Cambodia
CSCon	PT. Chuo Senko Consultant	Indonesia
CSD(ROH)	Chuo Senko Dynamics (ROH) Co., Ltd.	Thailand
WA	Wonder Asia Co., Ltd.	Thailand
RDSS	RDSS Co., Ltd.	Thailand
DDNA	Digital DNA Co., Ltd.	Thailand
CSM	Chuo Senko (Myanmar) Pte. Ltd.	Singapore
BE1*	Be 1 Communications Co., Ltd.	Thailand
ADA	Ad Asia Co., Ltd.	Thailand

Remark: * In liquidation process

REVENUE STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES

Total revenues included in the financial statements from the year 2010 to the year 2012 of the Company and each of its subsidiaries as follow:

Company's Name	Percentage of ownership interest	2012		2011		2010	
		million Baht	%	million Baht	%	million Baht	%
Chuo Senko (Thailand) Public Company Limited							
Commission and services income		236.79	71.34	234.88	70.59	227.96	68.71
Other income		7.72	2.33	5.67	1.70	7.57	2.28
Chuo Senko Vietnam Design Services One Member Co., Ltd.	100%						
Commission and services income		49.55	14.93	46.81	14.07	56.81	17.13
Other income		2.11	0.64	3.27	0.98	0.45	0.13
JM Chuo Senko Sdn. Bhd.	100%						
Commission and services income		5.74	1.73	14.93	4.49	25.29	7.62
Other income		0.08	0.02	1.33	0.40	0.43	0.13
Chuo Senko (Cambodia) Holding Co., Ltd.	100%						
Commission and services income		8.87	2.67	6.78	2.04	9.78	2.95
Other income		-	-	-0.01	-	-	-
PT. Chuo Senko Consultant	99%						
Services income		20.50	6.18	19.02	5.72	3.44	1.04
Other income		0.45	0.14	-0.02	-0.01	-	-
Chuo Senko Dynamics (ROH) Co., Ltd.	82%						
Services income		-	-	-	-	-	-
Other income		-	-	-	-	-	-
Wonder Asia Co., Ltd.	100%						
Commission and services income		-	-	-	-	-	-
Other income		-	-	-	-	-	-
RDSS Co., Ltd.	100%						
Commission and services income		0.12	0.04	-	-	-	-
Other income		-	-	-	-	-	-
Digital DNA Co., Ltd.	100%						
Commission and services income		-	-	-	-	-	-
Other income		-	-	-	-	-	-
Chuo Senko (Myanmar) Pte. Ltd.	65%						
Commission and services income		-	-	-	-	-	-
Other income		-	-	-	-	-	-
Be 1 Communications Co., Ltd.	51%						
Commission and services income		-	-	-	-	-	-
Other income		-	-	-	-	-	-
Ad-Asia Co., Ltd.	82%						
Commission and services income		-	-	-	-	-	-
Other income		-	-	-	-	-	-
Grand total		331.93	100.00	332.72	100.00	331.75	100.00

Risk Factors

There are significant risk factors, which may be considered and can affect Chuo Senko Group and investors directly as following details :

Human Resources Risk

Advertising is a service business that needs human resources in operation. These resources are for creative work, strategic planning, client service, etc. People are the ones who develop ideas, develop work, and set marketing and advertising strategies for clients. If the company loses those people, the company may lose the clients of which those people are in charge. To avoid the risk, the company has set measures that could be used as company's policies, which includes :

1 Staff Training and Development

Staff training and development is one of the key activities for us. We have set up specific budget for this purpose and make sure that all staffs have the opportunity to participate in trainings that are directly connected to their responsibility and other related topics that would benefit the organization such as leadership development, team working, and improvement of working skills. To fulfill our target, the company has organized both in-house training programs and outside training programs. These trainings would be presented by qualified speakers that enable staff to experience new horizon of professional skills.

2 Career Path

We continuously support young talent staff, willing to be a part of success of the company, to perform their capabilities before stepping into new young executives in the company.

3 Job Rotation

We are open to staff that find their position not right for their capability to change or transfer and also provide trainings that are in line with their new position to make sure that staffs are ready to explore the talents in the new sphere.

4 Working in Groups (Brand Team)

Working in groups is our policy to manage operations. Each group is supervised by head of departments who are responsible to guide and lead their subordinates together with our constant trainings to develop staffs into professional leaders. Head of departments would make sure that their subordinates are always guided to perfect their efficiency and remain loyal to the company. Working in groups, at the same time, increases more efficiency service providing to clients.

5 Dry & Wet Incentive

We take it as a compulsory to encourage and support staffs' achievement in creating recognition and income for the company.

6 Team/Outdoor Activities

In all our outdoor activities, we enforce on activities that would portray the big picture of our company, our staffs, the unity of Chuo Senko, and the power of teamwork. Our annual activities include New Year Party, Company Tour, Team Building Activities and training courses.

7 Welfare Committee & Working Committee

In order to make any decisions concerning employee's welfare or related issues with employees, the company has elected a welfare committee and other specific committee to make all decisions on behalf of staffs. This would enable all employees to participate in company's management and be responsible to company's policies and activities.

Risk in Relying on Key Clients

The company has two key clients: Honda Group and Wanthai Foods Industry Co., Ltd. These two key clients account for 81 percent of total billings of the company. However, due to the current competitive situation, the company may lose some income from these key clients. If this happens, it may affect the total income of the company. The company has been trying to reduce the possibility of the situation by continuously developing good quality services to serve the needs of the clients that change continuously due to the change in customer behaviors. Moreover, the company has established the New Business units in order to seek for new clients and reduce the relying on key clients.

Risk in Technology Change

Technology, both production technology and media technology, change fast. The graphic design industry, for instance, has changed from hand-made to computer graphics. Computer graphics can help the company design advertising materials in any layout in order to satisfy the clients. The technology also facilitates the adjustment of the advertising work. Any company that cannot cope with the changes may risk losing clients.

The company is aware of this situation, and trains staff in the technology from time to time. The people who have learned the technology have to educate and share knowledge with others in the company and try to acquire new types of services that can be adjust to fit our clients' needs.

Media Specialists

During the past years, there has been a change in the advertising fee system, since clients have demanded efficient media buying that must reach the target groups effectively and at the minimum cost. Some clients may ask advertising agencies to develop only creative work and use media from media specialists.

The company is aware of this situation, and has run business with independent media specialists which are 1.) Mediaedge : cia of GroupM, by using the services from Mediaedge : cia Thailand. and 2.) Dentsu (Thailand) Co., Ltd. Both independent media groups are world class media specialists and render a wide range of media services comprising of media planning, selection, and buying to our clients. Being able to use the service of the media specialists, the company can buy big volume of media and enhance effective and efficient services so that the company can render this service and offer reasonable media prices to our clients.

An abstract graphic featuring a large, swirling orange shape that resembles a stylized 'C' or a circular motion, set against a white background. The shape has a textured, brush-stroke-like appearance.

Capital **S**tructure **C**onnected **T**ransactions

Capital Structure

Company Capital

The company has registered capital of Baht 56.25 million and paid-up share capital of Baht 56.25 million of which are divided into 11,250,000 shares, at par value Baht 5 each.

Shareholders

The followings are major shareholders as of 6 March 2012.

Name	No. of Shares (shares)	Portion of Securities (%)
1. Asia Business Support Association Co., Ltd.	2,305,000	20.49
2. The Pacific Century Fund Pte. Ltd.	1,417,500	12.60
3. Bloom Well Corporation Limited	980,000	8.71
4. Erawan Industrial Development Co. Ltd	960,000	8.53
5. Mr. Kamchorn Ratanachaikanon	450,000	4.00
6. Thai NVDR Co., Ltd.	417,100	3.71
7. Mr. Kamjorn Arunvilairat	386,400	3.43
8. Osawa Sogyo Co., Ltd.	327,950	2.92
9. Mrs. Thidarat Arunvilairat	220,900	1.96
10. Mr. Auttapol Kullertprasert	195,000	1.73

Remuneration Policy

The company has a dividend policy for not less than 30% of the net profit in separate financial statements, in case the company does not have other expenditures such as business expansion for future plan. Moreover, the subsidiaries have a policy to pay dividend not less than 50%.

Connected Transactions

In 2012 and 2011, the Company had the trading transactions and others with its subsidiaries and related companies as disclosed in the notes supplementary to the financial statements clauses 6 for the year 2012.

For the year 2012, an ordinary and usual course of business transaction, such as Advertisements and Marketing Research, between the Company or its subsidiaries and connected person remain unchanged from the approved principle of those transactions by The Board of Director Meeting No. 3/2008, complied with section 89/12 (1) of The Securities and Exchange Act (No.4) B.E.2551. In addition, the Company expects the connected transactions occurred at present have a tendency to keep on continuing. However, the Company has the approval procedures of the said items by authorized person specified at the amount limits.

For other related transactions not classified as the regular business must receive prior approval from the Board of directors and the Independent Directors attending the meeting as well. The directors who have vested interest in any matters have no right to vote in them. But they shall disclose the type and value of the related item with a reason for making the related item, including having to disclose it in the annual report.

The followings are related party transactions between the Company and its subsidiaries and related companies.

Nature of Transactions	Company's name	Relationship	Transaction amount (Baht) For the years ended 31 December		Remark
			2012	2011	
1) Gross billings for production	Asia Business Support Association Co., Ltd.	Parent company	-	102,600	Because the Company has a policy to do business supported the group in order to provide full range of services to our overseas and domestic clients and all companies in CHUO group are expert on various specific services, we are able to select the specific services from CHUO group. These transactions were carried out on normal commercial terms and conditions. Therefore, they are the normal business transactions.
			-	102,600	
2) Marketing research expenses	Asia Business Support Association Co., Ltd.	Parent company	55,000	-	
			55,000	-	
3) Other income	Asia Business Support Association Co., Ltd.	Parent company	-	22,400	Most of other income are consulting fees received from related companies in foreign countries within the Group.
			-	22,400	
4) Consulting and Management fee	Asia Business Support Association Co., Ltd.	Parent company	-	684,800	
	Wonder Asia Pte Ltd.td.	Related company	880,110	-	
			880,110	684,800	



Annual Report 2012

An abstract graphic featuring a large, light orange circle with a white center. The circle is surrounded by several curved, brushstroke-like lines in a darker shade of orange, creating a sense of motion and depth. The text is centered within the white circle.

Financial **P**osition & **O**perating **R**esult **B**oard of **D**irectors'

Responsibility for **F**inancial **R**eporting

Audit **C**ommittee **R**eport

Financial Position & Operating Result

FINANCIAL RATIOS

(Unit: Baht)

		Consolidated			Company		
		2012	2011	2010	2012	2011	2010
LIQUIDITY RATIOS							
Current Ratio	Times	1.07	1.24	1.38	0.97	1.17	1.42
Quick Ratio	Times	0.88	1.06	1.19	0.74	0.96	1.17
Cash Ratio	Times	0.15	0.06	(0.11)	0.22	0.10	(0.11)
Accounts Receivable Turnover	Times	10.22	7.73	8.73	15.50	14.29	16.33
Collection Period	Days	36	47	42	24	26	23
Accounts Payable Turnover	Times	4.20	4.84	5.27	4.12	4.98	4.72
Payment Period	Days	86	75	69	88	73	77
Cash Cycle	Days	(50)	(28)	(27)	(64)	(47)	(54)
PROFITABILITY RATIOS							
Gross Profit Margin	%	54.42%	56.41%	63.58%	51.94%	55.86%	63.10%
Net Profit Margin	%	-6.79%	-3.34%	5.34%	-12.15%	-3.81%	7.64%
Return on Equity	%	-15.31%	-6.33%	9.21%	-21.79%	-5.42%	9.96%
EFFICIENCY RATIOS							
Return on Assets	%	-3.24%	-1.85%	2.81%	-5.03%	-1.90%	3.63%
Return on Fixed Assets	%	-69.36%	-20.92%	128.59%	-121.91%	-19.20%	150.56%
Total Assets Turnover	Times	0.48	0.55	0.53	0.41	0.50	0.48
FINANCIAL POLICY RATIOS							
Debt to Equity Ratio	Times	4.99	2.61	2.27	4.86	2.13	1.63
Interest Coverage Ratio	Times	(10.94)	(6.93)	62.18	(18.64)	(6.44)	71.51
Dividend Payout Ratio	%		-37.73%	51.68%		-37.73%	51.68%
STOCK INFORMATION							
Book Value per share	Baht	10.34	13.15	16.17	10.34	13.15	16.17
Earnings per share	Baht	(1.94)	(0.96)	1.53	(2.56)	(0.80)	1.55
Dividend per share	Baht		0.30	0.80		0.30	0.80

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY OVERVIEW

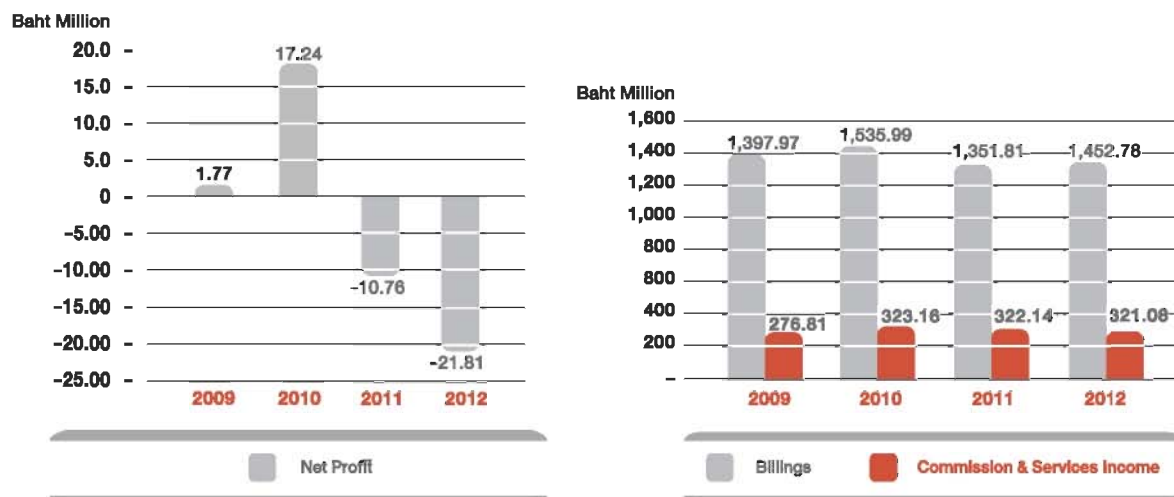
The economy is the main factor, which affects the growth of the advertising business. The main business operations come from advertising expenditures of many organizations, e.g. government and private sector. If the economy is growing, most organizations will spend their advertising budget to stimulate their sales and services, and this can drive advertising business growth. Whereas if there is economic slowdown many organizations tend to cut their cost, especially advertising expenditures. This is the reason why the advertising business has slowed down as well.

In 2012, recession of global economic has been continually since last year. The main factor is demand slowdown that cause from Europe's economic crisis and also natural disasters in America. Effecting to Thailand's economic that has not recovered properly, especially export business.

Thai economy has recovered, most of industries has been in normal situation better compared with last year. Government's policy supported investment from investor and consumption demand such as reduces corporate income tax rate, refund tax from first house and first car, increase in minimum wage rate. Especially, the fourth quarter of year 2012 Thai economy was the peakiest in the year. However, Thai economic has not recovered properly as the result from recession of global economy and Baht currency appreciation.

The advertising business has better recovered as followed in recovered in Thai economy. The industry has back to be normal by supporting form government's policy as mention above. Looking at the advertising expenditures for the year 2012, total advertising expenditures of Baht 117 billion (2011: Baht 104 billion), represented market growth of 12.42% (Source: Nielsen Media Research). Although competition in the advertising business is more intense today, the company has a policy to expand the business to invest in setting up the new companies in Thailand and oversea in order to focus on customer satisfaction, both existing and new customers, in order to retain customer base and generate more revenue in the future. All these factors directly impact the results of the group.

For the fiscal year 2012, Chuo Senko reported the consolidated net loss of Baht 21.81 million an increase of Baht 11.05 million or 102.7%, year-on-year compared to net loss for the year 2011 amounting to Baht 10.76 million. The main causes are as follows;



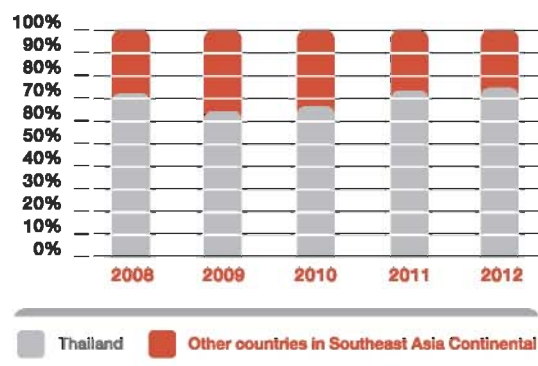
• Commission & Services Income and Direct cost

The growth of the advertising industry in 2012 was at rate of 12.42%. The group's total billings or gross income collected from customers was Baht 1,452.78 million (2011: Baht 1,351.81 million), an increase of Baht 100.97 million, or 7.5%. This increase mainly came from the revenues of the company. The company total billings were Baht 1,071.61 million (2011: Baht 976.75 million), an increase of Baht 94.86 million, representing 9.7% due to Thai economy has recovered and the business has increased in advertising budget as mentioned above. The subsidiaries' total billings for the year 2012 were Baht 381.17 million (2011: Baht 375.06 million), an increase of Baht 6.11 million, representing 1.6% due to global economy has still slowdown since last year.

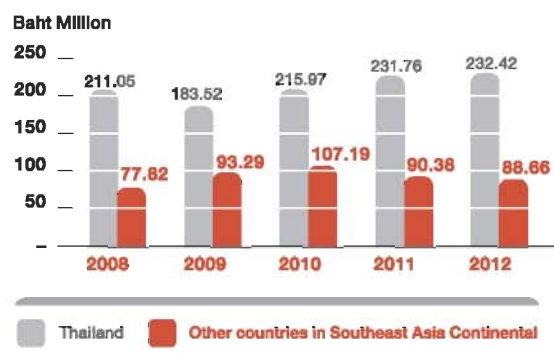
Consolidated commission and service income for the year 2012 of Baht 321.08 million (2011: Baht 322.14 million) decreased by Baht 1.06 million or 0.3%. By region, the group's domestic income was Baht 232.42 million and income from Southeast Asia, which are: Vietnam, Malaysia, Cambodia and Indonesia are Baht 88.66 million.

Domestic commission and service income are almost the same as from amounting to Baht 231.76 million to Baht 232.42 million year-on-year, representing an increase of Baht 0.66 million or 0.3% due to high competition in the market.

Proportion of commission and services income by geographical segment



Commission and services income by geographical segment



The Group generates revenue from the overseas market in Southeast Asia. The commission and service income slightly declined from Baht 90.38 million to Baht 88.66 million in 2012, representing a decrease of Baht 1.72 million or 1.9% due to the recession of global economy. However, the company is trying to expand investment to other countries in Southeast Asia, where existing customers are also expanding, in order to meet our customers' needs. Furthermore, this is also an opportunity to find new customers which operate in those countries.

Looking at the proportion of commission and service income by geographical segment, the ratio between domestic and overseas income during 2012 and 2011 were the same at 72:28.

For the year 2012 the direct costs of providing services, the advertising industry normally included employee costs increased by Baht 5.92 million, representing 4.2% from Baht 140.43 million in 2011 to Baht 146.35 million in 2012. The increase in expenditure was caused by increased in amount of personnel expenses related to the group expansion. For the company had direct costs of providing services for 2012 was baht 113.81 million (2011: 103.68 million) which is an increase of baht 10.13 million or 9.8%. Therefore, gross profit margin decreased from 56.41% in 2011, to 54.42% in 2012.

• Other Income

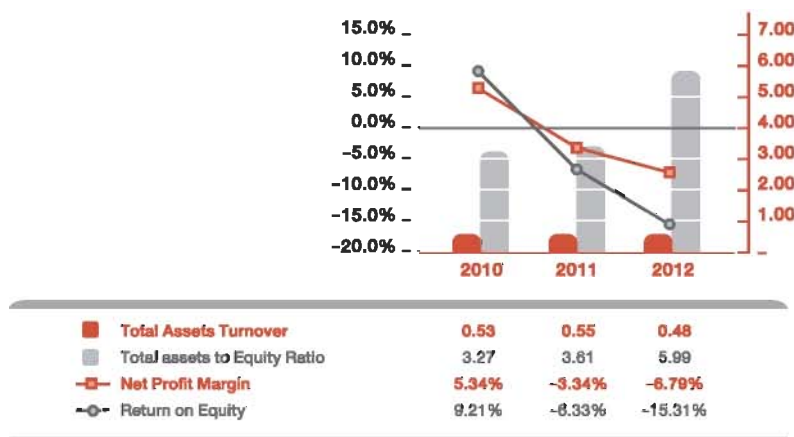
Other income amounted to Baht 10.10 million (2011: Baht 10.20 million) which was almost the same as a decrease of Baht 0.1 million or 1.0%.

• Administrative Expenses and Management Benefit Expenses

(Unit: Baht million)

	Consolidation			
	2012	2011	Change	% Change
Administrative Expenses	162.84	151.26	11.58	7.7%
Directors and Management's benefits	41.24	49.63	(8.39)	(16.9%)
Total	204.08	200.89	3.19	1.6%

Administrative expenses for 2012 amounted to Baht 162.84 million (2011: Baht 151.26 million) an increase of Baht 11.58 million or 7.7%. Due to the group has expanded the business by setup new companies in Thailand and overseas that cause to increase in administrative expenses such as marketing research, consultation fee and recruitment expenses. The management benefit expenses decreased by Baht 8.39 million or 16.9% because executive resigned from overseas subsidiaries.



As shown in the above chart, the Group has net profit margin and return on equity less than the previous year. Consolidated net profit margin and return on equity for the current year was minus 6.79% and minus 15.31% (2011: -3.34% and -6.33%), respectively. This decrease is because of the decrease in consolidated net profit as described above.

However, considerable factors in determining return on equity including net profit margin, assets turnover, and ratio of total assets to shareholders' equity. The decrease in return on equity for the year 2012 can be analyzed as follows.

- **Assets turnover** For the year 2012, assets turnover is at 0.48 times (2011: 0.55 times) that will be shown that increased in total assets. The group has increased in amount of clients that also caused to increase in trade and other receivable and unbilled receivables. Another factor, the group has policy to expand the business and finding new client to generate more revenue in the future by coordinated with famous advertising company in India. In addition, the group had a financial assistance to other company to expand market share in Indonesia.

- **Ratio of total assets to shareholders' equity** This ratio shows the level of use of debts. For the year 2012, the ratio of total assets to shareholders' equity was equal to 5.99 times (2011: 3.61 times) and higher than previous year because the group has expanded the business as mentioned above. On the other hand, the group had loss in the current year because of increase in cost and expenses.

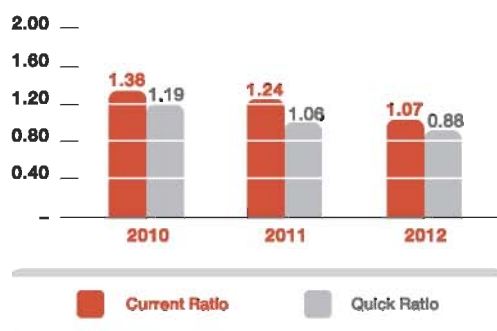
- **Net profit margin** The decrease in net profit margin is primarily a direct impact on the decreasing current year return on equity.

FINANCIAL POSITIONS

As at 31 December 2012, the Group has cash and cash equivalents and short-term investments amounting to Baht 253.24 million which was 31.79% of total assets (2011: Baht 210.35 million which was 38.4% of total assets), increased from the previous year by Baht 42.89 million or 20.4%. This increase has come from cash inflow from operation. Increase in unbilled receivables because of the company had increased in amount of clients who has recovered from floods' impact last year.

It is found out that the evaluation of assets quality was no impairment and there has been sufficient allowance for doubtful account and continuous debt pursuing. The approximate collection period is 30-50 days while the Group's credit line for clients is approximately 30 days. Notes to Financial Statements for the year 2012, no. 9 provides more details of the above.

The Group's liquidity can be considered by current ratio and quick ratio. In the year 2012, both ratios decreased compare with prior year. Increase in trade and other payable and advances received from customers, the cause is the same reason from client's recovery as mentioned above. Current ratio was 1.07 times (2011: 1.24 times) and Quick ratio was 0.88 times (2011: 1.06 times).



CAPITAL RESOURCES

The Group's debt to equity ratio for the year 2012 was 4.99 times (2011: 2.61 times). Capital resource can be analyzed below.

The Group's debt mainly comes from its operations and is mostly non-interest bearing debt. Trade accounts payable and other payables amounting to Baht 370.90 million, which was 55.9% of total liabilities (2011: Baht 203.41 million, which was 51.4% of total liabilities) has increased by Baht 167.49 million or 82.3%. On the other hand, advances received from customers of Baht 234.82 million or 35.4% of total liabilities (2011: Baht 138.84 million which was 35.1% of total liabilities) has also increased by Baht 95.98 million or 69.1% and accrued cost of Baht 10.89 million or 1.6% of total liabilities (2011: Baht 13.49 million which was 3.4% of total liabilities) has decreased by Baht 2.60 million or 19.3%.

From the normal course of advertising business, when the Company received an advertising projects from customers, there will be carry out some works in respect of the projects to its specialists. In this regard, the Company has to make the payment prudently. As soon as advertising projects done, the Company can bill and collect its debts from customer. The balance of current liabilities is higher than other industries. The said current liabilities included trade creditors and amounts due to related companies in a high proportion. By determining the debts structure in the term of current liabilities and non-current liabilities, it will be seen that current liabilities is relatively high because the nature of the advertising business operations requires high working capital.

However, current liabilities are mostly held for working capital which is 79.3% of total assets. The debt to equity ratio, considered especially interest bearing debts, was 0.06 times for the current year (2011: 0.007 times). Thus, this showed that the group's financial leverage was low.

CASH FLOWS

The Groups' cash flow consists of the net cash flow from (used in) the following activities.

	(Unit: Baht)		
	2012	2011	2010
Cash flow from operating activities	77.19	25.47	(46.45)
Cash flow from investing activities	(35.31)	18.26	65.07
Cash flow from financing activities	1.10	(9.90)	(3.58)
Net	42.98	33.84	15.04
Decrease in translation adjustments	(0.50)	(0.65)	(1.04)
Net cash increase	42.47	33.19	14.00

• Cash Flows from Operations

During the current year, net cash flow from the operating activities was Baht 77.19 million (2011: net cash flow used in the operating activities was Baht 25.47 million). This cash comes from profit before income tax adjusted by non-cash items of which depreciation and amortization of Baht 8.61 million, provision for long-term employee benefits of Baht 5.78 million, loss on sales of other assets of Baht 3.10 million, Loss on sales and write-off of equipment of Baht 2.31 million and interest expenses of 1.76 Baht. On the other hand, there was decrease in adjusted reversal of impairment loss on other assets of Baht 6.71 Baht, interest income and dividend income of Baht 3.53 million. As a consequence, it represents the decrease in cash flow of Baht 9.41 million.

Furthermore, operating cash flows from net working capital amounting to Baht 122.13 million. It included the decreasing operating assets of Baht 131.56 million, which was the source of fund, the increasing operating liabilities of Baht 253.69 million, which was the use of fund. Therefore, net working capital was source of cash flow from the operations.

• Capital Expenditures

Since the course of business of the Group is service providing, the most of capital expenditures is for the deteriorated assets replacement or maintenance for more efficiency and investing by setting up new companies and business joint venture with a famous in advertising business company. During the current year, the Group has net cash flow used in investing activities amounting to Baht 35.31 million, as a result of new assets and for more efficiency and had a financial assistance to other company to expand market share.

AUDIT FEE

In the year 2012, the Company paid for audit fee to Ernst & Young Office Limited as the following details:

Name of Company	Name of Auditor	Audit Fee
Chuo Senko (Thailand) Public Co., Ltd.	Ms. Supanee Triyanantakul	1,300,000
Total remuneration		1,300,000

Board of Directors' Responsibility for Financial Reporting


The Board of Directors is responsible for the consolidated financial statements of Chuo Senko (Thailand) Public Company Limited and its subsidiaries and the company financial statements of Chuo Senko (Thailand) Public Company Limited, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, on consistent basis, using careful judgment and their best estimation. Important information is adequately and transparently disclosed in the note to financial statements to the Company's shareholders and investors.

The Board of Directors has provided and maintained a risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, with integrity and adequate to protect its assets and uncover weaknesses in order to prevent fraud or materially irregular operation.

In this regard, the Audit Committee is responsible for reviewing the accounting policy and financial reports, internal controls, internal audit and risk management systems. Comments on these issues have been included in the Audit Committee Report which is presented in this annual report.

The consolidated financial statements of the Company and its subsidiaries and the company financial statements have been examined by an external auditor, Ernst & Young Office Limited. In conducting their audit and to express an opinion in accordance with generally accepted auditing standards, the Company has supported them with all of the Company's records and related data. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors believes that the Company's overall internal control system has functioned up to a satisfactory level and rendered credibility and reliability to the consolidated financial statements of Chuo Senko (Thailand) Public Company Limited and its subsidiaries and the company financial statements of Chuo Senko (Thailand) Public Company Limited for the year ended 31 December 2012, that they have been prepared according to generally accepted accounting principles and related regulations.



(Mr. Katsuyuki Mizumachi)
Chairman



(Mr. Shuji Okawa)
President & CEO

Audit Committee Report

The Audit Committee had jointly performed duties and responsibilities according to requirement of the Stock Exchange of Thailand. In 2012, the Audit Committee had 5 meetings. The performance is summarized as follows:

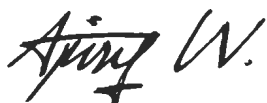
1. Ensure that the Company has proper and accurate financial statements.
2. Ensure that the Company has internal control and internal audit, which are proper, effective, and independent. In during year 2012, Internal Audit Department has the audit project in Technology Information Department for ensure that the Technology Information System and internal control are appropriate. Base on our audit found that the internal control is "Acceptable". Therefore, Audit Committee has response to the oversight of employment, appointment and transfer of personnel related in this function.
3. Ensure that the Company has complied with the applied laws.
4. Propose to the Company to establish the Risk Management, separated from Internal Audit, so that the Company has proper risk management system.
5. Reviewed the related transaction, which may be conflict of interest, in order to comply with the laws and SEC's rules and other regulations. And to ensure that such items are reasonable and efficiency and beneficial to the Company.
6. Report to Company's Board of Directors. The Audit Committee has monitored issues that are reported by the auditors of the Company for the financial year ended December 2012 are consist of ;-
 - The sale of the right to book and produce advertising for 4 billboards.
 - Provision and allowance for doubtful debt of the subsidiaries.
 - Loan to PT Citra Surya Komunikasi (major client of PT. Chuo Senko Consultant). The Audit Committee instructed that the project PT Citra Surya Komunikasi has invested in by the loan from CST be closely monitored to ensure timely loan repayment.
 - Going concerns issues of JM Chuo Senko (Malaysia), the Company had reserve the allowance.

The Audit Committee had notified the Company's Board of Directors to take proper actions and regularly reviews to ensure the compliance with laws and regulations for efficiency and effectiveness. It had recommended the fairly and transparent treatment to persons, investors and other stakeholders.

The Audit Committee had opinion the Company has operated under the internal control, which is proper, accurate with the specification of scope of authority and steps for approval of all items clearly in writing with reference to the standard of Stock Exchange of Thailand. The Company has properly adapted to the changes in order to achieve the specified objectives.

Date 15 February 2013

On behalf of Audit Committee



(Mr. Apirux Wanasathop)

Chairman of Audit Committee



An abstract graphic featuring a large, stylized circular shape. The shape is composed of several concentric, overlapping arcs in a light orange or terracotta color, creating a sense of motion or a stylized 'C' or 'S' shape. The background is white.

Financial **S**tatements

Auditor's Report

Independent Auditor's Report

To the Shareholders of Chuo Senko (Thailand) Public Company Limited

I have audited the accompanying consolidated financial statements of Chuo Senko (Thailand) Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Chuo Senko (Thailand) Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chuo Senko (Thailand) Public Company Limited and its subsidiaries and of Chuo Senko (Thailand) Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 10 to the financial statements regarding the sale of rights to book and produce advertising to an unrelated company. My opinion is not qualified in respect of this matter.

Other matter

The financial statements of Chuo Senko (Thailand) Public Company Limited and its subsidiaries for the year ended 31 December 2011 were audited by another auditor who, under her report dated 21 February 2012, expressed an unqualified opinion on those financial statements, but drew attention to the Company and its subsidiaries adopted the revised and new accounting standards, and applied them in its preparation and presentation of the financial statements and restated the financial statements to reflect the changes in an accounting policies resulting from the adoption of that accounting standards.



Supanee Triyanantakul
Certified Public Accountant (Thailand) No. 4498

Ernst & Young Office Limited
Bangkok: 22 February 2013

Financial Statements

Chuo Senko (Thailand) Public Company Limited and its subsidiaries
Statements of financial position
As at 31 December 2012

(Unit: Baht)

Assets	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Current assets					
Cash and cash equivalents	7	236,034,535	193,563,424	190,122,834	159,378,702
Current investments	8	17,207,005	16,785,152	17,207,005	16,785,152
Trade and other receivables	9	146,457,493	122,628,758	70,140,143	45,160,137
Unbilled receivables		166,995,895	67,041,491	121,174,509	64,192,282
Current portion of long-term loans to related parties	6	780,824	598,500	19,035,120	1,198,500
Current portion of long-term loans to other company	14	7,621,763	-	-	-
Withholding tax deducted at source		82,126,759	48,110,862	81,545,344	47,446,942
Other current assets	10	18,007,031	12,686,742	18,072,812	9,704,937
Total current assets		675,231,305	461,414,929	517,297,767	343,866,652
Non-current assets					
Restricted bank deposits	11	54,500,000	54,500,000	54,500,000	54,500,000
Advance payments for investment in associated company		1,308,457	-	1,308,457	-
Investments in subsidiaries	12	-	-	58,006,761	36,326,087
Other long-term investments	13	1,381,250	1,986,250	1,381,250	1,986,250
Long-term loans to related parties, net of current portion	6	790,400	820,950	19,081,820	820,950
Long-term loans to other company, net of current portion	14	28,972,878	-	-	-
Equipment	15	23,075,879	18,430,636	20,261,867	15,858,314
Intangible assets	16	1,975,528	1,764,166	1,765,750	1,388,545
Other non-current assets		9,405,803	8,619,753	7,604,827	7,621,192
Total non-current assets		121,410,195	86,121,755	163,910,732	118,501,338
Total assets		796,641,500	547,536,684	681,208,499	462,367,990

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

(Unit: Baht)

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Current liabilities					
Trade and other payables	17	370,897,222	203,409,324	283,767,214	145,064,773
Advances received from customers		234,823,241	138,839,976	228,313,594	136,163,628
Accrued costs		10,887,027	13,490,446	10,795,788	2,262,403
Current portion of liabilities under finance lease agreements	18	2,068,190	483,079	2,068,190	483,079
Corporate income tax payable		879,675	50,458	-	-
Other current liabilities		12,508,667	16,365,946	9,842,987	9,567,009
Total current liabilities		632,064,022	372,639,229	534,787,773	293,540,892
Non-current liabilities					
Liabilities under finance lease agreements - net	18	5,840,897	647,084	5,840,897	647,084
Provision for long-term employee benefits	19	20,256,221	16,242,856	20,256,221	16,242,856
Provision for long-term demolition		4,000,000	3,956,386	4,000,000	3,956,386
Other non-current liabilities		1,449,473	2,231,721	51,278	50,630
Total non-current liabilities		31,546,591	23,078,047	30,148,396	20,896,956
Total liabilities		663,610,613	395,717,276	564,936,169	314,437,848
Shareholders' equity					
Share capital					
Registered					
11,250,000 ordinary shares of Baht 5 each		56,250,000	56,250,000	56,250,000	56,250,000
Issued and fully paid					
11,250,000 ordinary shares of Baht 5 each		56,250,000	56,250,000	56,250,000	56,250,000
Share premium		24,712,500	24,712,500	24,712,500	24,712,500
Retained earnings					
Appropriated - statutory reserve	20	5,625,000	5,625,000	5,625,000	5,625,000
Unappropriated		44,177,222	69,359,079	28,497,850	60,652,516
Other components of shareholders' equity		(5,996,343)	(6,020,669)	1,186,980	690,126
Equity attributable to owners of the Company		124,768,379	149,925,910	116,272,330	147,930,142
Non-controlling interests of the subsidiaries		8,262,508	1,893,498	-	-
Total shareholders' equity		133,030,887	151,819,408	116,272,330	147,930,142
Total liabilities and shareholders' equity		796,641,500	547,536,684	681,208,499	462,367,990

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

(Unit: Baht)

Profit or loss	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Commission and services income		321,078,025	322,138,112	236,785,652	234,875,076
Other income	10	10,098,981	10,205,567	7,723,664	5,670,087
Total revenues		331,177,006	332,343,679	244,509,316	240,545,163
Expenses					
Cost of services		146,352,024	140,426,603	113,810,858	103,681,842
Administrative expenses		162,835,453	151,264,938	122,674,279	108,929,229
Directors and management's benefits		41,240,413	49,629,786	35,338,658	35,677,094
Total expenses		350,427,890	341,321,327	271,823,795	248,288,165
Loss before finance cost and income tax expenses		(19,250,884)	(8,977,648)	(27,314,479)	(7,743,002)
Finance cost		(1,759,700)	(1,296,051)	(1,465,187)	(1,202,112)
Loss before income tax expenses		(21,010,584)	(10,273,699)	(28,779,666)	(8,945,114)
Income tax expenses		(1,357,478)	(482,812)	-	-
Loss for the year		(22,368,062)	(10,756,511)	(28,779,666)	(8,945,114)
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(472,528)	(425,654)	-	-
Gain on changes in value of available-for-sale investments		496,854	251,390	496,854	251,390
Other comprehensive income for the year		24,326	(174,264)	496,854	251,390
Total comprehensive income for the year		(22,343,736)	(10,930,775)	(28,282,812)	(8,693,724)
Loss attributable to:					
Equity holders of the Company		(21,806,857)	(10,756,511)	(28,779,666)	(8,945,114)
Non-controlling interests of the subsidiaries		(561,205)	-		
		(22,368,062)	(10,756,511)		
Total comprehensive income attributable to:					
Equity holders of the Company		(21,782,531)	(10,930,775)	(28,282,812)	(8,693,724)
Non-controlling interests of the subsidiaries		(561,205)	-		
		(22,343,736)	(10,930,775)		
Earnings per share	22				
Basic earnings per share					
Loss attributable to equity holders of the Company		(1.94)	(0.96)	(2.56)	(0.80)

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

(Unit: Baht)

Consolidated financial statements	Issued and fully paid share capital	Equity attributable to owners of the Company							Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
		Share premium	Retained earnings		Other components of equity			Total equity attributable to owners of the Company		
					Other comprehensive income		Total other components of shareholders' equity			
			Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of available-for-sale investments						
Balance as										
at 1 January 2011	56,250,000	24,712,500	5,625,000	89,115,590	(6,285,141)	438,736	(5,846,405)	169,856,685	1,893,498	171,750,183
Total comprehensive income for the year	-	-	-	(10,756,511)	(425,654)	251,390	(174,264)	(10,930,775)	-	(10,930,775)
Dividend paid (Note 25)	-	-	-	(9,000,000)	-	-	-	(9,000,000)	-	(9,000,000)
Balance as										
at 31 December 2011	56,250,000	24,712,500	5,625,000	69,359,079	(6,710,795)	690,126	(6,020,669)	149,925,910	1,893,498	151,819,408
Balance as										
at 1 January 2012	56,250,000	24,712,500	5,625,000	69,359,079	(6,710,795)	690,126	(6,020,669)	149,925,910	1,893,498	151,819,408
Total comprehensive income for the year	-	-	-	(21,806,857)	(472,528)	496,854	24,326	(21,782,531)	(561,205)	(22,343,736)
Increase in equity attributable to non-controlling interests of the subsidiary due to establishment of new subsidiaries	-	-	-	-	-	-	-	-	8,637,167	8,637,167
Decrease in equity attributable to non-controlling interests on subsidiaries	-	-	-	-	-	-	-	-	(1,706,952)	(1,706,952)
Dividend paid (Note 25)	-	-	-	(3,375,000)	-	-	-	(3,375,000)	-	(3,375,000)
Balance as										
at 31 December 2012	56,250,000	24,712,500	5,625,000	44,177,222	(7,183,323)	1,186,980	(5,996,343)	124,768,379	8,262,508	133,030,887

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

(Unit: Baht)

Separate financial statements	Issued and fully paid share capital	Share premium	Retained earnings		Other components of equity	Total share- holders' equity
			Appro- priated	Unappro- priated	Other comprehensive income	
					Surplus on changes in value of available-for-sale investments	
Balance as						
at 1 January 2011	56,250,000	24,712,500	5,625,000	78,597,630	438,736	165,623,866
Total comprehensive income						
for the year	-	-	-	(8,945,114)	251,390	(8,693,724)
Dividend paid (Note 25)	-	-	-	(9,000,000)	-	(9,000,000)
Balance as						
at 31 December 2011	56,250,000	24,712,500	5,625,000	60,652,516	690,126	147,930,142
Balance as						
at 1 January 2012	56,250,000	24,712,500	5,625,000	60,652,516	690,126	147,930,142
Total comprehensive income						
for the year	-	-	-	(28,779,666)	496,854	(28,282,812)
Dividend paid (Note 25)	-	-	-	(3,375,000)	-	(3,375,000)
Balance as						
at 31 December 2012	56,250,000	24,712,500	5,625,000	28,497,850	1,186,980	116,272,330

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

(Unit: Baht)

Cash flows from operating activities	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Loss before tax		(21,010,584)	(10,273,699)	(28,779,666)	(8,945,114)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		8,607,721	7,883,984	7,850,599	6,868,288
Allowance for doubtful accounts (reversal)		119,781	(10,154,724)	8,076,893	(3,109,103)
Reversal of impairment loss on other assets	10	(6,713,300)	-	(6,713,300)	-
Loss on sales of other assets	10	3,097,460	-	3,097,460	-
Reversal of impairment loss on investments in subsidiaries	12	-	-	(19,859,062)	-
Loss on investment in subsidiaries	12	-	-	23,663,610	-
(Gain) loss on sales of equipment		1,125,560	(135,997)	(450,862)	(88,990)
Loss on write-off of equipment		1,186,368	117	1,125,375	117
(Gain) loss on sales of other long-term investments		167,695	(645,800)	167,695	(645,800)
Provision for long-term employee benefits		5,778,395	5,118,887	5,778,395	5,118,887
Unrealised loss on exchange		-	-	7,166	24,476
Interest income		(3,501,920)	(3,740,795)	(3,212,828)	(3,420,236)
Dividend income		(26,250)	(48,281)	(26,250)	(48,281)
Interest expenses		1,759,700	1,296,051	1,465,187	1,202,112
Loss from operating activities before changes in operating assets and liabilities		(9,409,374)	(10,700,257)	(7,809,588)	(3,043,644)
Operating assets (increase) decrease					
Trade and other receivables		(23,978,514)	86,814,340	(30,360,317)	31,415,775
Unbilled receivables		(99,954,404)	(1,802,031)	(56,982,227)	361,188
Other current assets		(6,841,405)	1,357,563	(9,936,030)	3,227,172
Other non-current assets		(786,050)	78,999	16,364	(579,768)
Operating liabilities increase (decrease)					
Trade and other payables		167,487,898	(44,171,739)	132,700,828	(25,932,208)
Advances received from customers		95,983,265	48,896,049	92,149,966	49,960,770
Accrued costs		(2,603,419)	(46,267,916)	8,533,385	(22,555,640)
Other current liabilities		(3,857,279)	160,354	275,978	5,361,591
Other non-current liabilities		(782,249)	170,389	648	588
Payment of long-term employee benefits		(2,538,017)	(5,981,656)	(2,538,017)	(5,981,656)
Cash flows from operating activities		112,720,452	28,554,095	126,050,990	32,234,168
Cash paid for interest expenses		(943,100)	(215,521)	(648,586)	(121,582)
Cash received from withholding tax refundable		-	24,263,076	-	23,974,886
Cash paid for income tax		(34,591,199)	(27,127,156)	(34,098,402)	(26,308,663)
Net cash flows from operating activities		77,186,153	25,474,494	91,304,002	29,778,809

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Cash flows from investing activities					
Increase in current investments		-	(34,604,684)	-	(35,974,967)
Cash received from sale of current investments		-	45,000,000	-	45,000,000
Increase in other long-term investments		-	(340,000)	-	(340,000)
Cash received from sale of other long-term investments		512,305	968,700	512,305	968,700
Increase in investment in subsidiaries	12	-	-	(29,600,000)	(4,605,000)
Cash received from the return of capital from subsidiaries	12	-	-	10,116,390	-
Increase in loans to related parties		(1,026,124)	(954,575)	(43,096,430)	(1,400,000)
Cash received from loans to related parties		874,350	1,623,207	4,440,442	6,886,063
Increase in loans to other parties		(36,594,641)	-	-	-
Cash received from loans to other parties		-	7,555,812	-	-
Prepayment for investment in associated company		(1,308,457)	-	(1,308,457)	-
Proceeds from sales of other assets	10	5,184,000	-	5,184,000	-
Proceeds from sales of equipment		884,596	2,152,699	597,010	1,319,897
Acquisition of equipment		(5,928,668)	(5,913,870)	(3,203,097)	(5,648,902)
Acquisition of intangible assets		(1,464,374)	(857,502)	(1,464,374)	(820,678)
Interest income		3,531,919	3,580,030	3,067,578	3,482,917
Dividend income		26,250	48,281	26,250	48,281
Net cash flows from (used in) investing activities		(35,308,844)	18,258,098	(54,728,383)	8,916,311
Cash flows from financing activities					
Cash paid for liabilities under long-term lease agreements		(2,456,487)	(895,614)	(2,456,487)	(365,312)
Cash received due to establishment of new subsidiary from minority shareholders of subsidiaries		6,930,216	-	-	-
Dividend paid		(3,375,000)	(9,000,000)	(3,375,000)	(9,000,000)
Net cash flows from (used in) financing activities		1,098,729	(9,895,614)	(5,831,487)	(9,365,312)
Decrease in translation adjustments		(504,927)	(650,103)	-	-
Net increase in cash and cash equivalents		42,471,111	33,186,875	30,744,132	29,329,808
Cash and cash equivalents at beginning of the year		193,563,424	160,376,549	159,378,702	130,048,894
Cash and cash equivalents at end of the year		236,034,535	193,563,424	190,122,834	159,378,702
Supplemental disclosures of cash flows information					
Non-cash transactions					
Assets acquired under lease agreement		9,235,410	1,495,475	9,235,410	1,495,475

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



Annual Report 2012

1 Corporate information

Chuo Senko (Thailand) Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in providing media buying services and advertising production services. The registered office of the Company is at 622 Emporium Tower, 18th Floor, Sukhumvit Road, Kwang Klongton, Khet Klongtoey, Bangkok.

2 Basis for the preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Chuo Senko (Thailand) Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 (%)	2011 (%)
V.Excess Co., Ltd. (Its liquidation process was completed on 9 October 2012)	Video production services	Thailand	-	100
Chuo Senko Asia (ROH) Co., Ltd. (Its liquidation process was completed on 9 October 2012)	Regional operating headquarter	Thailand	-	80
Be 1 Communications Co., Ltd. (Being in liquidation)	Production and advertising services	Thailand	51	51
Chuo Senko Vietnam Design Services One Member Co., Ltd.	Production and advertising services	Vietnam	100	100
Chuo Senko (Cambodia) Holding Co., Ltd.	Production and advertising services	Cambodia	100	100
JM Chuo Senko Sdn. Bhd.	Production and advertising services	Malaysia	100	100
PT. Chuo Senko Consultant	Business management consulting services	Indonesia	99	99
Wonder Asia Co., Ltd.	Marketing and event services	Thailand	100	-
Chuo Senko Dynamics (ROH) Co., Ltd.	Regional operating headquarter	Thailand	82	-
RDSS Co., Ltd.	Shop decoration services	Thailand	100	-
Digital DNA Co., Ltd.	Online marketing services	Thailand	100	-
Chuo Senko Myanmar Pte.	Production and advertising services	Singapore	65	-
Ad Asia Company Limited (100% held by Chuo Senko Dynamics (ROH) Co., Ltd.)	Production and advertising services	Thailand	82	-

b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) During the year 2012, there were the following changes in the composition of the subsidiaries:

- 1) In July 2012, the Company invested in Wonder Asia Company Limited. The Company acquires 9,997 ordinary shares of such company at a price of Baht 100 per share, for a total of Baht 1 million, which registered its incorporation with the Ministry of Commerce on 20 July 2012. The Company's investment represents 100 percent of the registered capital of such company.
- 2) In August 2012, the Company invested in Chuo Senko Dynamics (ROH) Company Limited. The Company acquires 24,596 ordinary shares of such company at a price of Baht 1,000 per share, for a total of Baht 25 million, which registered its incorporation with the Ministry of Commerce on 1 August 2012. The Company's investment represents 82 percent of the registered capital of such company.
- 3) In August 2012, the Company invested in RDSS Company Limited. The Company acquires 29,997 ordinary shares of such company at a price of Baht 100 per share, for a total of Baht 3 million, which registered its incorporation with the Ministry of Commerce on 7 August 2012. The Company's investment represents 100 percent of the registered capital of such company.

- 4) In September 2012, Chuo Senko Dynamics (ROH) Company Limited, a subsidiary, invested in 9,997 ordinary shares of AD Asia Company Limited at a price of Baht 100 per share, for a total of Baht 1 million. The subsidiary's investment represents 100 percent of the registered capital of such company.
 - 5) In September 2012, Chuo Senko Asia (ROH) Co., Ltd. was dissolved and liquidated. That company registered its liquidation with the Ministry of Commerce on 9 October 2012. Thus, the consolidated financial statements for this year did not include the financial statements of this subsidiary.
 - 6) In October 2012, the Company invested in 10,000 ordinary shares of Digital DNA Company Limited at a price of Baht 100 per share, for a total of Baht 1 million. The Company's investment represents 100 percent of the registered capital of such company.
 - 7) In October 2012, V.Excess Co., Ltd. was dissolved and liquidated. Thus, the consolidated financial statements for this year did not include the financial statements of this subsidiary.
 - 8) In November 2012, the Company invested in 1,950 ordinary shares of Chuo Senko (Myanmar) Pte. which registered in Singapore at a price of USD 100 per share, for a total of Baht 6 million. The Company's investment represents 65 percent of the registered capital of such company.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3 New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:	
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
Financial Reporting Standard:	
TFRS 8	Operating Segments
Accounting Standard Interpretations:	
SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The management of the Company and its subsidiaries believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. The effect of the adoption to the financial statements of the Company and its subsidiaries will be to decrease profit for the year 2012 by Baht 1 million (0.1 Baht per share) and increase brought-forward retained earnings of the year 2012 by Baht 11 million (separate financial statements: decrease profit for the year 2012 by Baht 2 million (0.2 Baht per share) and increase brought-forward retained earnings of the year 2012 by Baht 10 million).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

Accounting Treatment Guidance for Transfers of Financial Assets		Effective date
Accounting Standard Interpretation:		1 January 2013
SIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company and its subsidiaries have assessed the effect of these standards and believes that these accounting treatment guidance and accounting standard interpretations are not relevant to the business of the Company.

4 Significant accounting policies

4.1 Revenue recognition

Rendering of services

Service income is recognised when services are completed and invoiced. Service income is stated at the invoiced amount, excluding costs, output tax and discounts.

Commission income

Commission income is recognised when media placements appeared and invoiced. Commission income is stated at the invoiced amount, after deducting costs.

Interest income

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method. The Company performs impairment reviews in respect of the investment whenever there is an indication that it may be impaired.

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

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

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

4.5 Building improvements and equipment/Depreciation

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

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

Building improvements	6	years
Furniture, fixtures and office equipment	3 - 5	years
Vehicles	5	years
Demolition costs	Term of lease	

Depreciation is included in determining income.

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

4.6 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

	Useful lives
Computer software	3 - 10 years
Patents	3 years
Expenditure on acquired website fee	3 years

4.7 Related party transactions

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

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

4.8 Long-term leases

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

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.9 Foreign currencies

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

Gains and losses on exchange are included in determining income.

4.10 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the building improvements and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

• Defined contribution plans

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

• Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefits plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits and other long-term benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.12 Provisions

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

4.13 Income tax

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

5 Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Impairment of equity investments

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

Building improvements and equipment/Depreciation

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

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

Post-employment benefits under defined benefit plans and other long-term employee benefits

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

6 Related party transactions

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2012	2011	2012	2011	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Commission and services income					
(Billing amount)	-	-	5,406	4,952	Cost plus margin
Interest income	-	-	609	94	At rate of 3 and 5 percent per annum
Cost of services	-	-	419	2,115	Cost plus margin of subsidiary
Other expenses	-	-	486	281	As agreed
Transactions with related companies					
Commission and services income					
(Billing amount)	-	103	-	103	Cost plus margin
Other service income	-	22	-	22	As agreed
Marketing research expenses	55	-	55	-	As agreed
Consulting and management fees	880	685	880	685	As agreed

The balances of the accounts as at 31 December 2012 and 2011 between the Company, its subsidiaries and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade and other receivables - related parties (Note 9)				
Subsidiaries	-	-	17,913	22,576
Related company	-	-	-	-
Total	-	-	17,913	22,576
Less: Allowance for doubtful accounts	-	-	(10,104)	(4,788)
Total trade and other receivables - related parties, net	-	-	7,809	17,788
Trade and other payables - related parties (Note 17)				
Subsidiaries	-	-	6,452	1,825
Director	104	-	-	-
Total trade and other payables - related parties	104	-	6,452	1,825

Long-term loans to related parties

As at 31 December 2012 and 2011, the balance of loans between the Company, its subsidiaries and those related companies and the movement are as follows:

(Unit: Thousand Baht)

Consolidated financial statements	Balance as at 1 January 2012	Increase during the year	Decrease during the year	Balance as at 31 December 2012	Repayment schedule
Long-term loans to related parties					
Directors and employees	1,419	1,026	(874)	1,571	As the Company's policy
Less: Current portion				(781)	
Long-term loans to related parties - net of current portion				790	

(Unit: Thousand Baht)

Separate financial statements	Balance as at 1 January 2012	Increase during the year	Decrease during the year	Unrealised loss on exchange rate	Balance as at 31 December 2012	Repayment schedule
Long-term loans to related parties						
Subsidiaries						
JM Chuo Senko Sdn. Bhd.	-	5,000	-	-	5,000	Carry interest at the rate of 5% per annum and monthly installments at Baht 0.25 million each, starting from January 2013
PT. Chuo Senko Consultant	-	37,440	-	(857)	36,583	Carry interest at the rate of 3% per annum and semi-annual installments at USD 0.3 million each, starting from June 2013
Directors and employees	1,419	989	(874)	-	1,534	As the Company's policy
Total					43,117	
Less: Allowance for doubtful accounts					(5,000)	
Total long-term loans to related parties					38,117	
Less: Current portion					(19,035)	
Long-term loans to related parties - net of current portion					19,082	

Directors and management's benefits

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefits of their directors and management recognised as expenses totaling Baht 41 million (Separate financial statements: Baht 35 million) (2011: Baht 50 million, Separate financial statements: Baht 36 million).

7 Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	205	208	80	79
Bank deposits	235,830	193,355	190,043	159,300
Total	236,035	193,563	190,123	159,379

As at 31 December 2012, bank deposits in saving accounts and fixed deposits of the Company and its subsidiaries carried interests between 0.50 and 3.10 percent per annum (2011: 0.50 and 3.45 percent per annum) (separate financial statements: 0.50 and 3.10 percent per annum) (2011: between 0.50 and 2.85 percent per annum, separate financial statements: 0.50 and 3.45 percent per annum).

8 Current investments

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	2012		2011	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities	16,444	17,207	16,444	16,785
Add: Changes in fair value of securities	763		341	
Total available-for-sale securities - net	17,207		16,785	

9 Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade receivables – related parties				
Aged on the basis of due dates Not yet due	-	-	1,973	366
Past due				
Up to 3 months	-	-	85	6,580
3 - 6 months	-	-	32	1,401
6 - 12 months	-	-	396	4,032
Over 12 months	-	-	11,467	7,284
Total	-	-	13,953	19,663
Less: Allowance for doubtful debts	-	-	(8,346)	(3,492)
Total trade receivable - related parties, net	-	-	5,607	16,171
Trade receivables – unrelated parties				
Aged on the basis of due dates Not yet due	94,547	96,645	37,173	19,487
Past due				
Up to 3 months	36,328	15,414	22,932	3,192
3 - 6 months	3,575	1,605	512	787
6 - 12 months	292	3,357	116	1,986
Over 12 months	16,346	16,082	9,587	8,901
Total	151,088	133,103	70,320	34,353
Less: Allowance for doubtful debts	(14,991)	(14,871)	(9,057)	(8,847)
Total trade receivables – unrelated parties, net	136,097	118,232	61,263	25,506
Total trade receivables – net	136,097	118,232	66,870	41,677
Other receivables				
Other receivables – related parties, net	-	-	2,202	1,617
Other receivables – unrelated parties	6,704	1,812	-	254
Advance to employees	896	1,431	679	1,001
Others	2,760	1,154	389	611
Total other receivables	10,360	4,397	3,270	3,483
Total trade and other receivables – net	146,457	122,629	70,140	45,160

10 Other current assets

During the second quarter of the current year, the Company sold the rights to book and produce advertising for four billboards for Baht 5 million, to an unrelated company whose major shareholder is the company that previously sold these rights to the Company in 2010. The selling price is the price agreed. The net book value of the rights at the selling date was Baht 2 million (Baht 9 million cost net of Baht 7 million allowance for loss on impairment of assets). As a result, the Company recognised the sales transaction and reversed the related impairment loss, with the difference of Baht 3 million presented as other income in the statement of comprehensive income in the current year. The Company has already received full settlement of the selling price. This sales transaction was authorised by the Company's Managing Directors.

11 Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

12 Investments in subsidiaries

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

(Unit: Million Baht)

Company's name	Country of incorporation	Paid-up capital		Shareholding percentage		Cost	
		2012	2011	2012 (%)	2011 (%)	2012	2011
V.Excess Co., Ltd.							
(Its liquidation process was completed on 9 October 2012)	Thailand	-	6	-	100	-	6
Chuo Senko Asia (ROH) Co., Ltd.							
(Its liquidation process was completed on 9 October 2012)	Thailand	-	35	-	80	-	28
Be 1 Communications Co., Ltd. (Being in liquidation)	Thailand	16	16	51	51	8	8
Chuo Senko Vietnam Design Services One Member Co., Ltd.	Vietnam	22	22	100	100	16	16
Chuo Senko (Cambodia) Holding Co., Ltd.	Combodia	-	-	100	100	-	-
JM Chuo Senko Sdn. Bhd.	Malaysia	7	7	100	100	11	11
PT. Chuo Senko Consultant	Indonesia	6	6	99	99	6	6
Wonder Asia Co., Ltd.	Thailand	1	-	100	-	1	-
Chuo Senko Dynamics (ROH) Co., Ltd.	Thailand	30	-	82	-	25	-
RDSS Co., Ltd.	Thailand	3	-	100	-	3	-
Digital DNA Company Limited	Thailand	1	-	100	-	1	-
Chuo Senko Myanmar PTE.	Singapore	9	-	65	-	6	-
Total						77	75
Less: Loss on impairment of investments in subsidiaries						(19)	(39)
Total investments in subsidiaries - net						58	36

The subsidiary which the Company owns through Chuo Senko Dynamics (ROH) Co., Ltd. is as follow:

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2012 (%)	2011 (%)
Ad-Asia Company Limited	Production and advertising services	Thailand	82	-

- In July 2012, the Company invested in Wonder Asia Company Limited. The Company acquires 9,997 ordinary shares of such company at a price of Baht 100 per share, for a total of Baht 1 million, which registered its incorporation with the Ministry of Commerce on 20 July 2012. The Company's investment represents 100 percent of the registered capital of such company.
- In August 2012, the Company invested in Chuo Senko Dynamics (ROH) Company Limited. The Company acquires 24,596 ordinary shares of such company at a price of Baht 1,000 per share, for a total of Baht 25 million, which registered its incorporation with the Ministry of Commerce on 1 August 2012. The Company's investment represents 82 percent of the registered capital of such company.
- In August 2012, the Company invested in RDSS Company Limited. The Company acquires 29,997 ordinary shares of such company at a price of Baht 100 per share, for a total of Baht 3 million, which registered its incorporation with the Ministry of Commerce on 7 August 2012. The Company's investment represents 100 percent of the registered capital of such company.
- In September 2012, Chuo Senko Dynamics (ROH) Company Limited, a subsidiary, invested in 9,997 ordinary shares of AD-Asia Company Limited at a price of Baht 100 per share, for a total of Baht 1 million. The subsidiary's investment represents 100 percent of the registered capital of such company.

On 4 October 2012, Ad-Asia Company Limited, a subsidiary which the Company owns through Chuo Senko Dynamics (ROH) Co., Ltd., increased its registered share capital from the registered share capital of Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 10 million (100,000 ordinary shares of Baht 100 each), through the issuance of 90,000 additional ordinary shares with a par value of Baht 100 each. The capital addition has no effect to the Company's shareholding in that company.

- e) In September 2012, the Company received Baht 6.9 million from the return of capital of Chuo Senko Asia (ROH) Co., Ltd. The net book value of investment in such subsidiary was Baht 7.3 million; therefore, the Company reversed the allowance for impairment loss on investment in such subsidiary of approximately Baht 20.8 million and recorded loss on investment in subsidiary of approximately Baht 21 million in the statement of comprehensive income of the current year.
- f) In October 2012, the Company invested in 10,000 ordinary shares of Digital DNA Company Limited at a price of Baht 100 per share, for a total of Baht 1 million, which registered its incorporation with the Ministry of Commerce on 16 October 2012. The subsidiary's investment represents 100 percent of the registered capital of such company.
- g) In October 2012, the Company received Baht 3 million from the return of capital of V.Excess Co., Ltd. The net book value of investment in such subsidiary was Baht 3 million; therefore, the Company reversed the allowance for impairment loss on investment in such subsidiary of approximately Baht 3 million and recorded loss on investment in subsidiary of approximately Baht 3 million in the statement of comprehensive income of the current year.
- h) In November 2012, the Company invested in 1,950 ordinary shares of Chuo Senko (Myanmar) Pte. which registered in Singapore at a price of USD 100 per share, for a total of Baht 6 million. The Company's investment represents 65 percent of the registered capital of such company. In addition, that company is in process to call up the share capital and the balance is presented under the caption of "Other payables - related parties" in the statement of financial position.

No dividend was received from the above subsidiaries during the years ended 31 December 2012 and 2011.

13 Other long-term investments

(Unit: Thousand Baht)

Company's name	Shareholding percentage		Consolidated and Separate financial statements	
	2012 (%)	2012 (%)	2012 (%)	2012 (%)
City Sports and Recreation Public Company Limited	0.09	0.09	458	458
Aun Thai Laboratories Co., Ltd	-	2	-	680
Asia Business Support Association Co., Ltd. ((shareholder of the Company))	5	5	500	500
Total other long-term investments			958	1,638
Add: Changes in fair value of investments			423	348
Other long-term investments - net			1,381	1,986

During the year 2012, the Company received dividend amounting to approximately Baht 0.02 million from City Sports and Recreation Public Company Limited (2011: Baht 0.05 million).

14 Long-term loan to other company

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Long-term loan to other company	36,595	-
Less: Current portion	(7,622)	-
Long-term loan to other company - net of current portion	28,973	-

During the third quarter of the current year, the subsidiary lent loan amounting to USD 1.2 million to a company who the major customer of a subsidiary in Indonesia for using as working capital. This loan on repayable of semi-annual installments at USD 0.3 million each, starting from June 2013, and bears interest at a rate of 4% per annum. This loan is secured by the assignment of rights to collections under service agreements between this company and its client.

15 Building improvements and equipment

(Unit: Thousand Baht)

Consolidated financial statements	Building improvements	Furnitures fixtures and office equipment	Vehicles	Demolition cost	Total
Cost:					
As at 1 January 2011	9,000	35,533	19,835	1,776	66,144
Purchase	80	3,453	3,876	-	7,409
Disposal	-	(124)	(2,735)	-	(2,859)
Write off	-	(3,229)	-	-	(3,229)
Foreign currency translation adjustment	-	(22)	40	-	18
As at 31 December 2011	9,080	35,611	21,016	1,776	67,483
Purchase	-	5,344	9,820	-	15,164
Disposal	-	(3,185)	(1,156)	-	(4,341)
Write off	-	(17)	(1,880)	-	(1,897)
Foreign currency translation adjustment	-	42	313	-	355
As at 31 December 2012	9,080	37,795	28,113	1,776	76,764
Accumulated depreciation:					
As at 1 January 2011	7,656	29,463	7,817	1,603	46,539
Depreciation for the year	260	2,647	3,723	148	6,778
Depreciation - Disposal	-	(53)	(808)	-	(861)
Depreciation - Write off	-	(3,211)	-	-	(3,211)
Foreign currency translation adjustment	-	(134)	(59)	-	(193)
As at 31 December 2011	7,916	28,712	10,673	1,751	49,052
Depreciation for the year	250	3,017	4,120	25	7,412
Depreciation - Disposal	-	(1,335)	(996)	-	(2,331)
Depreciation - Write off	-	(15)	(755)	-	(770)
Foreign currency translation adjustment	-	39	286	-	325
As at 31 December 2012	8,166	30,418	13,328	1,776	53,688
Net book value:					
As at 31 December 2011	1,164	6,899	10,343	25	18,431
As at 31 December 2012	914	7,377	14,785	-	23,076
Depreciation for the year					
2011					6,778
2012					7,412

(Unit: Thousand Baht)

Separated financial statements	Building improvements	Furnitures fixtures and office equipment	Vehicles	Demolition cost	Total
Cost:					
As at 1 January 2011	9,000	29,749	18,193	1,776	58,718
Purchase	80	3,188	3,876	-	7,144
Disposal	-	(80)	(1,573)	-	(1,653)
Write off	-	(3,060)	-	-	(3,060)
As at 31 December 2011	9,080	29,797	20,496	1,776	61,149
Purchase	-	4,422	8,017	-	12,439
Disposal	-	(451)	(322)	-	(773)
Write off	-	(17)	(1,879)	-	(1,896)
As at 31 December 2012	9,080	33,751	26,312	1,776	70,919
Accumulated depreciation:					
As at 1 January 2011	7,656	26,493	7,120	1,603	42,872
Depreciation for the year	260	2,016	3,477	148	5,901
Depreciation - Disposal	-	(40)	(401)	-	(441)
Depreciation - Write off	-	(3,041)	-	-	(3,041)
As at 31 December 2011	7,916	25,428	10,196	1,751	45,291
Depreciation for the year	250	2,615	3,873	25	6,763
Depreciation - Disposal	-	(441)	(186)	-	(627)
Depreciation - Write off	-	(15)	(755)	-	(770)
As at 31 December 2012	8,166	27,587	13,128	1,776	50,657
Net book value:					
As at 31 December 2011	1,164	4,369	10,300	25	15,858
As at 31 December 2012	914	6,164	13,184	-	20,262
Depreciation for the year					
2011					5,901
2012					6,763

As at 31 December 2012, the Company had vehicles and equipment under finance lease agreements with net book values amounting to Baht 6 million (2011: Baht 1 million) (separate financial statements: Baht 6 million, 2011: Baht 1 million).

As at 31 December 2012, certain building improvements and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 36 million (2011: Baht 36 million) (separate financial statements: Baht 33 million, 2011: Baht 33 million).

16 Intangible assets

The net book value of intangible assets as at 31 December 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Computer software	Patents	Website	Total	Computer software	Patents	Website	Total
As at 31 December 2012								
Cost	6,277	143	-	6,569	5,865	143	-	6,008
Less Accumulated amortisation	(4,479)	(30)	-	(4,593)	(4,212)	(30)	-	(4,242)
Net book value	1,798	113	-	1,976	1,653	113	-	1,766
As at 31 December 2011								
Cost	5,031	-	292	5,323	4,251	-	292	4,543
Less Accumulated amortisation	(3,518)	-	(41)	(3,559)	(3,114)	-	(41)	(3,155)
Net book value	1,513	-	251	1,764	1,137	-	251	1,388

A reconciliation of the net book value of intangible assets for the years 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Net book value at beginning of year	1,764	2,000	1,388	1,535
Acquisition	1,465	857	1,465	820
Amortisation	(1,257)	(1,106)	(1,087)	(967)
Foreign currency translation adjustment	4	13	-	-
Net book value at end of year	1,976	1,764	1,766	1,388

17 Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables - related parties	-	-	56	1,769
Trade payables - unrelated parties	347,440	191,183	268,794	134,356
Other payables - related parties	104	-	6,396	56
Other payables - unrelated parties	8,148	5,113	3,847	3,941
Accrued expenses	15,205	7,113	4,674	4,943
Total trade and other payables	370,897	203,409	283,767	145,065

18 Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2012	2011
Liabilities under finance lease agreements	10,368	1,272
Less: Deferred interest	(2,459)	(142)
Total	7,909	1,130
Less: Current portion	(2,068)	(483)
Liabilities under finance lease agreements – net of current portion	5,841	647

The Company has entered into the finance lease agreements with leasing company for rental of the motor vehicles and office equipment and committed to pay rental fee on a monthly basis. The terms of the agreements are generally between 3 and 4 years.

As at 31 December 2012 and 2011, future minimum lease payments required under the finance lease agreements of the Company were as follows:

(Unit: Million Baht)

	As at 31 December 2012		
	Less than 1 year	1–4 years	Total
Future minimum lease payments	3	7	10
Deferred interest	(1)	(1)	(2)
Present value of future minimum lease payments as agreement	2	6	8

(Unit: Million Baht)

	As at 31 December 2011		
	Less than 1 year	1–4 years	Total
Future minimum lease payments	1	-	1
Deferred interest	-	-	-
Present value of future minimum lease payments as agreement	1	-	1

19 Provision for long-term employee benefits

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

(Unit: Thousand Baht)

Consolidated and Separate financial statements	2012			2011		
	Severance benefits	Other long-term employees benefits	Total	Severance benefits	Other long-term employees benefits	Total
Provisions for long-term employee						
benefits at beginning of year	8,708	7,537	16,243	10,785	5,499	16,284
Current service cost	3,012	2,766	5,778	2,903	2,216	5,119
Interest cost	415	358	773	554	268	822
Benefits paid during the year	(1,429)	(1,109)	(2,538)	(5,536)	(446)	(5,982)
Provisions for long-term employee						
benefits at end of year	10,704	9,552	20,256	8,706	7,537	16,243

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

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2012	2011
Current service cost	5,778	5,119
Interest cost	773	822
Total expense recognised in profit or loss	6,441	5,941

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and Separate financial statements	
	2012 (% per annum)	2011 (% per annum)
Discount rate	3.5	3.5
Future salary increase rate	5.0	5.0
Staff turnover rate (depending on age)	5.0 - 32.0	5.0 - 32.0

Amounts of defined benefit obligation for the current and previous three periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
Year 2012	20,256	20,256
Year 2011	16,243	16,243
Year 2010	16,284	16,284

20 Statutory reserve

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

21 Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Salary and wages and other employee benefits	211,877	226,743	170,687	166,269
Depreciation and amortisation	8,595	7,884	7,851	6,868
Rental expenses from operating lease agreements	25,207	23,289	18,326	16,583
Consulting and management fees	21,170	20,060	20,712	19,153

22 Earnings per share

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

23 Financial information by segment

The businesses of the Company and its subsidiaries mainly involve the single industry segment of the media buying and advertising products on services and are mainly carried on both in Thailand and overseas which operated by subsidiaries. The financial information of the Company and its subsidiaries by geographical segment, for the year ended 31 December 2012 and 2011 are as follow:

(Unit: Million Baht)

	Thailand		Overseas		Consolidated financial statements	
	2012	2011	2012	2011	2012	2011
Commission and service income	232,420	231,757	88,658	90,381	321,078	322,138
Cost of services	(113,811)	(103,682)	(32,541)	(36,745)	(146,352)	(140,427)
Segment profit	118,609	128,075	56,117	53,636	174,726	181,711
Unallocated income (expenses):						
Other income					10,099	10,206
Administrative expenses					(162,836)	(151,265)
Directors and management's benefits					(41,240)	(49,630)
Finance cost					(1,760)	(1,296)
Income tax expenses					(1,357)	(483)
Loss for the year					(22,368)	(10,757)

Transfer prices between business segments are as set out in Note 6 to the financial statements.

24 Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by MFC Asset Management Public Company Limited will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Company contributed Baht 5 million (2011: Baht 4 million) to the fund.

25 Dividends

Dividends	Approved by	Total Dividends (Million Baht)	Dividend per share (Baht per Share)
Final dividends for 2010	Annual General Meeting of the shareholders on 28 April 2011	9	0.8
Final dividends for 2011	Annual General Meeting of the shareholders on 26 April 2012	3	0.3

26 Commitments and contingent liabilities

26.1 Operating lease commitments

The Company and its subsidiaries had entered into lease agreements in respect of the lease of office buildings space. The terms of the agreements are generally between 1 and 3 years.

Future minimum rentals payable under these non-cancellable operating lease contracts were as follows.

(Unit: Million Baht)

Payable within	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Within 1 year	22	22	17	17
2 - 3 years	31	38	21	3

26.2 Guarantees

As at 31 December 2012, there were outstanding bank guarantees of approximately Baht 0.4 million (2011: Baht 2.4 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 0.3 million (2011: Baht 2.3 million) to guarantee payments due to creditors, and Baht 0.1 million (2011: Baht 0.1 million) to guarantee electricity use.

26.3 Other service commitments

The Company has entered into several agreements with a related party and non-related parties, whereby it receives certain services related to marketing and corporate business. These agreements have terms of 1 to 2 years. As at 31 December 2012, the Company has outstanding service fee commitments totaling Baht 5 million (2011: Baht 4 million) and SGD 0.2 million (2011: SGD 0.4 million).

27 Financial instruments

27.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade accounts receivable, loans to and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and loans to. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivables and loans to as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, current investments and loan to. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

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

(Unit: Million Baht)

Consolidated financial statements As at 31 December 2012	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	236	-	236	0.50 - 3.10
Current investments	-	-	-	17	17	-
Trade and other receivables	-	-	-	146	146	-
Restricted bank deposits	-	-	55	-	55	0.50 - 2.85
Long-term loans to related parties	1	1	-	-	2	5.00
Long-term loans to other company	8	29	-	-	37	4.00
Financial liabilities						
Trade and other payables	-	-	-	371	371	-
Advance received from customers	-	-	-	235	235	-

(Unit: Million Baht)

Consolidated financial statements As at 31 December 2011	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	194	-	194	0.50 - 3.45
Current investments	-	-	-	17	17	-
Trade and other receivables	-	-	-	123	123	-
Restricted bank deposits	-	-	55	-	55	0.50 - 3.45
Long-term loans to related parties	1	1	-	-	2	3.00 - 5.00
Financial liabilities						
Trade and other payables	-	-	-	203	203	-
Advance received from customers	-	-	-	139	139	-

(Unit: Million Baht)

Separate financial statements As at 31 December 2012	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	190	-	190	0.50 - 2.85
Current investments	-	-	-	17	17	-
Trade and other receivables	-	-	-	70	70	-
Restricted bank deposits	-	-	55	-	55	0.50 - 2.85
Long-term loans to related parties	19	19	-	-	38	3.00 - 5.00
Financial liabilities						
Trade and other payables	-	-	-	283	283	-
Advance received from customers	-	-	-	228	228	-

(Unit: Million Baht)

Separate financial statements As at 31 December 2011	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	159	-	159	0.50 - 3.45
Current investments	-	-	-	17	17	-
Trade and other receivables	-	-	-	45	45	-
Restricted bank deposits	-	-	55	-	55	0.05 - 1.75
Long-term loans to related parties	1	1	-	-	2	5.00
Financial liabilities						
Trade and other payables	-	-	-	145	145	-
Advance received from customers	-	-	-	136	136	-

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from purchase of goods that are denominated in foreign currencies. The Company and its subsidiaries may seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

27.2 Fair value of financial instruments

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

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

28 Capital management

The primary objective of the capital management of the Company and its subsidiaries is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2012, the Group's debt-to-equity ratio was 5.0:1 (2011: 2.6:1) and the Company's was 4.9:1 (2011: 2.1:1).

29 Events after the Reporting Period

In January 2013, the Company invested in 7-Note Company Limited. The Company acquires 2,997 ordinary shares of such company at a price of Baht 800 per share, for a total of Baht 2 million, which registered its incorporation with the Ministry of Commerce on 18 January 2013. The Company's investment represents 60 percent of the registered capital of such company.

30 Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation, certain amounts in the financial statements for the year ended 31 December 2011 have been reclassified to conform to the current period's classification, without any effect to the previously reported profit (loss) or shareholder's equity.

31 Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 22 February 2013.



18th Fl. Emporium Tower 622

Sukhumvit Rd. Klongton Klongtoey Bangkok 10110

Tel 662 664 9700 Fax 662 664 9720 - 21 www.chuosenko.co.th