



Unstoppable  
thinking leads  
to success.



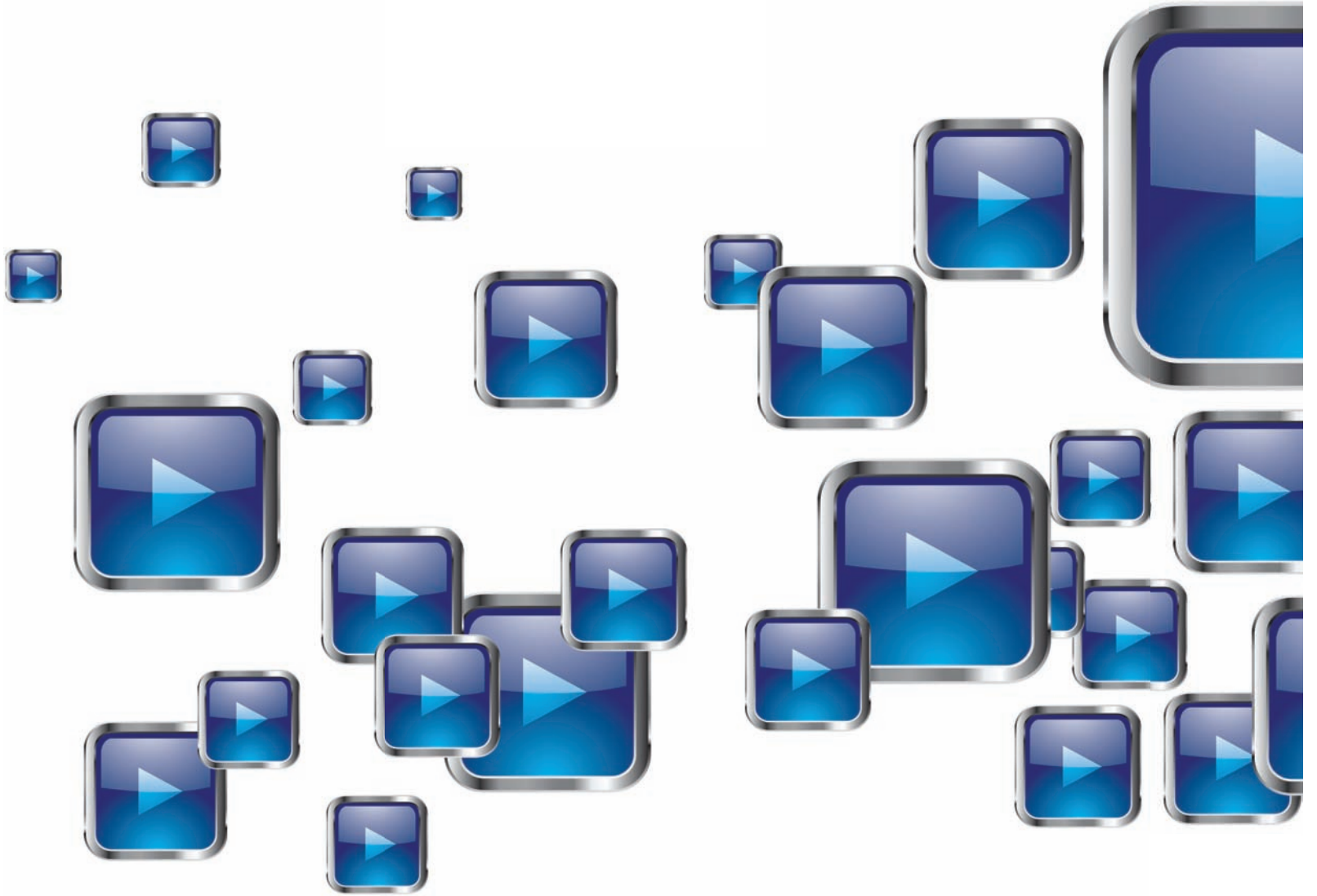


## **Always moving forward.**

The world of mass communications  
evolves by the second.

As leading “Communicators”  
we must never rest on past achievements  
and always be prepared to progress  
and overcome new challenges.  
After all, more than one door  
leads to success.



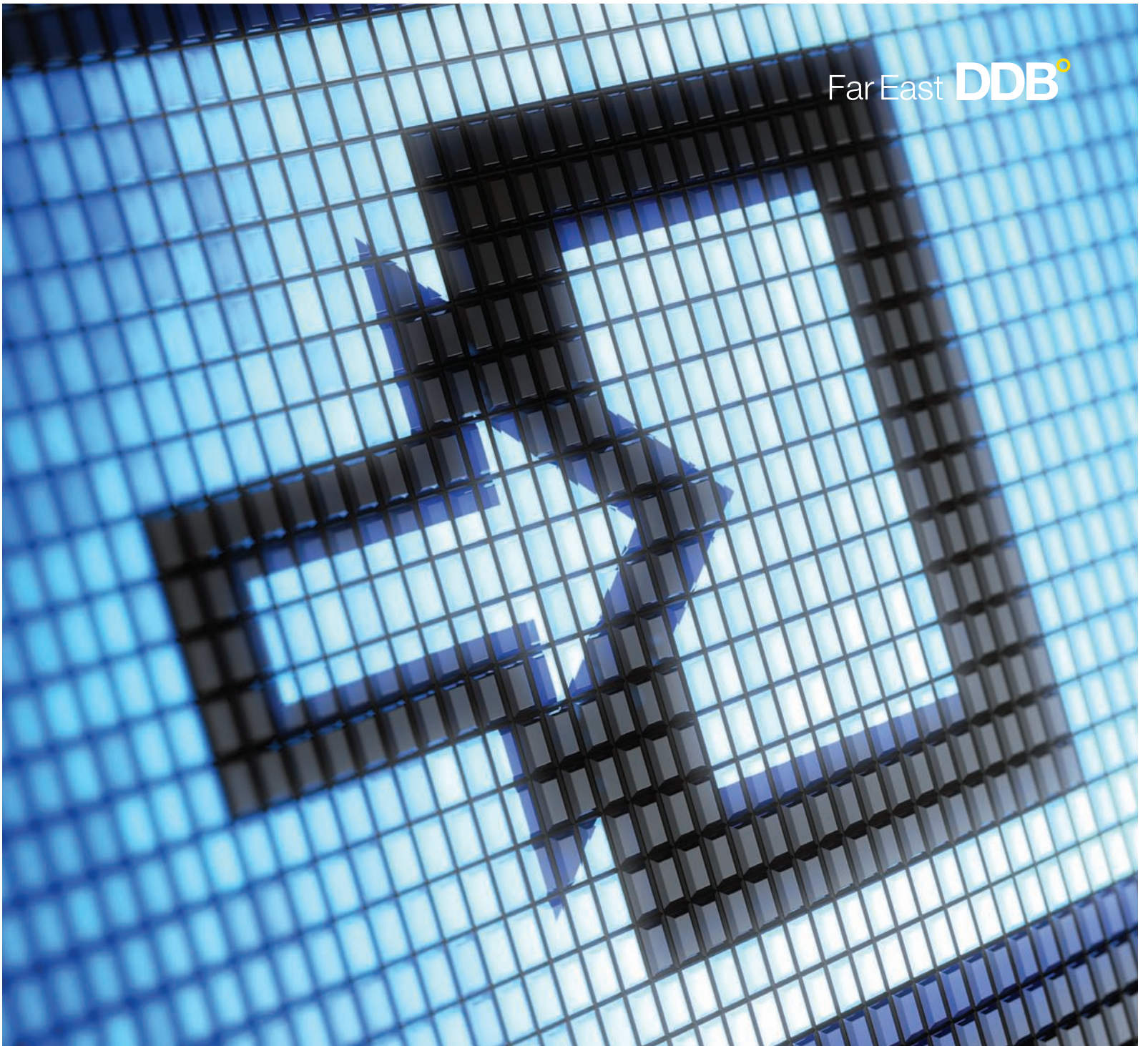


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Report from  
the Board  
of Directors



**Forward.**  
**To all the new**  
**challenges.**

## Report from the Board of Directors

Because our goal is to always go beyond expected successes, our superb achievements in 2012 is yet another strong step forward for Far East DDB. In 2012, the company and its subsidiaries enjoyed total revenues of 689.36 million Baht from services and commissions, an increase of 11.83 million Baht, or 1.74%, from 2011. Net profits were 122.06 million Baht, an increase of 7.11 million Baht, or 6.19%, when compared to 2011.

2012 was also the year the company took its first steps into the world of digital communications. Training seminars were organized to educate staff in the digital discipline; experts were invited to educate and strengthen our employee's digital foundation in order to better accommodate future developments.

The Board of Directors would like to express our gratitude to the company's shareholders, customers and business partners for strongly supporting the company's operations. The company's success and growth is the result of the cooperation of all employees' unceasing efforts to further grow the organization. As a result, the company has achieved strong and steady growth last year, and for more than 49 years.

## AUDIT COMMITTEE REPORT

The Company's Board of Directors' Meeting No.176 (5/2012) on June 27, 2012 reappointed Mr. Kachornsakdi Vanaratseath, Mr. Amorn Asvanunt, Mr. Vichit Tantianunanunt and Mrs. Chattong Tippayakalin as Audit Committee Members with a term of one year. All appointed Committee Members have the appropriate qualifications that meet the Stock Exchange of Thailand's requirement. The Company's Secretary acts as its secretary. The Committee performed duties as assigned by the Board of Directors and reported the results on a regular basis. The Audit Committee held totally four meetings in 2011 as follows:

1. Mr. Khachornsakdi	Vanaratseath	4/4
2. Mr. Amorn	Asvanunt	3/4
3. Mr. Vichit	Tantianunanont	3/4
4. Mrs. Chattong	Tippayakalin	4/4

The Management and the Auditor joined some agendas deemed appropriate. The key performances in 2012 are summarized as follows:

1. To ensure that the Company's financial statements were conducted according to the Generally Accepted Accounting Standards with adequate disclosure. The Committee received the Management reports and considered its comments sufficiently. Reviewed its quarterly and annually financial statements before presenting to the Board for approval prior to submitting to the Stock Exchange of Thailand.

2. To ensure that the company has appropriate and efficient internal control system. Considered reports from the internal Audit Department, the Auditor's report. Reviewed audit results and followed up the Management correction of its internal control system along with the improvement on efficient auditing whereas its Internal Audit Department reports directly to the Audit Committee. Considered its audit plan for the year 2012 and has taken to improve internal controls in part of a significant weakness continued.

3. To ensure that the Company has conducted appropriate risk assessment in various perspectives being beneficial to risk management of its new business investment, operation, administration and finance.

4. To reviewed related transactions and disclosure of information on related transactions with individuals with possible conflict of interests in order to ensure compliance with the rules and regulations prescribed by the Stock Exchange of Thailand and related laws whereby the Company has acted thoroughly, reasonably.

5. To reviewed the Audit Committee's Charter in order to ensure that it has completed assignments and responsibilities in line with the Stock Exchange of Thailand best practices and suitability for the Company business.

6. To consider and recommended to the Board of Directors for presenting to the Ordinary Meeting of Shareholders on the appointment of Mr. Vichai Ruchitanont, Certified Auditor Registration number 4054 and/or Mr. Pravit Viwanthananut, Certified Auditor Registration number 4917 and/or Mr. Bunjong Pichayaprasat, Certified Auditor Registration number 7147 of ANS Audit Company Limited to be the Company's Auditors for the year 2012.



(Mr. Khachornsakdi Vanaratseath)  
Audit Committee Chairman

**SUMMARY OF FINANCIAL INFORMATION****CONSOLIDATED FINANCIAL STATEMENTS****(Unit: Thousand Baht)**

	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Revenue from service & commission	689,364	677,526	623,768
Total Revenue	772,159	757,780	693,863
Gross Income	371,871	380,943	358,435
Net Profit before Interest & Income Tax	151,367	156,281	128,589
Net Profit	122,064	114,953	98,392
Total Assets	1,375,633	1,216,107	1,174,143
Total Liabilities	475,008	402,016	383,095
Shareholders' Equity	900,625	814,091	791,048

**FINANCIAL RATIO**

Gross Income (%)	53.94	56.23	57.46
Return on Revenue from service & commission = EAT/REV	17.71	16.97	15.77
Return on Total Assets = EAT/TA	9.42	9.62	8.63
Return on Shareholders' Equity = EAT/EQUITY	14.24	14.32	13.04
Earnings Per Share (Baht)	15.53	14.95	12.73
Cash Dividend Per Share (Baht)	*8.00	9.00	8.00
Book Value Per Share (Baht)	120.42	108.69	105.77

\* According to the Board of Directors' Meeting, a proposal has been made to the Ordinary Meeting of Shareholders for approval in April, 2013.



Business  
Group



**Differentiation  
creates high  
impact results.**

**GENERAL INFORMATION**

<b>COMPANY NAME</b>	Far East DDB Public Company Limited.
<b>Registered No.</b>	0107537001528
<b>Head Office</b>	465/1- 467 Si Ayutthaya Rd., Ratchathewi District, Bangkok 10400 Tel. 0-2354-3333 Fax. 0-2644-9550-2 E-Mail Address : fareast@fareastddb.com Website: www.fareastddb.com
<b>Nature of Business</b>	Advertising Agency
<b>Authorized Capital</b>	Baht 75,000,000

**JURISTIC PERSONS THE COMPANY HOLDING SHARES OF 10% UPWARDS****1. Fame Line Co., Ltd.**

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

Nature of Business	Advertising Agency
Authorized Capital	Baht 10,000,000
Shares Held	86.48 %

**2. Rapp Collins (Thailand) Co., Ltd.**

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

Nature of Business	Advertising Agency and Direct Marketing
Authorized Capital	Baht 5,000,000
Shares Held	52 %

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

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

Nature of Business	Public Relations
Authorized Capital	Baht 5,000,000
Shares Held	40 %

**4. Intercontinental Holding Co., Ltd.**

465/1-467 Si Ayutthaya Road, Ratchathewi District, Bangkok 10400 Tel. 0-2354-3549 Fax. 0-2644-9550-1

Nature of Business	Holding Company
Authorized Capital	Baht 8,000,000
Shares Held	40 %

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

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

Nature of Business	All media buying, selling and planning
Authorized Capital	Baht 20,000,000
Shares Held	33.33 %

**6. SPA-Today-Far East (Thailand) Co., Ltd.**

11 Fl, Rajapark Building, 163 Sukhumvit 21, Klongtoey, Bangkok 10110 Tel. 0-2258-9094 Fax. 0-2258-9095

Nature of Business	Advertising Agency
Authorized Capital	Baht 1,000,000
Shares Held	30 %

**7. Myanmar SPA-Today- Far East Co., Ltd.**

174 (A) Dhamma Zedi Road, Bahan Township, Yangon, Myanmar Tel. 95-1-524722 Fax. 95-1-527507

Nature of Business	Advertising Agency
Authorized Capital	US\$ 83,333
Shares Held	30 %

**Other Referees**

**Company Registrar**

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building, 62 Rachadapisek Rd., Klongtoey, Bangkok 10110  
Tel. 0-2229-2800 Fax. 0-2359-1259

**Auditors**

Mr. Vichai Ruchitanont and/or Mr. Pravitt Viwanthanant and/or Mr. Bunjong Pichayaprasat

ANS Audit Co., Ltd.

100/72, 22<sup>nd</sup> Floor, 100/2 Vongvanij Building B., Rama 9 Road, HuayKwang, Bangkok 10320  
Tel. 0-2645-0107-9 Fax. 0-2645-0110

## NATURE OF BUSINESS

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

### **1. One stop communication consultant service**

The Company specializes in integrated communications, covering the analysis based on fundamental study of key factors that could affect the brand, aided by the use of global DDB licensed tools, known as Brand Conviction Springboard® and ROI Springboard®. Brand Conviction Springboard® is one of the Company's proprietary tools that has been developed to help give a brand a clear future direction and provide guidelines for all actions, while ROI Springboard® provides guideline for communication planning. The Company provides services in creating the advertising materials and media planning strategy both traditional and digital media, including coordinating with other subsidiaries and suppliers to create public relations plan and activities and Customer Relationship Management service. Moreover, the Company also provides market and consumer with quantitative and qualitative research and observation by the professional research team through Far East DDB Insights Springboard®, another company's proprietary tool.

### **2. Production Advertising-related services**

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

### **3. Advertising agent/broker**

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

## **The Group's Overall Business Activities**

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

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

### **Fame Line Company Limited**

Fame Line Co., Ltd. is a subsidiary of Far East DDB Public Ltd. It is a medium-sized, full-serviced brand engagement agency, established for business competitiveness and growth. Fame Line provides comprehensive marketing communication services including strategic brand planning, creation of advertising materials and brand activation, planning and purchasing of media, as well as digital services ranging from digital strategy and planning, design and social network creation. At best, Fame Line Co., Ltd. commits to generate best results to our clients' needs by working closely with clients, and intently focusing to provide best business solutions possible. Adherence to advertising professional codes, ethical conducts and social responsibility is, however, highly important in our mindset and daily operation. Due to Fame Line's absolute independency from Far East DDB Public Ltd, our account management is highly flexible, enabling the company to extensively engage and respond to a variety of today's business demands.

### Rapp Collins (Thailand) Company Limited

RAPP: “Experts in multichannel communication”, was established as a subsidiary of Far East DDB Public Company Limited since 2003. RAPP is a powerful data driven marketing company that combines data, digital, analytics and strategic to drive comprehensive client centric solutions. With our ability to utilize traditional, digital, social and mobile media helps produce more effective results for the agency and the client.

RAPP Thailand is the trading name of Rapp Collins (Thailand) Company Limited.

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

Product / Service	Operation by	% of Share holding	2012		2011		2010	
			Revenue	%	Revenue	%	Revenue	%
<b><u>Advertising Agency</u></b>	Far East DDB							
Revenue from Service & Commission	PLC.		434,841	87.52	488,624	89.51	424,140	89.67
Dividend Income			30,101	6.06	25,774	4.72	24,647	5.21
Other Income			31,898	6.42	31,504	5.77	24,215	5.12
<b>Total Revenue</b>			<b>496,840</b>	<b>100.00</b>	<b>545,902</b>	<b>100.00</b>	<b>473,002</b>	<b>100.00</b>
<b><u>Advertising Agency</u></b>	Fame Line Co.,Ltd.	86.48						
Revenue from Service & Commission			244,659	90.75	175,265	86.05	189,620	86.82
Other Income			24,940	9.25	28,417	13.95	28,793	13.18
<b>Total Revenue</b>			<b>269,599</b>	<b>100.00</b>	<b>203,682</b>	<b>100.00</b>	<b>218,413</b>	<b>100.00</b>
<b><u>Advertising Agency</u></b>	Rapp Collins	52.00						
Revenue from Service & Commission	(Thailand) Co., Ltd.		9,942	99.89	14,106	99.97	10,331	99.37
Other Income			11	0.11	4	0.03	66	0.63
<b>Total Revenue</b>			<b>9,953</b>	<b>100.00</b>	<b>14,110</b>	<b>100.00</b>	<b>10,397</b>	<b>100.00</b>
<b><u>Public Relations</u></b>	Integrated	40.00						
Revenue from Service & Commission	Communication		132,093	97.94	98,748	97.50	118,211	98.33
Other Income	Co., Ltd.		2,776	2.06	2,536	2.50	2,007	1.67
<b>Total Revenue</b>			<b>134,869</b>	<b>100.00</b>	<b>101,284</b>	<b>100.00</b>	<b>120,218</b>	<b>100.00</b>
<b><u>Holding Company / Retailer</u></b>	Inter Continental	40.00						
Revenue from Service	Holding Co.,Ltd.		360	34.78	360	36.07	360	38.38
Dividend Income			577	55.75	577	57.82	500	53.30
Other Income			98	9.47	61	6.11	78	8.32
<b>Total Revenue</b>			<b>1,035</b>	<b>100.00</b>	<b>998</b>	<b>100.00</b>	<b>938</b>	<b>100.00</b>
<b><u>Media Buying, Selling &amp; Planning</u></b>	Media Intelligence	33.33						
Revenue from Service	Co.,Ltd.		1,236,920	88.64	1,203,582	89.08	942,270	87.83
Other Income			158,592	11.36	147,602	10.92	130,515	12.17
<b>Total Revenue</b>			<b>1,395,512</b>	<b>100.00</b>	<b>1,351,184</b>	<b>100.00</b>	<b>1,072,785</b>	<b>100.00</b>

## Cross Shareholding Structure

FE Holding in Other Firms			Other Firms holds Share in FE
No.	Names	Proportion of Shareholding	Proportion of Shareholding
<b>1</b>	<b>Holding of shares exceeding 50%</b>		
	<p>A) Other firms hold shares in the Company exceeding 50%, the Company must not cross shareholding in other firms.</p> <p>B) The Company holds shares in other firms exceeding 50%, the other firms must not cross shareholding in the Company.</p> <p>C) The Company holds shares exceeding 50% between two or more other firms, any other firms must not cross shareholding each other.</p>		
1	Fame Line Co., Ltd.	86.48	-
2	Rapp Collins (Thailand) Co., Ltd.	52.00	-
<b>2</b>	<b>Holding of shares exceeding 25% not exceeding 50%</b>		
	<p>A) Other firms hold shares in the Company exceeding 25% but not exceeding 50% of shares, the Company must not cross shareholding in other firms exceeding 10%.</p> <p>B) The Company holds shares in other firms exceeding 25% but not exceeding 50% of shares, the other firms must not cross shareholding in the Company exceeding 10%.</p>		
1	Intercontinental Holding Co., Ltd.	40.00	-
2	Integrated Communication Co., Ltd.	40.00	-
3	Media Intelligence Co., Ltd.	33.33	-
4	SPA-Today-Far East (Thailand) Co., Ltd.	30.00	-
5	Myanmar SPA-Today-Far East Co., Ltd.	30.00	-
<b>3</b>	<b>Holding of shares not exceeding 25%</b>		
	<p>A) Other firms hold shares in the Company not exceeding 25%, the Company must not cross shareholding in other firms exceeding 25%.</p> <p>B) The Company holds shares in other firms exceeding not exceeding 25%, the other firms must not cross shareholding in other firms exceeding 25%.</p>		
1	Saha Pathanapibul Plc.	0.34	12.30
2	Saha Pathana Interholding Plc.	0.28	13.60
3	I.C.C. International Plc.	0.29	10.64



Business  
Partners



**Go far beyond  
success with  
great partners.**

## THE CLIENTS AND THE PRODUCTS

ACS Insurance Broker (Thailand) Co., Ltd.  
 American International Assurance Co., Ltd.  
 Asia Insurance 1950 Co., Ltd.  
 Asian Property Development Plc.  
 Bangkok Athletic Co., Ltd.  
 Bluescope Lysaght (Thailand) Limited  
 Bluescope Steel (Thailand) Limited  
 B-Quik Co., Ltd.  
 Carabao Tawandang Co.,Ltd.  
 Country Group Development Public Company Limited  
 Department of International Trade Promotion  
 Department of Provincial Administration  
 DHA Siamwalla Ltd.  
 Dynamic Satcom Co., Ltd.  
 Esso (Thailand) Plc.  
 Globiz Venture Co., Ltd.  
 Golden Cup Commercial Co., Ltd.  
 I.C.C. International Plc.  
 IRPC Plc.  
 Johnson & Johnson Consumer (Thailand) Ltd.  
 Kilang Makanan Mamee Sdn Bhd  
 Krung Thai Bank Plc.  
 Lion Corporation (Thailand) Ltd.  
 MCOT Plc.  
 Omron Healthcare Singapore Pte Ltd.  
 Pens Marketing And Distribution Co., Ltd.  
 Pepsi-Cola (Thai) Trading Co., Ltd.  
 Philip Morris Thailand Limited  
 President Bakery Plc.  
 Saha Pathanapibul Plc.  
 Siam Sanitary Ware Industry Co., Ltd.  
 Soonthorn Tanyasab Co., Ltd.  
 Student Loan  
 Syngenta Crop Protection Co., Ltd.  
 T.A.C. Consumer Co., Ltd.  
 Thai Ceramic Co., Ltd.  
 Thai Fermentation Industry Co., Ltd.  
 The CPAC Roof Tile Co., Ltd.  
 The Siam Sanitary Fittings Co., Ltd.  
 True Corporation Public Company Limited  
 Unilever Thai Trading Limited

### FOOD & BEVERAGES

CarabaoDang Energy Drink  
 Farmhouse Bakery  
 Hearti Benecol Dietary Supplement Product  
 Kewpie Mayonnaise  
 Kewpie Vinegar  
 Lipton Ice Tea  
 Mama Instant Noodle  
 Mama Jok Cup  
 Mont Fleur Mineral Water  
 Mr. Potato Crisp  
 Rachachuros MSG  
 Richesse Yogurt  
 Ruski Instant Noodle  
 SueSat Instant Noodle  
 Tanyatip Rice  
 V-Slim Coffee

### HOUSEHOLD PRODUCTS

108 Shop Detergent  
 Fight  
 Hi-Class Softener  
 Lipton F Dishwashing Liquid  
 SueSat Detergent  
 SueSat Toothpaste

### STATIONERY

Elephant Correction Pen  
 Elephant File  
 Elephant Staples  
 Master Art Colors  
 Quantum Correction Pen  
 Quantum Mechanical Pencil  
 Quantum Pen

### REAL ESTATE

Asian Property Projects  
 Elements Condominium

### SERVICE

Krung Thai Bank Product & Services  
 Tiger Mart  
 Truemove  
 B-Quik Quick Fit Auto Service Center  
 ACS Insurance  
 AIA Personal Accident / Life Insurance  
 Asia 3 Plus Motor Insurance

### APPAREL & PERSONAL ACCESSORIES

Arrow Apparel Products  
 Lacoste Apparel Products  
 Pan Sport Shoes  
 PS.Junior Shoes  
 Wacoal Lingerie

### PERSONAL CARE

BSC Cosmetology (Cosmetic and Skin Care)  
 BSC Panadda  
 Clean & Clear Facial Care Products  
 Falless Shampoo  
 Golden Cup Oil  
 I Knew Anti Stretch Mark Cream  
 Kodomo Baby Oral Care  
 Kodomo Baby Personal Care  
 Neutrogena Facial Care Products  
 Q'lean Anti Dandruff Shampoo

### CONSTRUCTION MATERIALS & CONSUMER DURABLES

Cotto Faucet  
 Cotto Sanitary Ware  
 Cotto Tiles  
 Jingjoe Lek steel  
 Ranbuild prefabricated steel shed  
 Tra Chang Excella Roof Tiles

### OTHER

Bangkok Read for Life  
 Department of Provincial Administration  
 DITP: Thailand's Trust Marks  
 Dynasat Satellite Dish  
 Esso Fuel  
 IRPC Petrochemical  
 La-Z-Boy Chairs  
 Omron Blood Pressure Monitor  
 Philip Morris  
 Student Loan  
 Syngenta Fertilizer



Financial  
Status



**Financial strength  
fosters unforeseen  
advantages.**

## THE RISK FACTORS

### **The risk of loss of major clients**

The Company's four major clients are Saha Pathanapibul Plc., Lion Corporation (Thailand) Ltd., Carabao Tawandang Co., Ltd. and Krung Thai Bank Plc., and These four companies account for 50.11 % of the Company's total revenue.

In today's competitive situation, these clients may leave us or cut down their budget, which would tremendously affect the Company's operations and revenue.

However, the Company is determined to provide services for the prospect clients and continuously improve the quality of products and services for the ongoing clients. The Company is very confident that the highest spending seven clients have been with the Company for more than 10 years, and other clients will continue to remain on good terms with the Company in the future.

### **The risk from loss of professionals in the advertising field**

The advertising business depends on talented professionals as a main resource. Those talented professionals who have special expertise and skills in creativity and communication planning are in short supply.

In order to cope with this problem, the Company places a strong emphasis on improving the skills of employees at all levels to strengthen their capacity and develop to their full potential at all times. The company regularly sets up training courses and seminars to elevate skills and increase knowledge in order to ensure the most and efficient business and account management. The Company places strong emphasis on strategic planning and creative thinking in every business process in order to effectively deal with new markets and medias.

The Company emphasizes the importance of human resource development by offering opportunities for employees to improve work-related skills by arranging internal seminars, inviting knowledgeable guest speakers from many fields and sending employees to attend seminars abroad, all of which help to elevate skills of employees to allow them to compete in international level.

### **The risk from the changes of policy by global and regional customers**

Global and regional customers tend to use the same advertising agency network in every market in order to communicate the same message internationally. Since, the company entered into a business contract with DDB worldwide, the company has obtained many more clients from the global and regional network. However, if global or regional customers decide to change their policy and cancel their contract with the DDB network, our company will have no alternative than to accept the loss.

### **The risk from investment**

The Company invests in subsidiary companies that are operating in either the same or complimentary and related businesses, which is a considered risk. Even though there is some cross-holding investment in a number of these subsidiary companies, the company does not have any control over these businesses. The Board of Directors of each subsidiary company is in charge of management and decision making.

The Company receives a return on investment in the form of dividends. In case the subsidiary companies make a loss, the company has already made an allowance for loss or impairment of investment in the Company's profit and loss statement.

### **The risk from credit term allowance**

The Company has a cautious credit allowance policy by having a contract or document to endorse all allowances. The Company also has a strict follow-up program, therefore, the company does not expect any significant loss from these account receivables.

## STRUCTURE OF SHAREHOLDERS AND MANAGEMENT

### Shareholders

As at the close of share register on April 5, 2012

Type	Person	Share	%
<b>Juristic Persons</b>			
Thai	28	3,904,553	52.06
Foreign	2	825,000	11.00
<b>Private Individuals</b>			
Thai	291	2,726,247	36.35
Foreign	3	44,200	0.59
<b>Total</b>	<b><u>324</u></b>	<b><u>7,500,000</u></b>	<b><u>100.00</u></b>

10 Major Shareholders as at the close of share register on April 5, 2012

Names	No. of Shares	%
1. Chokwatana Groups	1,603,944	21.39
2. Saha Pathana Inter - Holding Plc.	1,020,000	13.60
3. Saha Pathanapibul Plc.	922,650	12.30
4. Mr. Samrerng Manoonpol	804,900	10.73
5. I.C.C. International Plc.	797,800	10.64
6. DM 9 Holding	750,000	10.00
7. I.D.F. Co., Ltd.	171,000	2.28
8. Mrs. Orapin Poonsakudomsin	117,900	1.57
9. Newcity (Bangkok) Plc.	85,500	1.14
10. Hlanpoo Co., Ltd.	78,300	1.04

**Dividend Payment Policy****Company's Dividend Payment Policy**

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

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

<b>Year</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Value of share (Baht)	10.00	10.00	10.00	10.00	10.00
Dividend per share (Baht)	9.00	8.00	5.00	5.00	5.00
Total amount (Baht)	67,500,000.00	60,000,000.00	37,500,000.00	37,500,000.00	37,500,000.00
Ratio (%) net profit	78.66%	79.98%	63.14%	79.28%	80.45%

**Company subsidiaries' Dividend Payment Policy**

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

## Board of Directors

### Details of Board of Directors and Executives

Name / Position	Age	Education	% Shares holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
1. Mr. Boonchai Chokwatana <ul style="list-style-type: none"><li>Chairman</li><li>Authorized Director</li></ul>	65	<ul style="list-style-type: none"><li>The Doctoral Honorary Degree in Communication, Naresuan University</li><li>B.A. (Political Science), Ramkhumhaeng University</li><li>Business Administration from Wisconsin State University at Superior, U.S.A.</li><li>Director Accreditation Program (DAP) 3/2003 from IOD</li><li>Director Certification Program (DCP) 68/2005 from IOD</li></ul>	4.90	Miss Chailada Tantivejakul's father	1972-Present	<u>Listed companies</u> <ul style="list-style-type: none"><li>Chairman of the Executive Board</li><li>Chairman</li><li>Independent Director</li><li>Audit Committee</li><li>Director</li><li>Director</li><li>Director</li></ul>	<ul style="list-style-type: none"><li>Saha Pathanapibul Plc.</li><li>MFC Asset Management Plc.</li><li>Pan Asia Footwear Plc.</li><li>Thai President Food Plc.</li><li>Saha Pathana inter-holding Plc.</li><li>17 companies</li></ul>
					2010-Present	<u>Non Listed Companies</u> <u>Competitive Business related to Company's Business</u> <ul style="list-style-type: none"><li>Chairman</li><li>Chairman</li><li>Director</li></ul>	
2. Mr. Wasin Teyateeti <ul style="list-style-type: none"><li>Vice Chairman</li><li>Authorized Director</li></ul>	64	<ul style="list-style-type: none"><li>Bachelor of Accountancy, Chulalongkorn University</li><li>Director Accreditation Program (DAP) 3/2003 from IOD</li></ul>	0.23	- None -	2007-Present		<ul style="list-style-type: none"><li>Fame Line Co.,Ltd.</li><li>Integrated Communication Co.,Ltd.</li><li>SPA-Today-Far East (Thailand) Co.,Ltd.</li><li>Myanmar SPA-Today-Far East Co.,Ltd.</li><li>Rapp Collins (Thailand) Co.,Ltd.</li></ul>
					2011-Present		
3. Mr. Dan Sornmani <ul style="list-style-type: none"><li>Managing Director</li><li>Authorized Director</li><li>Risk Management Committee</li></ul>	48	<ul style="list-style-type: none"><li>Master's Degree in Marketing, Canberra University, Australia</li><li>Director Accreditation Program (DAP) 55/2006 from IOD</li></ul>	0.53	- None -	1996-Present	<u>Listed company</u> <ul style="list-style-type: none"><li>Independent Director / Audit Committee</li></ul> <u>Non Listed Companies</u> <u>Competitive Business related to Company's Business</u> <ul style="list-style-type: none"><li>Director</li></ul>	<ul style="list-style-type: none"><li>3 companies</li><li>SPA-Today-Far East (Thailand) Co.,Ltd.</li><li>Myanmar SPA-Today-Far East Co.,Ltd.</li><li>Media Intelligence Co., Ltd.</li><li>Rapp Collins (Thailand) Co.,Ltd.</li></ul>
					1999-Present		
					2003-Present	<u>Listed company</u> <u>Non Listed Company</u> <u>Competitive Business related to Company's Business</u>	<ul style="list-style-type: none"><li>- None</li><li>- None</li><li>- None</li></ul>

## Board of Directors

### Details of Board of Directors and Executives

Name / Position	Age	Education	% Shares holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
<b>4. Mrs. Siritwan Vilasakdanont</b> • Director • Authorized Director	58	• Master's Degree of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Director Accreditation Program (DAP) 3/2003 from IOD	0.05	- None -	2009-Present	<u>Listed company</u> • Executive Director <u>Non Listed Companies</u> <u>Competitive Business related to Company's Business</u>	• Thai Wacoal Plc. • 8 companies - None -
<b>5. Mrs. Malee Leelasriwong</b> • Director • Human Resource Director • Authorized Director • Risk Management Committee	58	• Bachelor of Law, Chulalongkorn University • Director Accreditation Program (DAP) 2/2003 from IOD	0.03	- None -	1989-Present 1990-Present 2003-Present 2003-Present	<u>Listed company</u> <u>Non Listed Company</u> <u>Competitive Business related to Company's Business</u> • Director • Director • Director • Director	- None - • 1 company  • Fame Line Co., Ltd. • Image First Co., Ltd. • Rapp Collins (Thailand) Co.,Ltd. • Integrated Communication Co.,Ltd.
<b>6. Mrs. Chailada Tantivejakul</b> • Director • Financial Director • Authorized Director • Risk Management Committee	36	• Master's Degree in International Commerce and Policy, George Mason University, USA. • Director Accreditation Program (DAP) 55/2006 from IOD	3.61	Mr. Boonchai Chokwatana's daughter	2011-Present   2004-Present	<u>Listed company</u> • Executive Director <u>Non Listed Companies</u> <u>Competitive Business related to Company's Business</u> • Director	• Saha Pathanapibul Plc. • 6 companies  • SPA-Today-Far East (Thailand) Co.,Ltd.
<b>7. Mr. Khachornsakdi Vanaratseath</b> • Independent Director • Audit Committee Chairman	65	• Master's Degree in Accountancy, Western Illinois University, U.S.A. • Graduate Diploma in Auditing, Chulalongkorn University • B.Se. Accountancy, Chulalongkorn University • Director Accreditation Program (DAP) 3/2003 from IOD	-	- None -	1996-Present  1998-Present	<u>Listed company</u> • Independent Director / Audit Committee • Independent Director / Audit Committee Chairman <u>Non Listed Companies</u> <u>Competitive Business related to Company's Business</u>	• Saha Pathanapibul Plc. • S&J International Enterprise Plc. • 4 companies - None -

## Board of Directors

### Details of Board of Directors and Executives

Name / Position	Age	Education	% Shares holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
<b>8. Mr. Amorn Asvanunt</b> <ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Audit Committee</li> </ul>	64	<ul style="list-style-type: none"> <li>• Master's Degree of MBA, Bowling Green State University, Ohio, U.S.A.</li> <li>• B.Se. Accountancy Chulalongkorn University</li> <li>• Director Accreditation Program (DAP) 4/2003 from IOD</li> </ul>	-	- None -	1999-Present 2007-Present 2002-Present 2002-Present 2003-Present 2006-Present 2005-Present 2008-Present	<b>Listed Listed company</b> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Chairman of Risk Management Committee</li> <li>• Independent Director</li> <li>• Audit Committee Chairman</li> <li>• Audit Committee</li> <li>• Executive Director</li> <li>• Risk Management Committee</li> <li>• Independent Director</li> <li>• Risk Management Committee</li> </ul> <b>Non Listed Company</b> <b>Competitive Business related to Company's Business</b>	<ul style="list-style-type: none"> <li>• I.C.C. International Plc.</li> <li>• I.C.C. International Plc.</li> <li>• People's Garment Plc.</li> <li>• Saha Cogen (Chonburi) Plc.</li> <li>• Thai Military Bank Plc.</li> <li>• Thai Military Bank Plc.</li> <li>• Krungdhep Sophon Plc.</li> <li>• Krungdhep Sophon Plc.</li> <li>• 1 company</li> <li>- None -</li> </ul>
<b>9. Mr. Vichit Tantianunant</b> <ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Audit Committee</li> <li>• Chairman of Risk Management Committee</li> </ul>	66	<ul style="list-style-type: none"> <li>• Assumption Commercial College, Bangkok</li> <li>• Director Accreditation Program (DAP) 3/2003 from IOD</li> </ul>	-	- None -	2011-Present	<b>Listed company</b> <ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Audit Committee</li> </ul> <b>Non Listed Companies</b> <b>Competitive Business related to Company's Business</b>	<ul style="list-style-type: none"> <li>• Pan Asia Footwear Plc.</li> <li>• 3 companies</li> <li>- None -</li> </ul>
<b>10. Mr. Sorchote Ambhanwong</b> <ul style="list-style-type: none"> <li>• Independent Director</li> </ul>	47	<ul style="list-style-type: none"> <li>• Bachelor of Arts University of Srinakharinwirot Prasarnmit</li> <li>• Master's degree in Communications, Design</li> <li>• Director Accreditation Program (DAP) 85/2010 from IOD</li> </ul>	0.10	- None -	1996-Present 2004-Present 2007-Present	<b>Listed company</b> <b>Non Listed Company</b> <b>Competitive Business related to Company's Business</b> <ul style="list-style-type: none"> <li>• Managing Director</li> <li>• Managing Director</li> <li>• Managing Director</li> </ul>	<ul style="list-style-type: none"> <li>- None -</li> <li>- None -</li> <li>• Grandma Communications Co., Ltd.</li> <li>• Yes Communications Co., Ltd.</li> <li>• Big Mama House Co., Ltd.</li> </ul>

## Board of Directors

### Details of Board of Directors and Executives

Name / Position	Age	Education	% Shares holding	Family Relationship Between Directors	Experiences		
					Period	Position	Company
11. Mr. Arthorn Maeknoparat • Director • General Manager	53	<ul style="list-style-type: none"> <li>• Bachelor Degree Faculty of Communication Arts, Mass Communication, Chulalongkorn University</li> <li>• Director Accreditation Program (DAP) 87/2011 from IOD</li> </ul>	-	- None -		<u>Listed company</u> <u>Non Listed Company</u> <u>Competitive Business related to Company's Business</u>	- None - - None - - None -
12. Mrs. Chatthong Tippayakalin • Independent Director • Audit Committee	60	<ul style="list-style-type: none"> <li>• Bachelor of Economics (Finance) University of the Thai Chamber of Commerce</li> <li>• Master of Business Administration (Management) Kasetsart University</li> <li>• National Defence College</li> <li>• Director Accreditation Program (DAP) 99/2012 from IOD</li> </ul>	-	- None -		<u>Listed company</u> <u>Non Listed Company</u> <u>Competitive Business related to Company's Business</u>	- None - - None - - None -
13. Mr. Anupol Puwapoonpol • Executive Business Director (2004-Present)	52	<ul style="list-style-type: none"> <li>• Bachelor Degree Faculty of Communication Arts, Major in Advertising and Public Relation, Chulalongkorn University</li> </ul>	-	- None -		<u>Listed company</u> <u>Non Listed Company</u> <u>Competitive Business related to Company's Business</u>	- None - - None - - None -
14. Dr. Somchat Visitchachan • Strategic Planning Director (2005-Present)	43	<ul style="list-style-type: none"> <li>• Doctor of Philosophy Development Administration, National Institute of Development Administration</li> </ul>	-	- None -		<u>Listed company</u> <u>Non Listed Company</u> <u>Competitive Business related to Company's Business</u>	- None - - None - - None -
15. Mrs. Pornwilai Pinvanichkul • Accounting Manager (1998-Present)	52	<ul style="list-style-type: none"> <li>• Master of Business Administration, Ramkhamhaeng University</li> </ul>	-	- None -		<u>Listed company</u> <u>Non Listed Company</u> <u>Competitive Business related to Company's Business</u>	- None - • 1 company - None -

**Number of Shared Held by The Directors and Executives of  
Far East DDB Public Company Limited as at December 31, 2012**

Name	2011		Increase/ Decrease During the year	2012 Total	%	2012	
	Director	Spouse				Director	Spouse
1. Mr. Boonchai Chokwatana	249,300	118,500	-	367,800	4.90	249,300	11,850
2. Mr. Wasin Teyateeti	14,850	2,250	-	17,100	0.23	14,850	2,250
3. Mr. Dan Sornmani	40,000	-	-	40,000	0.53	40,000	-
4. Mrs. Siriwan Vilassakdanont	3,825	-	-	3,825	0.05	3,825	-
5. Mrs. Malee Leelasiriwong	-	2,100	-	2,100	0.03	-	2,100
6. Mrs. Chailada Tantivejakul	271,044	-	-	271,044	3.61	271,044	-
7. Mr. Khachornsakdi Vanaratseath	-	-	-	-	-	-	-
8. Mr. Amorn Asvanunt	-	-	-	-	-	-	-
9. Mr. Vichit Tantanunanon	-	-	-	-	-	-	-
10. Mr. Sorchote Ambhanwong	-	7,200	-	7,200	0.10	-	7,200
11. Mr. Arthorn Maeknoparat	-	-	-	-	-	-	-
12. Mrs. Chattong Tippayakalin	-	-	-	-	-	-	-
13. Mr. Anupol Puwapoonpol	-	-	-	-	-	-	-
14. Mr. Somchat Visitchaichan	-	-	-	-	-	-	-

**Number of Shared Held by Directors of Fame Line Co., Ltd. (Subsidiary)  
as at December 31, 2012**

Name	2011		Increase/ Decrease During the year	2012 Total	%	2012	
	Director	Spouse				Director	Spouse
1. Mr. Boonchai Chokwatana	6,015	500	-	6,515	6.52	6,015	500

**Number of Shared Held by Directors of Rapp Collins (Thailand) Co., Ltd.  
as at December 31, 2012**

Name	2011		Increase/ Decrease During the year	2012 Total	%	2012	
	Director	Spouse				Director	Spouse
1. Mr. Wasin Teyateeti	1	-	-	1	0.00	1	-
2. Mrs. Malee Leelasiriwong	1	-	-	1	0.00	1	-

## Management

### Management Structure

The Company's management structure as of December 31, 2012 consists of the Company's Board of Directors, Audit Committee, Risk Management Committee and Mr. Arun Ngamdee as the Company Advisory Chairman.

NAMES		POSITION	APPOINTED YEAR	PERIOD OF COMPANY'S DIRECTORS (Years)
1.	Mr. Boonchai Chokwatana	Chairman	1970	42
2.	Mr. Wasin Teyateeti	Vice Chairman	1974	38
3.	Mr. Dan Sornmani	Managing Director	2005	7
4.	Mrs. Siriwan Vilassakdanont	Director	1989	23
5.	Mrs. Malee Leelasiriwong	Director	2000	12
6.	Mrs. Chailada Tantivejakul	Director	2005	7
7.	Mr. Khachornsakdi Vanaratseath	Independent Director	2002	10
8.	Mr. Amorn Asvanunt	Independent Director	2002	10
9.	Mr. Vichit Tantianunanont	Independent Director	2002	10
10.	Mr. Sorchote Ambhanwong	Independent Director	2010	2
11.	Mr. Arthorn Maeknoparat	Director	2010	2
12.	Mrs. Chattong Tippiyakalin	Independent Director	2011	1
	Mrs. Suree Muennarintr	The Company's Secretary	2008	

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

1. To practice duties with responsibility, care and honest in the same way as fiduciary should be made in the same situation with bargaining power of trade without the influence of status as the Company's directors, including to comply with policy, law, objective, the Company's regulations, the resolutions of the Company's Board and shareholders'meeting.

2. Implement and direct the Company's policies, as well as monitor and supervise its operations to maximize economic value.

3. To encourage the development of the policy of corporate governance, ethics and business code of ethics in written in order for the Company directors, Executives and employees to observe as guideline in the conduct of the business.

4. To arrange for a sufficient internal control system in order to ensure that transactions are approved by authorized individuals, reviewed and recorded accounting reports; and, to implement systems preventing inappropriate use of company assets.

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

6. Ensure management's accountability to shareholders: preserve their rights and interests, clearly and fully disclose information.

7. Approve the financial report having been audited and/or reviewed by the auditor and the audit committee.
8. To appoint, revoke and authorize consultants to the Company's Executive Boards' Advisory, to Committees and/or to other individuals to comply.
9. To prepare the Report on the Company Board of Directors' Responsibilities for Financial Statements and disclosure it in the annual report of the Company (56-2 Form) and the annual disclosure report (56-1 Form).
10. To engage in any other action, which is beyond the authority of the Executive Board, or which the Board of Directors deems appropriate.

In the year 2012, the Board of Directors held nine meetings; the attendance of each Board member on such meetings was as follows:

Names		The Board of Directors' Meeting
1. Mr. Boonchai	Chokwatana	9/9
2. Mr. Wasin	Teyateeti	6/9
3. Mr. Dan	Sornmani	7/9
4. Mrs. Siriwan	Vilassakdanont	7/9
5. Mrs. Malee	Leelasiriwong	9/9
6. Mrs. Chailada	Tantivejakul	8/9
7. Mr. Khachornsakdi	Vanaratseath	8/9
8. Mr. Amorn	Asvanunt	6/9
9. Mr. Vichit	Tantianunanont	8/9
10. Mr. Sorchote	Ambhanwong	8/9
11. Mr. Arthorn	Maeknoparat	8/9
12. Mrs. Chattong	Tippayakalin	9/9

### **Committees**

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

#### **The Audit Committee**

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

- |                      |                |                             |
|----------------------|----------------|-----------------------------|
| 1. Mr. Khachornsakdi | Vanaratseath   | Chairman of Audit Committee |
| 2. Mr. Amorn         | Asvanunt       | Audit Committee Member      |
| 3. Mr. Vichit        | Tantianunanont | Audit Committee Member      |
| 4. Mrs. Chattong     | Tippayakalin   | Audit Committee Member      |

**Secretary to the Board of Audit Committee :** Mrs. Suree Muennarintr

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

1. Review that the Company's financial statements are correct and sufficient;
2. Review that the Company's internal control system and internal audit system are sufficient and effective, review the sufficient independence of the Office of Internal Audit, and provide opinions for the appointment, transfer, and promotion of heads of the Office of Internal Audit or other offices with responsibilities for internal audit activities;
3. Review that the Company's operation conforms to laws on securities and exchange, requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business;
4. Review, select, nominate for approval for the persons with independence of performing the duties of external auditors for the Company, propose the remuneration of such external auditors, and jointly attend the meeting with the external auditors, at least once a year, without the presence of the Company's management;
5. Review any connected transaction or transactions with potential conflict of interest to be in compliance with laws and requirements of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and provide the best benefits for the Company;
6. Prepare the Audit Committee reports to be disclosed in the Company's annual report; such reports must be signed by the Chairman of the Audit Committee and it must contain, at least, some significant information as described below:
  - (a) opinions about the accuracy, correctness and reliability of financial statements and financial reports of the Company;
  - (b) opinions about the sufficiency of internal control system of the Company;
  - (c) opinions about the compliance with laws on securities and exchange, requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business;
  - (d) opinions about the appropriateness of external auditors;
  - (e) opinions about transactions with potential conflict of interest;
  - (f) number of meetings to be convened by the Audit Committee and meeting attendance of each Audit Committee member;
  - (g) opinions or general findings obtained by performing its duties in accordance with the Audit Committee Charter;
  - (h) opinions about other matters that should be notified to general shareholders and investors under the scope of duties and responsibilities assigned by the Board of Directors.
7. In performing the duties as the Audit Committee, if discovering or suspecting of either of the following transactions or acts, which may give significant effects to the financial status and operating results of the Company, the Audit Committee must report it to the Board of Directors for improvements within the reasonable period determined by the Audit Committee:
  - (a) transaction with potential conflict of interest;
  - (b) fraud or irregularity or significant defect in the internal control system; or
  - (c) violation of laws on securities and exchange, requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business.

If the Board or management of the Company fails to make remedies within the established period, one of the Audit Committee members may report such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.
8. Support and monitor to ensure that the Company acquires the efficient risk management system.

9. Improve and amend the Audit Committee Charter, and propose such amended charter for the Board of Directors' approval;

10. Perform other functions assigned by the Board of Directors under the approval of the Audit Committee by virtue of its authority stated in the Articles of incorporation of the Company and other related laws.

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

#### **Participation in the Audit Committee meetings in 2012**

In 2012, the Audit Committee held 4 meetings and the participation of each committee member is summarized below.

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

#### **The Risk Management Committee**

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

- |    |               |                |   |
|----|---------------|----------------|---|
| 1. | Mr. Vichit    | Tantianunanont | Chairman of the Risk Management Committee |
| 2. | Mr. Dan       | Sornmani       | Member                                    |
| 3. | Mr. Wichar    | Ldallitsakool  | Member                                    |
| 4. | Mrs. Malee    | Leelasiriwong  | Member                                    |
| 5. | Mrs. Chailada | Tantivejakul   | Member                                    |
| 6. | Mrs. Suree    | Muennarintr    | Member                                    |
| 7. | Miss Waraporn | Kulsawatpakdee | Member                                    |

**Secretary to the Risk Management Committee :** Miss Sujitra Makanit

#### **Duties and Responsibilities of the Risk Management Committee**

1. To formulate the risk management policies and goals, plan and organize the risk management system of the company to allow the system continuity and clarity for further managing any significant risks, and report such risks to the Board of Directors and the Audit Committee.
2. To support and encourage the cooperation for risk management at all levels in the organization.
3. To ensure that the company's risks are controlled appropriately and efficiently by placing emphasis on the risk warning system and any other abnormal transactions.
4. Develop the risk management system in the organization to ensure that it is efficient and consistent.

5. To improve and amend the Risk Management Committee Charter and propose it to the Board of Directors for approval.
6. To engage in other actions as assigned by the Board of Directors.

#### **Participation in the Risk Management Committee meetings in 2012**

In 2012, the Risk Management Committee held 3 meetings and the participation of each committee member is summarized below.

Names			Qualifications	Attendance of 4 meetings
1.	Mr. Vichit	Tantianunanont	Chairman of the Risk Management Committee	4/4
2.	Mr. Dan	Sornmani	Member	1/4
3.	Mr. Wichar	Ldallitsakool	Member	4/4
4.	Mrs. Malee	Leelasiriwong	Member	4/4
5.	Mrs. Chailada	Tantivejakul	Member	4/4
6.	Mrs. Suree	Muennarintr	Member	4/4
7.	Miss Waraporn	Kulsawatpakdee	Member	2/4

#### **Selection of the Company's Directors**

The Board of Directors screens qualified individuals for nomination to fill vacant posts for subsequent proposal to the shareholders meeting, with the exception of the case where the post became regulations. In the case where the post is that of an independent director, the nominated individual must possess all qualifications required by the Equity Market Committee.

It is also important to note that minor shareholders also have the right to nominate individuals to be elected as directors. At the shareholders annual general meeting in accordance with the prescribed criteria which can be viewed on the Company website at [www.fareastddb.com](http://www.fareastddb.com)

#### **Composition and Election**

According to the Articles of Association, Chapter 3 'The Board of Directors', No.18 and Charter, the shareholders meeting determines the number of desired directors but not fewer than five. The individuals to be appointed as directors must not have prohibited characteristics as specified by the law or company regulations, or must not be described as inappropriate or untrustworthy to manage a business the shares of which are held by the public, as per regulations specified by the Securities and Exchange Committee. At least half of all directors must reside in the Kingdom of Thailand. The number of independent directors and Audit Committee must be in accordance with the announcement of the Capital Market Supervisory Board.

#### **Directors with authority to sign on behalf of the Company**

The number of directors which has the power to sign on behalf of the company is

**Group A.** Mr.Boonchai Chokwatana, Mr.Wasin Teyateeti, Mr.Dan Sornmani, Mrs.Chailada Tantivejakul.

**Group B.** Mrs.Malee Leelasiriwong, Mr.Arthorn Maeknoparat, Mrs.Siriwan Vilassakdanont

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

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

## **Election of Directors through Shareholders' Meeting and Rights of Minority Shareholders.**

### **Rights of Minority Shareholders**

Shareholders are allowed to propose name list of qualified nominees to the Shareholders' Meeting. The Company offers an opportunity and right to Shareholders to propose name of person to be selected as the Company's Director at the Shareholders' Meeting since December 24, 2011 until January 2, 2012. This right was announced on Stock Exchange of Thailand's website [www.set.or.th](http://www.set.or.th) and invited all Shareholders on the Company's website [www.fareastddb.com](http://www.fareastddb.com) with definition of Shareholders' qualification, explanation of rules and procedures of Board of Directors' consideration.

### **Directorial Election Procedure**

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

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

### **Directorial Term of Service**

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

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

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

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

- 1.1 Death
- 1.2 Resignation
- 1.3 Lack of required qualifications or having a prohibited character as specified by the law or company regulations
- 1.4 Being described as inappropriate or untrustworthy to manage a business the shares of which are held by the public, as per regulations specified by the Securities and Exchange Commission
- 1.5 Removal from office at the resolution of the shareholders meeting
- 1.6 Removal by court order

Once a post of director becomes vacant due to a reason other than completion of term, and that the remaining term is longer than two months, the Board of Directors is to select a qualified individual who is free of any prohibited

characteristics as a replacement at the next Board of Directors meeting. The replacement member is to serve for only the remaining term of the director whom he/she replaces.

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

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

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

- None -

#### **Management Remuneration for the year 2012**

Remuneration for the Board of Directors:	Directors' compensation	Baht	3,550,000.00
	Directors' meeting allowance	Baht	714,000.00
	Audit Committee Meeting allowance	Baht	210,000.00
	Risk Management Meeting allowance	Baht	61,000.00
	<b>Totalling</b>	<b>Baht</b>	<b>4,535,000.00</b>

Names	Directors' compensation (Baht)	Directors' meeting allowance (Baht)	Audit Committee Meeting allowance (Baht)	Risk Management Meeting allowance (Baht)
1. Mr. Boonchai Chokwatana	500,000.00	69,000.00		
2. Mr. Wasin Teyateeti	300,000.00	48,000.00		
3. Mr. Dan Sornmani	450,000.00	53,000.00		3,000.00
4. Mrs. Siriwan Vilassakdanont	150,000.00	56,000.00		
5. Mrs. Malee Leelasiriwong	300,000.00	69,000.00		9,000.00
6. Mrs. Chailada Tantivejakul	300,000.00	61,000.00		9,000.00
7. Mr. Khachornsakdi Vanaratseath	300,000.00	61,000.00	60,000.00	
8. Mr. Amorn Asvanunt	300,000.00	45,000.00	45,000.00	
9. Mr. Vichit Tantianunanont	300,000.00	61,000.00	45,000.00	16,000.00
10. Mr. Sorchote Ambhanwong	150,000.00	61,000.00		
11. Mr. Arthorn Maeknoparat	300,000.00	61,000.00		
12. Mrs. Chattong Tippayakalin	200,000.00	69,000.00	60,000.00	
Mrs. Suree Muennarintr				9,000.00
Mr. Wichar Ldallitsakul				9,000.00
Miss Waraporn Kulsawatpakdee				6,000.00
<b>Total</b>	<b>3,550,000.00</b>	<b>714,000.00</b>	<b>210,000.00</b>	<b>61,000.00</b>

Remuneration payment to 9 Executive Board of Directors and Executives is equal to Baht 22,363,297.00 for the year 2012, which is in the form of salaries and bonus.

## GOOD CORPORATE GOVERNANCE

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

Our good corporate governance principle was approved by the Board of Directors on November 14th, 2002. It comprises the Corporate Governance Policy, the Business Ethics and the Employee Code of Conduct. This is distributed to company directors, executives and employees, as well as published on the Company's web site at [www.fareastdb.com](http://www.fareastdb.com) for the uniform observance in their discharge of duty and conduct of business. The Company has reviewed the suitability of the Good Corporate Governance Principle on an annual basis and found it to be fitting for the current circumstances.

The Board of Directors, executives and employees of all levels of the Company value the significance of the observance of the Good Corporate Governance Principle, which is constantly reviewed and improved. As a result, in the year 2012, we have been given positive ratings in the following areas:

- "Excellent" rating for the 2012 evaluation of corporate governance of listed companies.
- "Outstanding + Role Model" rating for the 2012 evaluation of annual general meeting of shareholders quality.

The Company practices along with good corporate governance's principle for the listed companies with the Stock Exchange of Thailand according to the fifth core principle as follows:

### **1. Rights of The Shareholders**

The Board of Directors appreciates the significance of shareholders and respects their right as owners of the Company. In addition to the right to vote at shareholders meetings, the Good Corporate Governance Principle is designed to offer protection for the shareholder rights; to encourage shareholders to exercise their rights; and, to see to it that all shareholders are equal and fairly entitled to their basic rights as defined in the Company Regulation and the Business Ethics. Basic rights are as follows:

- Right to purchase, sell or transfer shares as the owner
- Right to the sharing of profit
- Right to receive adequate news and information about the Company
- Right to participate in shareholders meetings in order to exercise the right to opine and make decisions through their votes on the election of company directors, determination of remuneration for company directors, appointment of auditors and approval of matters with influences on the Company; as well as the right to be paid dividends and the right to opine and inquire at shareholders meetings

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

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

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

In the year 2012, the Company has had the 18th annual general meeting of shareholders on April 27<sup>th</sup>, 2012 at the Conference Room of Far East DDB Plc., 465/1-467 Si Ayutthaya Road, Ratchathewi, Bangkok 10400. This venue is used every year to save the shareholders from confusion. A map is enclosed with the meeting notice with agendas. Additionally, an annual general shareholders meeting notice with agendas in Thai and English was published via the information system of the Stock Exchange of Thailand and the Company's web site at [www.fareastddb.com](http://www.fareastddb.com) on March 23<sup>rd</sup>, 2012 in order to inform the shareholders five weeks in advance.

**Before the meeting day**

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

For the 2012 annual general meeting of shareholders, the Company has allowed shareholders to submit matters for inclusion as meeting agendas and/or nominate individuals for the Company director election from December 24<sup>th</sup> 2011 to January 23<sup>rd</sup> 2012. This was announced in Thai and English via the information system of the Stock Exchange of Thailand and on the Company's web site at [www.fareastddb.com](http://www.fareastddb.com). Nevertheless, no shareholders has come forward with any submission or nomination.

2. The Company publishes the meeting notice and supporting documents on the Company's web site at [www.fareastddb.com](http://www.fareastddb.com) prior to the actual delivery of such information in printed form in Thai and English to the shareholders. This was carried out on March 23<sup>rd</sup>, 2012 or more than 30 days before the meeting date in order to allow Thai and foreign shareholders to access information more quickly and conveniently, as well as to have more time to review pertinent information.

3. The Company delivers meeting notice with agendas, facts, rationales and opinions of Board of Directors on each agenda on April 17<sup>th</sup>, 2012 to allow shareholders time to review the matters. This was delivered together with supporting documents which include the annual report, financial statements, the profiles of company director candidates, definition of independent directors, profile of Audit Committee members proposed by the Company as proxies, map to the meeting venue, description of documents and identification evidence to be produced by the shareholders for admittance into the meeting, the section of Company Regulation which concerns shareholders meetings; and, the "B" proxy form. announcements was published in a newspaper seven days prior to the meeting for three consecutive days from April 19<sup>th</sup>, 2012.

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

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

### **On the meeting day**

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

For the 18<sup>th</sup> annual general meeting of shareholders on April 27<sup>th</sup>, 2012, eleven directors were present at the meeting. The Chairman of the Board of directors and the chairmen of subcommittees, executive directors, accounting manager and the Finance Manager were present. The meeting was also attended by the Company's auditors who served as witnesses to the vote counting. The names of directors, executives and auditors present at the shareholders meeting were recorded in the meeting minute which is subsequently published on the Company's web site at [www.fareastddb.com](http://www.fareastddb.com)

2. The Company practices and equal treatment of all shareholders. Upon the meeting commencement, the President announces the number and the ratio of attending shareholders. The Chairman of the Board of Directors declares commencement of the meeting, introduces company directors, members of the subcommittees, executives and auditors then asks the Company secretary to explain all rules including those concerning voting and the counting of the votes of the shareholders on each agenda in accordance with the Company Regulation. Attending shareholders are given the chance to inquire, opine and make suggestions on all agendas. Questions are answered clearly and precisely. For votes, against votes and abstentions are accounted for using the barcode system. A meeting minute is clearly, correctly and thoroughly produced.

3. At the 18<sup>th</sup> annual general meeting of shareholders on April 27<sup>th</sup>, 2012, a barcode system was used for the purpose of registration and voting to facilitate all attending shareholders. The barcode vote counting on each agenda was witnessed by the auditors to guarantee transparency. Additionally, it was possible for all shareholders and proxies to see the voting results (for votes, against votes and abstentions) on the screen at the same time.

Voting on each agenda was carried out openly. A voting card was given to the shareholders and the proxies for each agenda. The card was collected only from those with against vote and/or abstention, with the exception of the individual company director election agenda where the card was collected from all shareholders and proxies. Only against votes and/or abstentions were counted and subtracted from the number of all votes present. All remaining votes were deemed as for votes on the agenda. Shareholders' votes on each agenda of the 2012 meeting can be viewed from the 18<sup>th</sup> annual general meeting of shareholders as published on the Company's web site.

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

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

6. Important agendas at shareholders meetings.

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

(2) Directorial election: The Company gives shareholders the rights to vote on the election of individuals company directors; and, to nominate individuals for the Company director election. Nominated candidates for independent director position must possess the qualifications as required by the Company and the announcement

of the Equity Market Committee. Shareholders are provided preliminary information on the candidates, the number of companies for which they serve as company director, position held in other listed companies or competitive/connected businesses, and, criteria and procedure for the selection, type of director.

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

(3) Directors' Remuneration: Although the Company has not appointed a remuneration committee. The Company suggests the amount and the form of remuneration to the shareholders meeting for their approval on an annual basis. This is determined by the Nomination and Remuneration Committee and based on operational outcome, performance, remuneration limit approved by the shareholders meeting, remuneration paid in the previous year, the benchmark of other companies in the same sector, and, the duties and the responsibility of the Company directors. Policy and criteria for the determination of remuneration for each position of company director is presented. A summary is provided on approved remuneration limit, the actual amount paid, the form of payment and the exact amount paid to individual company directors and members of the Audit Committee and the Risk Management Committee. This can be viewed from the annual data sheet (56-1 form) and the annual report (56-2), under the "Directors Remuneration" section.

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

#### **After the meeting day**

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

## **2. Treating Shareholders with Equality and Fairness**

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

### **2.1 Shareholders meetings**

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

2. For the shareholders meetings, minor shareholder can submit matters for inclusion as meeting agendas and/or nominate individuals for the Company director election prior to the meeting in accordance with the established criteria, channels and timeframe. This is announced in Thai and English via the channels of the Stock Exchange of Thailand and on the Company's web site.

3. For the 18<sup>th</sup> annual general meeting of shareholders on April 27<sup>th</sup>, 2012 the Company has delivered a notice with supporting documents on April 17<sup>th</sup>, 2012 or ten days prior to the meeting. It included agendas, the annual report, financial statements, the "B" proxy form, steps of the proxy process, profile of company director candidates and a map to the meeting venue. This is the same set of information published on the Company's web site more than 30 days prior to the meeting in order to allow shareholders sufficient time to review the information.

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

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

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

The 18 General Meeting of Shareholders for the year 2012 was held on April 27<sup>th</sup>, 2012.

	<b>Shareholders</b>	<b>Shares</b>	<b>%</b>
<b>Total number of shareholders as per the registration</b>	<b>324</b>	<b>7,500,000</b>	<b>100.00</b>
<b>Attending Shareholders</b>	<b>65</b>	<b>5,757,704</b>	<b>76.77</b>
<b>Shareholders attending the meeting</b>	<b>21</b>	<b>1,535,819</b>	<b>20.48</b>
<b>In person Proxy attendance</b>	<b>44</b>	<b>4,221,885</b>	<b>56.29</b>
- Audit committee members	-	-	-
- Other individuals	44	4,221,885	56.29

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

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

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

## **2.2 Insider information usage control**

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

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

## **2.3 Supervision of the Company's security trading transaction and report of stakeholding**

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

In the year 2012 directors and executives have complied strictly with the policy. There has been no incidence of trading during the prohibited period.

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

All directors and executives have complied strictly with the criteria in 2012.

## **2.4 Conflict of Interests**

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

## **3. Rights of Stakeholders**

The Company operated its business with responsibility towards all stakeholders for mutual benefit by commencing the practice of corporate governance to ensure the rights of all stakeholders to be treated equally. The stakeholders comprise of shareholders, employees, customers, trade partners, competitors, creditors, government and other related sectors including the community, environment and society which will be treated under the principle policy of good corporate governance, business and employee' ethics in writing.

### **Treat to the Various Stakeholders of the Company**

**Shareholder:** The Company strictly operates business with faithfulness and integrity. The Company has never conducted business with unfaithful operations. To carry out business with accurate and transparent operation, bringing the proud of successful performance, rapid growth with solidity, high ability in competition and to create utmost value added to the shareholders in long term. Every shareholder has basic fundamental right in accordance with the law and is treated with equality and fairness. The shareholders, who hold their shares at least twelve months consecutively, have the rights to propose agenda or candidates to be nominee for directors' election to the General Shareholders' Meeting, either.'

**Employee:** Employees are important key contributing to the organization's success. The Company's growth depends on quality of employees. The Company cares of well-being life of all employees, thus the working environment is well maintained to ensure the safeguarding of their lives, health and property. New technology is implemented to support their works. Employees are developed and improved to be modern that match to applicable technology. To enhance and develop all employees to be smart and good, they are given the opportunity to participate in training for skill working development. Self and teamwork ability are being expressed widely. Professional development system is encouraged to build a secure career and career opportunities are provided according to individual potential. Compensation is awarded fairly and suitably for building up working motivation in the form of salary and bonus. In addition, the Company allows employees to participate in reviews the business operation which is the personal development of capabilities to support policy to the further business expansion.

The Company encourages every employee to be participated in taking care of environment. Thus, “The Committee of Occupational Safety, Health and Environment” was set up in working place to ensure the safeguarding of their lives and health. The security service twenty four hours a day has employed, and installed security system in all buildings, together with other safety equipment. The Company also provides training on fire-fighting drills and evacuation in order to create the right knowledge, understanding and practices up to the accepted safety and environmental protection standards.

The Company provides retirement pension benefits to employees after retirement schedule specified in the Labor Act, It also prepared a group accident insurance for all employees to prevent the risks and relief the loss to the employees and their family members supplemented. This is supplemented by a list of member social security fund as normal.

The Company also engages the other welfare for the staffs as follows:

### **1. Knowledge development for employees**

In recent years, communication is developing very fast. Consistent with the new innovation, new technologies which have the broaden effect. People worldwide can be able to easily communicate with each other face to face, talking or making conference via mobile screen. Advertising business is affected by the development as well. If we do not develop, we will lag behind in access to and communicate with the new generation of consumers. With these reasons, in 2012, we mainly focus on digital training for our employees. However, we also continuously provide other knowledges to improve our potential.

The training can be divided into 2 categories as follows:

#### **1. Digital Media Training**

##### **1.1 External training :**

Sending the employees in management, intermediate and senior levels to attend the training provided by organizations and institutions in digital field such as :

- Mini MBA Digital Marketing, organized by the University of The Nations
- Digital Marketing Summit 2012, organized by Nation Broadcasting Corporations.
- 3 Steps to Facebook Marketing, by a digital expert.
- Marketing in A Digital Era seminar, organized by the Marketing Association of Thailand

##### **1.2 Internal training:**

We invited the experts or gurus in digital media to provide digital knowledge from basic to intermediate level to our employees under “Far East DDB Digital Academy Project”. These training programs started from 23 March to 20 June 2012, covering 120 participants from Far East Group.

- Introduction to Digital Academy
- What Google do?
- Let's Digital with Admax Network & Facebook
- Online Measurement & Viral Video
- Integrated campaign & SoLoMo
- SEM & Twitter
- Apps & Digital Trends
- ZocialRank & ZocialEyes
- Digital Technology

In addition, with rapid change in digital media, the company set up Facebook group as a communicating channel between employees in Far East Group and support them to increase skills via discussion and sharing experiences or knowledge on digital media with each other. This also helps create good relationship between employees. The company also held “The Digital Marketing Day” offering employees to have a chance to own the digital devices such as iPhone, iPad in reasonable price including practicing them to use the devices appropriately.

**2. Specific skill training programs to increase working efficiency by departments as follows:**

- Holding ‘Eat, Drink & Design: Graphic Away Day’ seminar by inviting graphic gurus to educate graphic team with workshop.
- Supporting creative people and graphic designers to attend ‘Design is Innovative, Creative Unfolded’ seminar held by Thailand’s Creative Design Center (TCDC)
- Sending creative people to attend “BAD Special Workshop : Hungry Therapy” seminar held by Bangkok Art Directors’ Association to broaden their creativity.
- Supporting Account Management staffs to attend “Adman Awards & Symposium 2012: Advertising Evolution’ seminar held by Advertising Association of Thailand.
- Supporting employees from Strategic Planning & Research department to attend ‘Thailand’s Most Admired Brand’ organized BrandAge, a leading business magazine in Thailand.

Moreover, in 2012 the company has sent the senior management team to provide training and knowledge of the Advertising Strategy and Creativity Development to MSTF’s employees (Myanmar. Spa - Today - Far East Ltd.), our joint venture advertising agency in Yangon, Myanmar.

- Library for employees
- Extend internal communication via Intranet and the Company’s webboard.

**2. Cost of Living Support**

- Annual bonus allowance
- Social Security
- Grant to disasters relief
- Grant to pass-away employees
- Grant to the parents, spouse and child pass-away
- Group life insurance
- Uniforms for messenger

**3. Employee’s Family Support**

- Educational Scholarship from Dr. Thiam Chokwatana Foundation

**4 .Stable Future Strengthen Support**

- Retirement fund for all employees
- Low interest housing loans in conjunction with the Government Housing Bank

**5. Heath Support**

- Encourage employees to have vaccine
- Encourage employees to do exercise

**6. Other**

- Catering staff in the new year
- Retirement farewell party

**Guidelines on anti-corruption**

- The Company supports and encourages staff at all levels to realize the importance and have awareness against corruption. We set up internal control system to prevent fraud. Realizing that the corruption solving in the society starts with good leaders. The leaders must have good conscience and not accept the corruption while continuously creating this awareness in the organization.

**Customers:** The Company operates with honesty and fairness and provides accurate information to customers. Customers' complaints are taken into account and consideration to promptly serve the needs of customers and to develop products and services to satisfy the customers.

**Business Partners:** The Company deals business with its partners via equalization and honest by emphasizing on the maximized benefit of the Company along with fundamental of fair return for both parties and these agreed contracts and conditions shall be practiced strictly. The circumstance that may causes conflict of interest shall be avoid to be happened by having a discussion to solve problem complying with fundamental of business relationship and deal with corporate contract for goods' delivery in accordance with proper quality and punctual time as agreed.

**Trade Competition:** The Company deals business according to the rules of competition's framework with honest and fair very strictly under the law and has no policy to take advantage on trade competition in the way that against the law. The Company bears of its trade competition that it is the factor to be push up to keep developing the products and services to be better. During the passing periods, the Company has never had any conflict that concerned to the trade competition.

**Creditors:** The Company keeps on practicing its operation in accordance with trading condition, loan condition and the duty to treat to creditors with honest in order to build up the trustiness and reliability among each other. Labor: The Company cares and protects the human rights into business not to be involved with the infringement of others, un-exploit workers and non-illegal workers.

**Society community and environment:** The Company conducts business with the responsibility of all parties involved, encouraging employees and concerned people in practice good citizenship and charitable service to the community and society, as well as employees' participation in creativity service activities.

Our company continues the policy to support any activities that are beneficiary to the community and society. Poor school in up-country were still our focus, which was actually the follow-up project in the sixth year. In 2012, we increased more assistance to two poor small schools in Prachinburi, Baan Klong Udom and Wat Nern Mai Hom school.

We help renovate canteen for students in Baan Klong Udom school, improve outdoor playground and offer more sport equipments. We also donate rice and dried food for long-term lunch of the students.

At Wat Nern Mai Hom school, we installed windows to the whole school building, donated books to the library, procured a water purifier for the school. We also donated sport wears, rice and dried food lunch as well.

We encourage our employees to participate in donation campaign and volunteer themselves to entertain the children in both school on activity day.

The Company raising awareness to employees to reduce waste both within and outside the office by reduction of material that may cause pollution or waste balance to the natural environment, campaigning staffs to reduce energy consumption by taking the stairs instead of elevators and air closed off during lunch time. Decrease the use of paper and promote the use of reused paper.

**Government:** The Company has fully paid the correct tax period required by the law as the corporate tax; value added tax, specific business tax, withholding tax, property tax, signboard tax, customs duty, revenue stamp including the government tariffs related to the business operation.

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

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

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

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

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

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

1. Disclosure of each Committee's duty such as numbers of the meeting.
2. Disclosure of share holding's structure and ratio of the Directors and Executives.

3. Disclosure of remuneration's type, description and paid amount in individual.

4. Disclosure of corporate governance, business and employee's ethics.

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

#### **Remuneration for the Directors and Executives**

- **Directors' Remuneration:** Although the Company has not appointed a remuneration committee, the remuneration process is ongoing. The members of the Board of Directors collaborate all together to consider the directors' remuneration basing on the operating results, the approved remuneration rate by the shareholders and the previous year's remuneration, and shall propose to the shareholders for approval. The remuneration shall be redeemed as meeting fee for the meeting at 8,000.00 Baht for each director per meeting with annual remuneration for all directors. In the ordinary meeting of shareholders No. 18 on April 27, 2012, the shareholders approved totally of no more than six million Baht for the directors' remuneration and actually paid at 4,535,000.00 Baht, disclosed under the directors' remuneration in the annual report and Form 56-1.

- **Executives' Remuneration:** The executives' remuneration is based on the principles and policies in respect of the operating results and the performance of each management member.

#### **5. Responsibilities of The Board**

The Board of Directors is responsible for corporate governance and honest conduct of business for the greatest benefit of the Company and the shareholders. Written policies have been prescribed on corporate governance, business ethics and employee ethics. These are approved by the Board of Directors and distributed to directors, executives and employees; and, published on the Company's web site. The Board of Directors has been actively involved in the determination of visions and missions in order for the executives and the employees to share a common goal and for the operation of the Company in compliance with the laws and other regulations. This is in the best interest of the Company and the shareholders. There has been no record of the Company's violation of a regulation of the office of the Securities and Exchange Commission or the Stock Exchange of Thailand in the past year

#### **Composition of the Company's Board of Directors**

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

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

The Board of Directors is comprised of 12 directors:

- Executives Directors 5 persons
- Non-Executive Directors 2 persons
- Independent Directors 5 persons

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

### **Authority of the Directors**

Group A. Mr.Boonchai Chokwatana, Mr.Wasin Teyateeti, Mr.Dan Sornmani, Mrs.Chailada Tantivejakul.

Group B. Mrs.Malee Leelasiriwong, Mr.Arthorn Maeknoparat, Mrs.Siriwan Vilassakdanont.

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

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

### **Term of Directors**

In accordance with the Company's Article of Association, one-third of the directors have to retire from the past at each annual general meeting. In the case where the number of directors cannot be divided by three, the number of the directors to retire is to be closet to one-third. The longest-serving directors are asked to retire. In case there is no solution of retire, the lottery draw needs to be cast. Directors who retire from the past may be re-elected. Directorial Term of Committee comprising of the Audit Committee and Risk Management Committee is 1 year and upon retirement, they may be re-elected. In the case other than competition of term, the Directors will propose a qualified individual to the Board of Directors' meeting in accordance with the Article of Association for appointment.

The Company has not fixed the maximum period of director term as well believe that the ability to operate business and the expertise of each director is not depended upon age.

### **The Number of Other Companies Involved by the Directors**

The Company discloses appropriate detail of each director's positions in other companies in attachment no. 1 of Form 56-1 and in the Company's annual report. At present, there are no directors with more than 5 positions in other companies. The Company is confident there is no impact to the Company due to the directors' commitment and responsibility along with their full participation in the meeting and consistent beneficial effort for the Company.

### **Definition of the Independent Directors**

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

1. The person must hold no more than one percent of all shares of the Company with which he or she holds the voting right, as well as, its parent company, its subsidiary, its joint venture or a juristic person with a possible conflict of interests. The shares held by individuals related to the independent director must also be included.
2. The person must not be or have been a director with involvement in the management of the Company; an employee, a staff member or a consultant with a regular salary; or, an individual with the authority to control the Company, its parent company, its subsidiary, its joint venture, a subsidiary of the same level or a juristic person with a possible conflict of interests. There is, however, an exception if the person has not been involved in such circumstances for at least two years prior to the day on which he/she is appointed as an independent director.

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

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

The business relations under the above paragraph is inclusive of conventional trading transactions to conduct the business; lease or renting of property; transactions involving assets or service; provision or acceptance of financial assistance in the form of granting or acceptance of loans or guarantee; and the use of assets as collateral for loans including other similar acts which result in the petitioning party being obligated to repay the other party for the amount from three percent of the net corporeal assets of the petitioning party or from Twenty Million Baht, whichever is lower. The calculation of such debt obligation is on the basis of calculation of related transaction value, as per the Stock Exchange of Thailand Committee Announcement on the Disclosure of Information and Allowed Practices of Listed Companies Concerning Related Transactions. The determination of debt obligation is inclusive of debt obligation arising during one year prior to the date of business relations with the same individuals.

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

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

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

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

9. The person must not have any other characteristics which render him or her incapable of freely opining on the operation of the Company.

In the case where the Equity Market Committee announces a change of qualifications of independent directors, the requirements of the Company independent directors will also change accordingly.

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

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

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

#### **The Company's secretary**

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

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

(1) preparing and keeping the following documents:

- a) a register of directors;
- b) a notice calling director meeting, a minute of meeting of the Board of Directors and an annual report of the Company;
- c) a notice calling shareholder meeting and a minute of shareholders' meeting;

(2) keeping a report on interest filed by a director or an executive;

(3) performing any other acts as specified in the notification of the Capital Market Supervisory Board.

#### **Responsibility of the Board of Directors**

##### **Leadership and Vision**

The Board of Directors comprises of members who are knowledgeable, professional, experienced in various fields, specialized to benefit the Company, understanding their roles, responsible, leadership-oriented, visionary, independent, encouraged to make decisions, and goal-oriented to conduct the business to meet the Company's objectives to drive the maximum returns to the Company and the shareholders. The mission, goal, strategies, operation plan, and annual budget are planned and managed in order to meet its objectives according to its code of business conduct.

The Board of Directors comprises of at least five persons (according to the law of public company limited) and the qualification of each director must start as being a regular person and

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

The Board of Directors continually follows up the performance results and assigns the management to report its operation results and securities possession of every director and executive in every Board of Directors' meeting.

**Combination or separation of positions**

The Chairman of the Board of Directors and Chairman of the Executive Board be the same person. However, charter of all committees have been assigned authority and responsibility of the directors are clearly. As well as, the company's independent directors as of one-third of the Board of Directors, are qualified member, they are free to verify the balance of authority. The meeting of the Board of Director, directors can act freely in the meeting. Such as, in the case of matters that the Chairman has an interest in the president as CEO should not attend the meeting on such matter and the director who has no interest in acting the chairman of the meeting interim.

**Report of the Interest of Directors and Executives and Related Group**

The Company provides the report of the Interest of Directors and Executives or of the Related Persons for the monitorial benefit of its interest of the said group in accordance with the principles and procedure that defined by the Company's Board of Directors on the part of the Interest of the Company's Business Management along with new issue of the Office of Securities Exchange Commission's rules.

**Transaction with Possible Conflicts of Interest**

The Company's Board of Directors has defined well-established guide line to practice with any possible conflict of interest between shareholders, directors, exclusives and other persons to have confidence that when engage in transaction with possible conflict of interest that is fair and reasonable. The information will be disclosed accurately and entirely with the transparent procedure to approve any transaction that cares for utmost benefit of the Company and along with the instruction and practicing guideline of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

At every meeting of the Company's Board of Directors that there is a consideration on transaction with possible conflict of interest against any director, the director who is stakeholder will leave the meeting room with null vote on that agenda in order that the other directors can give opinion freely with the cooperate of the Audit Committee to give opinion freely, too.

**Internal Control and Risk Management**

The Board of Directors recognizes the importance of controlling systems in operations, finance, and code of business conduct by appointing an internal auditor to monitor and control those functions, including the computer system, to make recommendation for the most effective solutions with independence and counterbalance by reporting to the auditor's management for exchanges of opinions on facts and problems as well as prevention and improvement solutions before reporting to the auditing committee to conduct a meeting to exchange their views on audit and its result regularly.

The Board of Directors conducts risk management according to its character, type and category by evaluating the factors, internal and external, to find a solution to prevent, develop, improve and extend the result of risk management throughout the organization without any impact to its operation.

**Preventing Conflicts of Interest**

Set the measurement for the prevention of insider impropriety of the directors, executives and employees who are in the organization that acknowledge the information, including spouses and minor children of such persons will not provide the information within the Company to use for personal gain as well as for trading Company's shares, especially in the period of 1 month before the published financial statements to the public. The message should clearly set forth in the Code of Conduct. The Company agrees to report to shareholders of the Company's Board of Directors, executives or relevant persons for the purpose of monitoring the interest of such person under the rules and procedures prescribed by the Board of Directors, the interest relating to the Company's management

affairs as of the new Securities Act and to consider and approve the transactions that are related transaction, Its provided the interests disclosure of directors, executives and related parties, value of the transaction, independent directors' opinion as well as other necessary information for the Board of Directors / shareholders can decide for the benefit of the company as a whole. It also has set guidelines to prevent the directors and executives has an interests or involvement in the process decided to consider the transactions between the Company and those who are interested or involved in it and that related persons who are involved or interested in any matter should not attend the meeting to consider or vote on such matter.

#### **Inside Information Usage Control**

The Company has policy to disclose the information, transparency, Financial Statement and business operation by definite the principle of practice of financial disclosure and other issues that related to business and the Company's performance with accurate completion that is sufficient to rely and regular timely for the shareholders, investors, security's analyzers and general people. The Company's Board of Directors monitors the practice that will follow the defined law and rules that concern with the transparent disclosure of information strictly. In case the Directors or Executives have the change the buy or sale of shares as defined on the definition of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, must to report the information to the unit that is related within time as set. The Directors or Executives have duty to report their hold of securities and disclose their stake and related persons to the Company's Board of Director for clear and transparency. Inside Information Usage Control is under the duty and responsibility of the Directors, Executives and employees to keep the Company's information as secret firmly, especially, the inside information that not yet disclosed to the public or may affect to the business operation or share value. The Directors, Executives and employees will not take advantage on information to seek for their own benefit, for the benefit to buy or sell the Company's share or give inside information to the others for the benefit to sell the Company's share or to operate business that compete to the Company or related business. No disclosure the secret of the Company's business to outsiders. Any prohibited practice that may cause the lost or damage of business opportunity of the Company will take as the practice against the policy of corporate governance, business and employees' ethics and will be seriously punished on discipline.

#### **The Board of Directors' Meeting**

The Board of Directors recognizes the importance of the meeting as one of the duties for the directors to participate and make decisions on the Company's operations. The meeting is always planned in advance throughout the entire year and is regularly held every month. The Company's secretary sends an invitation letter with an agenda, the minutes of the last meeting, and other documents necessary for the directors' consideration in advance according to law. The chairman presiding over the meeting shall grant the directors and management free expression on their opinions. The Company's top executives shall participate the meeting in order to clarify any matter concerned and every director on the Board of Directors shall be able to request further information from those executive management and the Company's secretary.

After the meeting, the company's secretary records the minutes of meeting, reviewed by the executive committee before certified by the chairman and proposed for endorsement by the directors during the first agenda in the next meeting. The directors have the authority to add or correct the minutes of the meeting to be most accurate.

The minutes of meeting is systematically kept at the Company along with its attachments for easy access and reference.

In 2012, there were nine Board of Directors' meeting and detail of meeting attendance of the directors is disclosed on the subject of the meeting of each board in 2012.

**Subcommittees**

To ensure the operation is transparently and carefully managed and reviewed, the Board of Directors has appointed subcommittees to respond on such issues and report to the Board of Directors. At present, the subcommittees are composed of the audit committee and the risk management committee which are independent and responsible according to the code of business conduct.

**Development of the Directors and Executives**

To enhance the practice of the Board of Directors' duty, the Company has policy to promote all directors and executive. The Company appreciates and supports the directors and executives to higher learning. The Board of Directors values the participation in development training beneficial to the directors' performance by attending the Director Accreditation Program (DAP), the Director Certification Program (DCP) courses held by the Thai Institute of Directors Association (IOD), including other short seminars or courses to be held by IOD in the future.

The Company also arranges handbook for new directors to study the significant information, the policies on the code of business conduct, the business ethics, the employee ethics, and other regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. The new directors shall participate in any course held by IOD in order to enhance their profession. Moreover, the Board of Directors has a meeting to share experiences with directors and top management of other organizations both local and overseas.

**Succession Plan**

The Board of Directors set the succession plan of the senior position with its guidelines for the preparation of succeeding person to be assigned to alternative jobs in the executive level that shall be based on the future direction of the organization which qualification of the executive will be required to comply with the direction and goals set forth by the Company by generating the junior management at the initial stage for the potential, knowledge, ability and vision to encourage to become senior management to a sequence of step to develop the technical knowledge and learn from practice experience. The Board of Directors and Executive Committee have been monitoring and evaluating the performance of the person who will be promoted to an executive in order to ensure continuity.

**Policy on Employees' Development**

The Company has established a policy on employees' development in all levels for better knowledge and experience to serve the need of the Company and to develop employees' capability to take the organization to the next level of success and stability. The Company emphasizes to strengthen employees' competitive skills to answer the Company's strategy by recruiting qualified professionals with good attitude and the right qualifications to lecture on Job Description to clarify each job position and its operation evaluation while encourages employees to seek further on knowledge and self-developments and conducts seminars, internal and external, as well as stimulates employees for self-learning with a variety-filled internal library.

**Report of the Board of Directors**

The Board of Directors takes responsibility for the financial statements of the Company and its subsidiaries, including ones stated in the annual report, and the annual statements (Form 56-1). The financial statements shall be based on accepted accounting standards in Thailand under suitable account policy. The Board of Directors is required to carefully consider and make the best assumption in reporting and disclosing sufficient information in the notes section of the financial statements.

The audit committee consisting of non-executive directors is appointed to be responsible to oversee the effectiveness of the internal control system in order to ensure that financial statements are accurate and complete to secure the Company's assets and to detect any significant issues vulnerable to the Company's stability. The comments to this regard are reported by the audit committee and presented in this annual report.

The Board of Directors agrees that the Company's overall internal control system is adequate and appropriate which brings confidence and reliability on the financial statements of the Company and its subsidiaries.

#### **Investors' Relations**

The Board of Directors recognizes the importance of information disclosure both in financial segment and general information as well as important data that may affect the shares' price of the Company. All information is disclosed correctly, completely, reliably, and transparently through the SET's channels and the Company's website at [www.fareastddb.com](http://www.fareastddb.com).

As the result of a few activities, the Company has not set up an investors' relationship unit except appointing Mrs. Chailada Tuntivejakul, the Director, to provide all information to any investor or person concerned. Mrs. Chailada's contact telephone number is 0-2354-3333, fax no. 0-2644-9550 or email address: [Chailada@fareastddb.com](mailto:Chailada@fareastddb.com).

## **Responsibility for use of Internal Information**

The Company has set policies and procedures for its senior executives in the use of internal information for personal purposes or for securities transaction particularly during one month prior to the disclosure of the financial report to the public. The Director must submit his or her copy of the report, when holdings of the Company's shares are changed to the SET and to the Company's secretary for submission to the Company's Committee of the Board of Directors.

#### **Employees**

As of December 31, 2012, the number of employees are 188 persons with staff in key departments are as follows:

- |  |            |
|--|------------|
| ● Creative Department                      | 46 persons |
| ● Account Management Department            | 31 persons |
| ● Production Department                    | 25 persons |
| ● Strategic Planning & Research Department | 12 persons |

For the year 2012 the Company has paid to employees (excluding employees who serve as directors and executives) as 139,370,814.00 Baht compensation as salary, bonus and allowances. In the past year. There are no labor disputes arise.

## **Internal Controls**

In the Board of Directors' Meeting No.182 (2/2013) held on February 27th, 2013, which 3 Audit Committee member attending, the Board assessed the Company's internal control system by obtaining information from the management. After reviewing five areas of internal controls, namely: (1) Organization and environment; (2) Risk management; (3) Management performance control; (4) The Information System and Data Communications; and (5) The monitoring and evaluation system, the Board came to the conclusion that the Company had a satisfactory internal control system as follows:

#### **1. Organization and Environment**

The organizational structure and the operational environment of our company allow the management to perform efficiently. We are able to help our employees appreciate the need for an internal control system; and, to establish

definite business policies and goals fairly for employees, customers, partners, shareholders, the society and the environment. Our activities to achieve these goals are frequently reviewed to ensure consistency and suitability with present situation. Organizational structure, committee charters; and, the duties and the responsibilities of the President are established in writing in order to clearly define the authority of different company operations. Additionally, good corporate governance policy, business ethics and employee code of conduct are also established in writing to serve as operational guidelines for the directors, the executives and the employees. All of these written regulations and guidelines contribute to the efficiency of our internal control system, while a written financial transaction review and approval code is in place as well to prevent unjust or unauthorized use of company assets.

## **2. Risk Management**

The establishment of risk management can help the Company with risk management system and institutional guidelines for lead in operations in the organization with honest. The management has regularly made assessment of the business risks, both internally and externally. The Company holds meeting with its management and employees on regular basis to communicate the situation and impact of the external risks influencing the Company's operations and measures to prevent and handle a risk that approach to the appropriate level and effectively without any effect to the operation of the Company.

## **3. Management Performance Control**

The Company has set, in written form, the clear area of financial responsibilities and the authorized line of executives in every managerial level. The management shall audit, review and monitor the operating performance of all sectors. The transactions with major shareholders, directors, executive or an individual associated with the aforesaid parties, as well as, any such related transaction. The procedures detailed in the announcements of the Market Committee are observed. We review our performance on a monthly basis and ensure that the operation is consistent with the resolutions of shareholders' meeting and all relevant laws. Additionally, in order to ensure our compliance with applicable legal requirements at all times, we have required our employees to strictly and closely observe company regulations and relevant laws, especially in the areas of good corporate governance principles, business ethics and employees code of conduct.

## **4. The Information System and Data Communications**

The Company provides up-to-date information system and data communication for supporting the practice within and outside the organization effectively and continuous development. There is the department to collect, analyze and store it in Data Warehouse System of the Company for enhancing efficiency and effectiveness of the management throughout the organization. The working system is included of financial account, financial statement for the management, purchasing –outsourcing management, commissions, work in process management and human resources management. They all are integrated networking that can control and prevent of problems that caused by mistake. There is an evaluation and monitoring system to be effective and complied with the Company's policy. Thus, receiving information shall be correct, reliable and fast for assisting the Executives to get information on time. This allows information and knowledge can be decided quickly. The Company has measures to secure hardware, software and database system by using Firewall Program to prevent from hackers and Anti-virus Program. The copies of data back up has been stored in electronic media.

## **5. Monitoring and Evaluation Systems**

The Company has a good evaluating and monitoring system to ensure that procedures and internal control activities are effective and respond to change appropriately and timely. It has also taken on the activity of monitoring by leaders to follow up on employees. In addition, the Company has had internal audit team to perform duties independently, and report the auditing results with opinions directly to the Company's Audit Committee.

ANS Audit Company Limited was the auditor of the Company's financial statements for 2012. The auditor reviewed Far East DDB's financial statements, result of operations and cash flow as of December 31, 2012 in accordance with generally accepted auditing standards and assessed effectiveness of the Company's internal controls in relation to such financial statements. The auditor reported that there is no significant error in the internal control system which will seriously affect the notes to the financial statements.

#### **Human Resources Management**

The Company is well aware of its employees as significant and valuable assets that successfully drive force behind its success to achieve goals as one of the leading company in excellent services that impress customers with utmost pleasure. The management policies are entirely emphasized on improving and developing skill of employees and the team to gain professional working ability. It begins from basis policy that the employees are given the opportunity to participate with entire working system either in executive management and operation. New concepts and tools are implemented to develop working pattern to be always up-to-date and effective. Plans are set in advance before actually practice and lead to archive goals as targeted.

In term of personnel recruitment, the Company selects employees from multi channel's effective recruitment and to provide an opportunity on selection. Employees' income benefit structure is appropriately adjusted to meet with labor market. Measures for working performance are applicable with transparency and compensation is awarded fairly and suitable for knowledge, competency, and responsibility. Positioning structure is considered according to employees' competency by offering progressive opportunity in duty to create leadership and encouragement as well as to drive employees' working motivation in concrete. The working environment is well improved to ensure the safeguarding of their lives and happiness.

#### **Safety, Occupational Health and Working Environment**

The Company sets policy of safety, occupational health and working environment to comply with Safety Act that is emphasized on building up safety conscious in the job as it is the mission of all employees. The Company has examines and improvement of equipments, the location and buildings, environment including of the appropriate preparation of fire prevention.

## INTER-COMPANY TRANSACTIONS

In 2012, inter-company transactions of the Company were mostly advertising related trade account receivables, service incomes, and service fees among the Company, subsidiaries and associated companies. These transactions are considered part of the normal course of business that the Company does with other parties in the industry. Service rates are in accordance with normal practice and are not set up in order to transfer the Company's benefits to related parties. As described in the notes to financial statements No.19.

As for other incomes and expenses which are related to assets or services to related parties, the company has asked the Company's Board of Directors for approval in the Board of Directors' Meeting No.173 (1/2012) at January 27<sup>th</sup>, 2012 as follows:

- The details of assets or services in part of Income were approved by Board of Directors to limit to 5,022,000.00 Baht.
- Directors who are related person do not attend the meeting and do not vote on the issues.

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

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

### **Inter-company transactions of the year 2012**

#### **1. The details of services**

#### **Method for setting the price:**

<b>Companies</b>	<b>Relationship</b>	<b>Rental Income (Baht)</b>	<b>Parking Fee Income (Baht)</b>	<b>Consultancy Fee Income (Baht)</b>
1. Fame Line Co., Ltd. (Subsidiary)	Co-Directors	2,318,400.00	97,200.00	300,000.00
2. Integrated Communication Co., Ltd. (Associated Company)	Co-Directors	1,243,200.00	12,000.00	180,000.00
3. Inter Continental Holding Co., Ltd. (Associated Company)	Co-Directors	48,000.00		
4. Pinnacle Travel Co., Ltd.	Co-Directors	60,000.00		
5. Chailadadol Co., Ltd.	Co-Directors	36,000.00		
6. Image First Co., Ltd.	Co-Directors	168,000.00		
7. Saha Pathanapibul Plc.	Co-Directors	207,579.16		
<b>Total</b>		<b>4,081,179.16</b>	<b>109,200.00</b>	<b>480,000.00</b>

- Rental Income of immovable assets /Parking Fee Income: use the market price which will depend on the location, condition and the use of assets.

- Consultancy Fee Income: calculate from cost plus the reasonable profit which depend on the difficulty and scope of service.

## **2. Purchasing United Utility Co., Ltd's shares from a waiver.**

The Board of Directors' meeting No. 180 (9/2012) at December 21<sup>st</sup>, 2012, a resolution was passed to allow the Company to purchase newly issued shares of United Utility Co., Ltd of which a shareowner partly waived its right to purchase.

Since the United Utility Co., Ltd increased its registered capital from 34,230,000.00 Baht to 350 million Baht, and a shareowner partly waived its right to purchase the new shares. Therefore, United Utility Co., Ltd allocates the 200,000 new shares at the price of 100.00 Baht per share in an amount of 20,000,000.00 Baht which is the connected transaction as assets or service type. This volume of transaction is comply with the comparison between the compensation value and FE's net tangible asset as of September 30<sup>th</sup>, 2012 with resulting highest value at 2.39%, the related person is Mrs.Ladda Chokwatana, a waiver is the spouse of Mr. Boonchai Chokwatana the Chairman of Far East DDB Plc.

## EXPLANATION AND ANALYSIS REPORT

### **Analysis of Results of Operation**

In 2012 Far East DDB Public Company Limited and its subsidiaries had total gross profit from rendering of services of Baht 371.87 million, a decreasing by Baht 9.07 million or 2.38 percent from 2011, as a result from total revenues from the rendering of services and commissions that decreased from the prior year. Net profit of Baht 122.06 million, increased by Baht 7.11 million or 6.19 percent from 2011.

#### **Total Revenues**

Total revenues include revenues from the rendering of services and commissions, dividend income, other incomes and share of profits from investments using the equity method. For the year 2012, the Company and its subsidiaries reported total revenues of Baht 772.16 million, compared with Baht 757.78 million of 2011, an increasing by Baht 14.38 million or 1.90 percent.

#### **Details are as follows:**

##### **Revenue from rendering of services and commissions**

In 2012, the Company and its subsidiaries earned revenues from the rendering of services and commissions amount of Baht 689.36 million compared with Baht 677.53 million in 2011, an increasing by Baht 11.83 million or 1.75 percent. It was mainly resulted from total revenues from rendering of services and commissions of the subsidiaries had increased from the previous year. This resulted from the Subsidiaries gained numbers of new clients and from larger spending by existing clients at last quarter of the year.

##### **Other Incomes**

In 2012, other incomes consisted of cash discount, interest income, rental income and gain on disposal of assets amount of Baht 53.45 million, decreased from previous year by Baht 3.15 million or 5.56 percent. This resulted from the subsidiaries received lower cash discount and trade discount from media owners and suppliers and lower of interest income from previous year.

##### **Share of profits from investments using the equity method**

In 2012, the Company received a profit share from the investment in subsidiaries of Baht 26.27 million, increased by Baht 5.63 million or 27.28 percent from 2011. This resulted from the better performance of the subsidiaries.

##### **Dividend Income**

In 2012, the Company earned dividend income of Baht 3.07 million, increased by Baht 0.05 million or 1.67 percent from 2011.

##### **Total Expenses**

Total expenses consisted of cost of services and commissions and selling and administrative expenses. In 2012, the Company and its subsidiaries reported total expenses of Baht 620.78 million, increased from previous year by Baht 19.29 million or 3.21 percent.

**Details are as follows:**

**Cost of services and commissions**

The Company and its subsidiaries had cost of rendering of services and commissions amount of Baht 317.49 million. An increasing by Baht 20.91 million or 7.05 percent according from the increasing of revenue from the rendering of service and commissions of the Subsidiaries in year 2012.

**Selling and administrative expenses**

In 2012, the Company and its subsidiaries had total selling and administrative expenses of Baht 303.30 millions. A decreasing by Baht 1.62 million or 0.53 percent mainly due to a decreasing of total selling and administrative expenses of the Company amount of Baht 15.45 million or 6.94 percent. The Company has a policy to control expenses significantly, on the other hand, the Subsidiaries has their selling and administrative expenses increased by Baht 13.83 million or 16.79 percent, thus the Consolidated financial statements have been allowed in the selling and administrative expenses decrease by only Baht 1.62 million.

**Profit After Tax**

The Company and its subsidiaries realized a net profit after tax for the year 2012 of Baht 122.06 million, increasing by Baht 7.11 million or 6.19 percent from the previous year.

Net profit attributed to owners of the parent in 2012 was Baht 116.51 million, increased by Baht 4.38 million or 3.91 percent from 2011.

Net profit attributed to non-controlling interests in 2012 was Baht 5.55 million, increased by Baht 2.72 million or 96.43 percent from 2011.

**FINANCIAL POSITION**

**Assets**

The Company and its subsidiaries had total assets at the end of 2012 in amount of Baht 1,375.63 million, increased by Baht 159.53 million or 13.12 percent from 2011. The assets mainly comprise of cash and cash equivalents, trade account receivables and current investments.

**Cash and Cash Equivalents**

The Company and its subsidiaries had cash and cash equivalents at the end of year 2012 in amount of Baht 277.82 million, increased from previous year by Baht 199.11 million or 252.93 percent, according from the Company and its subsidiaries has a policy to invest in short-term deposit, 3 months deposit which is the short-term fund management of middle-yield and low risk.

**Trade Account Receivables**

The Company and its subsidiaries had trade account receivable in amount of Baht 474.19 million, increased by Baht 218.91 million or 4.15 percent from 2011. According from some of the subsidiaries' s client that has increased advertise spending in the last quarter, so the accounts receivable of the Company and its subsidiaries increased over the previous year.

**Current Investments**

The Company and its subsidiaries had current investment at the end of 2012 amount of Baht 133.15 million, decreased by Baht 140.64 million or 51.37 percent from 2011. This resulted from the lower in deposit financial institutions of the Company and its subsidiaries but increased in short-term deposit, less than 3 months, as a part of cash and cash equivalent.

**Liabilities**

The Company and its subsidiaries had total liabilities at the end of 2012, amount of Baht 475.01 million, increased by Baht 72.99 million or 18.16 percent from 2011. The Company and its subsidiaries had total trade account payables and other account payables amount of Baht 421.01 million, increased from 2011 by Baht 77.49 million or 22.56 percent.

The cause of an increase in trade account payables of the Consolidated financial statements resulted from the Subsidiaries has increased their advertise spending in the last quarter of year, which resulted an increasing of trade account payables for media and productions supplier, where the cost of production rises above revenues from the rendering of services and commissions.

**Corporate Income Tax Payable**

In 2012, the Company and its subsidiaries had a decreasing of income tax by Baht 8.35 million or 44.87, resulted from a decreasing of total revenue of The Company and the corporate income tax rate reduced from 30 % to 23 %

\*\*Other Account Payable attributed to employee and employee benefits, increased from the prior year by Baht 10.66 million or 30.06 percent which resulted from the better performance of the Subsidiaries and the Subsidiaries paid remuneration to employees rose up from 2011.

The Company and its subsidiaries had non-current liabilities at the end of 2012 amount of Baht 43.74 million, increased from 2011 by Baht 3.86 million or 9.67 percent due to employee benefit obligations which the Company and its subsidiaries estimated for employee benefits from adopting Thai Accounting Standard (TAS) No. 19, it covers employee benefits and obligation effective in the financial statements for the year end 2011.

**Shareholder's Equity**

The Company and its subsidiaries had shareholder's equity at the end of 2012 amount of Baht 900.62 million, increased from 2011 of Baht 86.53 million or 10.63 percent. This resulted from the Company's performance and the higher performance of the Subsidiaries.

### **CASH FLOW STATEMENT ANALYSIS**

The consolidated statement of cash flow for the year ended December 31, 2012 is summarized below:

	(Unit : million Baht)
<b>Cash and cash equivalents at December 31, 2011</b>	<b>78.72</b>
Net Change in cash due to	
Operating activities	143.87
Investment activities	122.73
Financial activities	<u>(67.50)</u>
Net Change in cash and cash equivalents	<u>199.10</u>
<b>Cash and Cash equivalents at December 31, 2012</b>	<b><u>277.82</u></b>

Cash and cash equivalents an increase 252.92 percent from Baht 78.72 million at the end of 2011 to Baht 277.82 million at the end of 2012. The main reasons for an increasing in cash position were:

- Increase in trade accounts receivable and other accounts receivable by Baht 18.28 million.
- Increase in trade accounts payable and other accounts payable by Baht 77.40 million
- Decrease in current investment of Baht 140.64 million.

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

The Company's Financial Statements have been compiled in line with the policies of the Board of Directors and in accordance with generally accepted accounting principles. The Company's accounting records were carefully kept and discretion was applied in the preparation of the Financial Statements to accurately reflect the financial position and performance of the Company.

The Board of Directors recognizes the importance of the quality of the Financial Statements. A review of the financial data and sufficient additional information is provided in the Notes to the Financial Statements and the accompanying Explanation and Analysis Report for the benefit of shareholders and investors who seek access to these.

To ensure the quality of the Financial Statements an Audit Committee was established, comprising independent and non-executive directors. Their comments are shown in the Audit Committee's Report included in this Annual Report.

The Company's efficient administrative structure, internal auditing system, and results of the certified auditors have made the Board of Directors confident that the Financial Statements of the Company dated December 31, 2012 show an essentially accurate picture of its financial position, performance and cash flow, in accordance with generally accepted accounting principles.



(Mr. Boonchai Chokwatana)  
Chairman



(Mrs. Chailada Tantivejakul)  
Acting Managing Director

## **FINANCIAL STATEMENT & CONSOLIDATED FINANCIAL STATEMENTS**

## Auditor's Report

To the Shareholders and the Board of Directors of Far East DDB Public Company Limited:

I have audited the accompanying consolidated and separate financial statements of Far East DDB Public Company Limited and its subsidiaries, and of Far East DDB Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2012, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### 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 consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position as at December 31, 2012 and the consolidated and separate financial performance and cash flows for the year then ended of Far East DDB Public Company Limited and its subsidiaries, and of Far East DDB Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.



(Vichai Ruchitanont)

Certified Public Accountant

Registration Number 4054

ANS Audit Company Limited

Bangkok, February 27, 2013

**FAR EAST DDB PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2012 AND 2011**

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2012	2011	2012	2011
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	4	277,824,975.02	78,719,913.94	111,838,051.51	24,661,744.53
Current investments	5	133,148,624.25	273,793,155.44	133,148,624.25	193,793,155.44
Trade and other receivables - net	6, 19	474,191,839.78	455,284,788.45	298,588,542.90	339,884,334.06
Unbilled contract revenue		17,135,066.62	1,236,132.57	4,937,656.32	1,181,198.92
Total Current Assets		902,300,505.67	809,033,990.40	548,512,874.98	559,520,432.95
Non-current Assets					
Pledged deposit at financial institution	18.1	5,513,500.00	5,998,021.00	4,876,500.00	3,998,021.00
Investments in associated companies - net	7	96,590,310.13	80,050,134.29	12,063,132.07	12,063,132.07
Investments in subsidiary companies - net	8	-	-	3,459,400.00	3,459,400.00
Other long-term investments - net	9	175,423,551.75	121,575,642.78	175,423,551.75	121,575,642.78
Property, plant and equipment - net	10	195,571,153.68	199,220,026.10	183,401,468.04	182,565,629.86
Other non-current assets		233,881.62	229,612.46	102,376.64	102,376.64
Total Non-current Assets		473,332,397.18	407,073,436.63	379,326,428.50	323,764,202.35
<b>Total Assets</b>		<b>1,375,632,902.85</b>	<b>1,216,107,427.03</b>	<b>927,839,303.48</b>	<b>883,284,635.30</b>

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

**FAR EAST DDB PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2012 AND 2011**

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2012	2011	2012	2011
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current Liabilities					
Trade and other payables	11, 19	421,005,156.95	343,518,216.83	230,641,651.73	231,642,145.26
Current income tax payables		10,262,400.48	18,615,281.18	6,296,058.99	12,727,920.40
Total Current Liabilities		431,267,557.43	362,133,498.01	236,937,710.72	244,370,065.66
Non-current liabilities					
Employee benefit obligations	2, 12	43,534,120.00	39,676,567.00	31,276,384.00	28,632,551.00
Other non-current liabilities	19	206,000.00	206,000.00	495,500.00	495,500.00
Total Non-Current Liabilities		43,740,120.00	39,882,567.00	31,771,884.00	29,128,051.00
Total Liabilities		475,007,677.43	402,016,065.01	268,709,594.72	273,498,116.66
Shareholders' Equity					
Share capital					
Authorized share capital					
Common stocks 7,500,000 shares, Baht 10 par value		75,000,000.00	75,000,000.00	75,000,000.00	75,000,000.00
Issued and paid-up share capital					
Common stocks 7,500,000 shares, Baht 10 par value		75,000,000.00	75,000,000.00	75,000,000.00	75,000,000.00
Premium on common stocks		95,000,000.00	95,000,000.00	95,000,000.00	95,000,000.00
Retained earnings					
Appropriated					
Legal reserve	13	7,500,000.00	7,500,000.00	7,500,000.00	7,500,000.00
Unappropriated	14	579,414,094.94	530,405,318.41	359,757,684.65	345,087,004.50
Other components of shareholders' equity		121,872,024.11	87,199,514.14	121,872,024.11	87,199,514.14
Total equity attributable to equity holders of the Company		878,786,119.05	795,104,832.55	659,129,708.76	609,786,518.64
Non-controlling interests		21,839,106.37	18,986,529.47	-	-
Total Shareholders' Equity		900,625,225.42	814,091,362.02	659,129,708.76	609,786,518.64
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,375,632,902.85</b>	<b>1,216,107,427.03</b>	<b>927,839,303.48</b>	<b>883,284,635.30</b>

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

# FAR EAST DDB PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

### FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2012	2011	2012	2011
	3				
<b>Revenue from rendering of services and commissions</b>	19	689,364,454.78	677,525,653.43	434,841,123.07	488,623,868.78
Cost of services and commissions	16, 19	(317,493,582.16)	(296,582,210.78)	(190,519,422.67)	(209,475,458.99)
<b>Gross profit</b>		371,870,872.62	380,943,442.65	244,321,700.40	279,148,409.79
Dividend incomes	7, 8	3,070,514.15	3,020,081.00	30,100,818.15	25,774,321.00
Other incomes	15, 19	53,450,226.26	56,595,793.81	31,898,471.04	31,504,255.85
Profit before expenses		428,391,613.03	440,559,317.46	306,320,989.59	336,426,986.64
Services and administrative expenses	2, 16, 19	(303,297,688.58)	(304,916,498.38)	(207,095,546.56)	(222,543,687.60)
Share of profit of associates	7	26,273,479.84	20,638,032.70	-	-
Profit before income tax expense		151,367,404.29	156,280,851.78	99,225,443.03	113,883,299.04
Income tax expense	17	(29,303,050.86)	(41,328,287.55)	(17,054,762.88)	(28,070,201.49)
<b>Profit for the year</b>		122,064,353.43	114,952,564.23	82,170,680.15	85,813,097.55
Other comprehensive income:					
Gain on remeasuring available-for-sale investments	9	34,672,509.97	14,638,004.68	34,672,509.97	14,638,004.68
Other comprehensive income for the year		34,672,509.97	14,638,004.68	34,672,509.97	14,638,004.68
<b>Total comprehensive income for the year</b>		156,736,863.40	129,590,568.91	116,843,190.12	100,451,102.23
Profit attributable to					
Equity holders of the Company		116,508,776.53	112,124,249.27	82,170,680.15	85,813,097.55
Non-controlling interests		5,555,576.90	2,828,314.96	-	-
		122,064,353.43	114,952,564.23	82,170,680.15	85,813,097.55
Total comprehensive income attributable to					
Equity holders of the Company		151,181,286.50	126,762,253.95	116,843,190.12	100,451,102.23
Non-controlling interests		5,555,576.90	2,828,314.96	-	-
		156,736,863.40	129,590,568.91	116,843,190.12	100,451,102.23
Earnings per share	3				
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		15.53	14.95	10.96	11.44
Weighted average number of ordinary shares (shares)		7,500,000	7,500,000	7,500,000	7,500,000

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

# **FAR EAST DDB PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES** **STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY** **FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

Unit: Baht

Consolidated financial statements								
Equity attributable to equity holders of the Company								
Notes	Share capital Issued and paid-up	Premium on common stocks	Retained earnings		Other components of shareholders' equity	Total	Non-controlling interests	Total shareholders' equity
			Appropriated to legal reserve	Unappropriated	Other comprehensive income Available-for-sale investments			
Balance at January 1, 2011 before adjustment	75,000,000.00	95,000,000.00	7,500,000.00	521,023,199.66	72,561,509.46	771,084,709.12	19,963,325.99	791,048,035.11
Effects of changes in accounting policies	2	-	-	(42,742,130.52)	-	(42,742,130.52)	(1,642,711.48)	(44,384,842.00)
Balance at January 1, 2011 after adjustment	75,000,000.00	95,000,000.00	7,500,000.00	478,281,069.14	72,561,509.46	728,342,578.60	18,320,614.51	746,663,193.11
Changes in shareholders' equity for the year :								
Dividend	14	-	-	(60,000,000.00)	-	(60,000,000.00)	(2,162,400.00)	(62,162,400.00)
Total comprehensive income for the year	-	-	-	112,124,249.27	14,638,004.68	126,762,253.95	2,828,314.96	129,590,568.91
Balance at December 31, 2011	75,000,000.00	95,000,000.00	7,500,000.00	530,405,318.41	87,199,514.14	795,104,832.55	18,986,529.47	814,091,362.02
Changes in shareholders' equity for the year :								
Dividend	14	-	-	(67,500,000.00)	-	(67,500,000.00)	(2,703,000.00)	(70,203,000.00)
Total comprehensive income for the year	-	-	-	116,508,776.53	34,672,509.97	151,181,286.50	5,555,576.90	156,736,863.40
Balance at December 31, 2012	75,000,000.00	95,000,000.00	7,500,000.00	579,414,094.94	121,872,024.11	878,786,119.05	21,839,106.37	900,625,225.42

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

# FAR EAST DDB PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

### FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Unit: Baht

	Notes	Separate financial statements					Total Shareholders' equity
		Share capital Issued and paid-up	Premium on common stocks	Retained earnings		Other components of shareholders' equity	
				Appropriated to legal reserve	Unappropriated	Other comprehensive income	
						Available-for-sale investments	
Balance at January 1, 2011 before adjustment		75,000,000.00	95,000,000.00	7,500,000.00	346,404,583.95	72,561,509.46	596,466,093.41
Effects of changes in accounting policies	2	-	-	-	(27,130,677.00)	-	(27,130,677.00)
Balance at January 1, 2011 after adjustment		75,000,000.00	95,000,000.00	7,500,000.00	319,273,906.95	72,561,509.46	569,335,416.41
Changes in shareholders' equity for the year :							
Dividend	14	-	-	-	(60,000,000.00)	-	(60,000,000.00)
Total comprehensive income for the year		-	-	-	85,813,097.55	14,638,004.68	100,451,102.23
Balance at December 31, 2011		75,000,000.00	95,000,000.00	7,500,000.00	345,087,004.50	87,199,514.14	609,786,518.64
Changes in shareholders' equity for the year :							
Dividend	14	-	-	-	(67,500,000.00)	-	(67,500,000.00)
Total comprehensive income for the year		-	-	-	82,170,680.15	34,672,509.97	116,843,190.12
Balance at December 31, 2012		75,000,000.00	95,000,000.00	7,500,000.00	359,757,684.65	121,872,024.11	659,129,708.76

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

**FAR EAST DDB PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<b>Cash flows from operating activities:</b>				
Profit before income tax expenses	151,367,404.29	156,280,851.78	99,225,443.03	113,883,299.04
Adjustments to reconcile profit before income tax expense to net cash provided by (used in) operating activities				
Depreciation	14,606,518.05	16,489,947.48	9,120,817.87	10,973,318.74
Share of profit of associates	(26,273,479.84)	(20,638,032.70)	-	-
Estimation of employee benefit obligations	3,857,553.00	4,393,485.00	2,643,833.00	3,167,846.00
Loss on impairment of investment in subsidiary company	-	-	-	2,599,930.00
Loss on impairment of other long-term investment	824,601.00	233,109.50	824,601.00	233,109.50
Gain on sales of other long-term investments	(100,800.00)	-	(100,800.00)	-
Gain on disposal of equipment	(2,860,176.58)	(819,559.17)	(944,293.73)	(817,756.01)
Gain on exchange rate	(247,313.91)	(92,893.19)	(240,153.17)	(92,961.66)
Dividend income from subsidiary and associated company	-	-	(27,030,304.00)	(22,754,240.00)
Dividend income from other long-term investments	(3,070,514.15)	(3,020,081.00)	(3,070,514.15)	(3,020,081.00)
Profit from operations before changes of operating assets and liabilities	138,103,791.86	152,826,827.70	80,428,629.85	104,172,464.61
Change in operating assets (increase) decrease				
Trade and other receivables	(18,284,671.13)	(26,187,535.98)	41,636,744.33	(74,816,719.60)
Unbilled contract revenue	(15,898,934.05)	1,892,986.16	(3,756,457.40)	1,705,311.35
Pledged deposit at financial institution	484,521.00	(3,072,521.00)	(878,479.00)	(3,072,521.00)
Other non-current assets	(4,269.16)	-	-	-

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

# FAR EAST DDB PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

### FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Change in operating liabilities increase (decrease)				
Trade and other payables	77,404,060.12	(29,182,479.93)	(1,083,373.53)	(2,298,295.23)
Payment for employee benefit obligations	-	(1,665,972.00)	-	(1,665,972.00)
Cash provided by operating activities	181,804,498.64	94,611,304.95	116,347,064.25	24,024,268.13
Income tax paid	(37,930,197.85)	(33,331,158.59)	(23,486,624.29)	(21,065,498.42)
Income tax refunded	-	439,874.28	-	-
Net cash provided by operating activities	143,874,300.79	61,720,020.64	92,860,439.96	2,958,769.71
<b>Cash flows from investing activities</b>				
Current investment (increase) decrease	140,644,531.19	(47,359,764.44)	60,644,531.19	12,640,235.56
Dividend income from subsidiary and associated company	9,733,304.00	8,916,640.00	27,030,304.00	22,754,240.00
Dividend income from other long-term investments	3,070,514.15	3,020,081.00	3,070,514.15	3,020,081.00
Acquisition of equipment	(11,001,037.64)	(12,034,696.61)	(10,000,043.06)	(11,510,095.45)
Proceeds on sales of equipment	2,986,448.59	819,626.17	1,070,560.74	817,757.01
Acquisitions of other long-term investment	(20,000,000.00)	-	(20,000,000.00)	-
Dividend payment for non-controlling interests	(2,703,000.00)	(2,162,400.00)	-	-
Net cash provided by (used in) investing activities	122,730,760.29	(48,800,513.88)	61,815,867.02	27,722,218.12
<b>Cash flow from financing activities</b>				
Proceeds on short-term loan from related party	-	270,000.00	-	-
Repayment on short-term loan from related party	-	(270,000.00)	-	-
Dividend payments	(67,500,000.00)	(60,000,000.00)	(67,500,000.00)	(60,000,000.00)
Net cash used in financing activities	(67,500,000.00)	(60,000,000.00)	(67,500,000.00)	(60,000,000.00)
Net increase (decrease) in cash and cash equivalents	199,105,061.08	(47,080,493.24)	87,176,306.98	(29,319,012.17)
Cash and cash equivalents at beginning of the years	78,719,913.94	125,800,407.18	24,661,744.53	53,980,756.70
Cash and cash equivalents at end of the years	277,824,975.02	78,719,913.94	111,838,051.51	24,661,744.53

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

## **FAR EAST DDB PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2012 AND 2011**

### **1. GENERAL INFORMATION**

Far East DDB Public Company Limited (“the Company”) was registered in Thailand in accordance with the provision of the Civil and Commercial Code on February 12, 1964 and converted to be a Public Company on May 12, 1994. Its office is located at 465/1-467 Sri Ayudhya Road, Thungphayathai, Ratchathewi, Bangkok.

The Company’s main businesses are as an advertising agent or broker, and in production and advertising related services.

Fame Line Company Limited was registered on January 25, 1989. Its main businesses are as an advertising agent or broker, and in production and advertising related services.

Rapp Collins (Thailand) Company Limited was registered on March 14, 2003. Its main businesses are as an advertising agent or broker, and in production and advertising related services.

### **2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENT PRESENTATION**

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) in conformity with generally accepted accounting principles in Thailand.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

The consolidated financial statements related to the Company and its subsidiaries (together referred to as the “Group”) and the Company’s interest in the associate.

Details of the Company’s subsidiaries were as follows:

<u>Subsidiaries</u>	<u>Business Type</u>	<u>Ownership interest (%)</u>
Fame Line Company Limited	Advertising Agency	86.48
Rapp Collins (Thailand) Co., Ltd.	Advertising Agency	52.00

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.

The subsidiaries’ financial statements are prepared using the same significant accounting policies as the Company.

Significant intercompany transactions and balances between the Company and the subsidiaries have been eliminated.

#### **The changes in accounting policies as at January 1, 2011**

In the year 2011, the Group has adopted new and revised TFRS which such transition affected the financial statements reflected from the adoption of TAS No. 19 “Employee Benefits”.

#### **New and revised Thai Financial Reporting Standards not yet effective**

The Group has not yet adopted the new and revised Thai Financial Reporting Standards as follows:

- a) Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Interpretation (TI) and guidelines which are effective for the financial statements for the period beginning on or after January 1, 2013 as follows:

<u>TAS/TFRS/TI/FAP’s Announcement</u>	<u>Topic</u>
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate
TFRS 8	Operating Segments
TI 10	Government Assistance – No Specific Relation to Operating Activities
TI 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets

**TAS/TFRS/TI/FAP's Announcement**

TI 25

No. 34/2012

**Topic**Income Taxes – Changes in the Tax Status  
of an Enterprise or its ShareholdersAccounting Guidance for Transfer and  
Transferred of Financial Assets

The management of the Group has assessed the effects of these TAS, TFRS, TI and guideline, and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied except for TAS as follows:

**TAS 12 – Income taxes**

The main change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the Group financial statements. Deferred tax assets and liabilities are the amounts of income taxes recoverable and payable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carry forward of unused tax losses. Currently, the Group does not recognise deferred tax in the financial statements.

The Group will adopt TAS 12 with effective from January 1, 2013. The effects of the change will be recognised retrospectively in the financial statements and the statement of financial position as at December 31, 2012 and January 1, 2012 will be adjusted accordingly. The management estimates that the impact on the statement of financial position as at December 31, 2012 and January 1, 2012 will be as follows:

	Unit: Baht	
	Consolidated financial statements	
	December 31, 2012	January 1, 2012
<b>The Statements of financial position</b>		
Increase in deferred tax assets	14,116,343.56	14,423,829.56
Increase in deferred tax liabilities	27,811.77	-
Increase in retained earnings	15,088,531.49	14,423,829.56
Increase in shareholders' equity	14,646,560.81	13,996,735.49
Increase in non-controlling interest	441,970.98	427,094.07
Increase in total shareholders' equity	15,088,531.79	14,423,829.56

	Unit: Baht	
	Separate financial statements	
	December 31, 2012	January 1, 2012
<b>The Statements of financial position</b>		
Increase in deferred tax assets	12,477,403.27	11,823,716.47
Increase in deferred tax liabilities	-	-
Increase in retained earnings	12,477,403.27	11,823,716.47
Increase in shareholders' equity	12,477,403.27	11,823,716.47

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
<b>The statements of comprehensive income for the year ended December 31, 2012</b>		
Profit for the year		
The amount before adjustment	151,367,404.29	99,225,443.03
Adjusted deferred tax	664,702.23	653,686.80
The amount after adjustment	152,032,106.52	99,879,129.83
Earnings per share		
Increasing basic earnings per share (Baht per share)	0.09	0.09

- b) Thai Financial Reporting Interpretations (TFRI) and TI which are effective for the financial statements for the period beginning on or after January 1, 2014 as follows:

TFRI/TI	Topic
TFRI 4	Determining whether an Arrangement contains a Lease
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes
TI 29	Service Concession Arrangements: Disclosures

The management of the Group is assessing the impacts of these interpretations on the financial statements for the year in which they are initially applied.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Revenues and Expenses Recognition**

Revenues and costs from the rendering of services in advertising agent or broker are recognized on an accrual basis.

Revenues and costs from the rendering of services in production are recognized by reference to the stage of completion.

Discount received are recognized on a cash basis.

Other incomes and expenses are accounted on an accrual basis.

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

Cash and cash equivalents comprise cash on hand, cheques in transit and deposits at bank and fixed deposit with maturity period not over than 3 months except for cash at banks held as collateral.

**Current Investments**

Current investments comprise of fixed deposits at financial institutions and marketable equity securities. Current investments in marketable equity securities, which are classified as trading securities, are stated at fair value. The fair value of investments in unit funds is computed by using the net asset value of the units fund at the end of the year. The revaluations of trading securities are accounted for as the net unrealized gains or losses in the statement of comprehensive income.

Current investments disposed are computed by the weighted average method.

**Trade Receivable**

Trade receivables are stated at cost net of allowance for doubtful accounts. Allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of existing accounts receivables.

**Unbilled Contract Revenue**

Unbilled contract revenue, representing unbilled cost of rendering of services, is stated at cost.

**Investments - in subsidiaries and associated companies**

Investments in subsidiaries and associated companies in the separate financial statements are accounted for by using the cost method net from impairment of investments.

Investments in associated companies in the consolidated financial statements are accounted for by using the equity method.

**Other Long-term Investments**

Long-term investments comprise of marketable equity securities, non-marketable equity securities and held-to-maturity debt securities.

Long-term investments in marketable equity securities, which are classified as available-for-sale securities, are stated at fair value. The revaluations of available-for-sale securities are recognized in other comprehensive income. Available-for-sale securities, which are impaired, are stated at cost less allowance for impairment of investments.

Long-term investments in non-marketable equity securities, which are classified as general investment, are stated at cost less allowance for impairment of investments.

Long-term investments in debt securities, which are classified as held-to-maturity securities, are stated at amortized cost.

**Property, Plant and Equipment and Depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is computed by the straight-line method based on the estimated useful lives of the assets of 20 years for buildings and 5 years for building improvements, equipment and vehicles.

No depreciation is provided on the Group' land and construction in progress.

**Impairment**

The Group assesses at the end of each year whether there is any indication that an asset may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset. If the carrying amount of an asset exceeds its recoverable amount, the Group will recognize the impairment loss as an expense in the statement of comprehensive income.

**Income tax expense**

Income tax expense for the year is calculated from the profit for the year adjusted by non-deductible expenses or non-taxable income and multiplied by the income tax rate stipulated by the Revenue Code. (The tax rate for the year 2012 is 23% and for the year 2011 is 30%).

**Employee benefits***Short-term benefits*

The Group recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

*Post-employment benefits – defined benefit plan*

The employee benefit obligations in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group recognized actuarial gains or losses in the statement of comprehensive income for the period in which they arise.

**Basic earnings per share**

Basic earnings per share are computed by dividing profit for the year by the weighted average number of common shares outstanding during the year.

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as at December 31, 2012 and 2011 are as follow:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash on hand	51,161.73	99,930.40	23,642.08	45,660.33
Deposits at banks - current accounts	239,016.49	940,886.34	8,000.00	361,842.73
- savings accounts	83,759,447.86	62,739,477.12	28,283,762.90	15,465,920.47
Fixed deposits not over 3 months	193,775,348.94	14,939,620.08	83,522,646.53	8,788,321.00
Total cash and cash equivalents	277,824,975.02	78,719,913.94	111,838,051.51	24,661,744.53

**5. CURRENT INVESTMENTS**

Current investments as at December 31, 2012 and 2011 consisted of:

	Unit: Baht					
	Consolidated financial statements		Separate financial statements		Interest Rate % per annum	
	2012	2011	2012	2011	2012	2011
Fixed deposits at						
financial institutions	133,148,624.25	40,454,549.97	133,148,624.25	40,454,549.97	3.0 - 3.75	4.20 - 4.35
Bill of exchanges at financial institutions						
Maturity date						
- not over 3 months	-	178,338,605.47	-	98,338,605.47	-	2.72 - 3.65
- over 3 - 9 months	-	55,000,000.00	-	55,000,000.00	-	3.85 - 4.25
Total	133,148,624.25	273,793,155.44	133,148,624.25	193,793,155.44		

**6. TRADE AND OTHER RECEIVABLES – NET**

Trade and other receivables as at December 31, 2012 and 2011 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade receivables				
Trade receivable - Related parties	238,157,615.84	172,428,536.45	111,973,707.18	129,177,590.54
Trade receivable - others	237,951,028.13	276,968,901.16	187,945,989.71	205,063,589.07
Post dated cheques	18,829.88	328,931.08	18,829.88	275,891.08
Total Trade receivables	476,127,473.85	449,726,368.69	299,938,526.77	334,517,070.69
<u>Less</u> Allowance for doubtful accounts	(8,627,176.79)	(8,627,176.79)	(5,034,263.84)	(5,034,263.84)
Total Trade receivables - net	467,500,297.06	441,099,191.90	294,904,262.93	329,482,806.85
Other receivables:				
Accrued income	1,103,061.35	1,293,008.47	937,418.10	1,127,727.38
Prepaid expenses	1,842,045.70	6,348,967.78	917,052.13	4,648,329.08
Advances	318,384.56	353,678.15	223,384.56	318,678.15
Others	3,428,051.11	6,189,942.15	1,606,425.18	4,306,792.60
Total other receivables	6,691,542.72	14,185,596.55	3,684,279.97	10,401,527.21
Trade and other receivables - net	474,191,839.78	455,284,788.45	298,588,542.90	339,884,334.06

Trade receivables can be classified by age analysis as at December 31, 2012 and 2011 as follow:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade receivables - Subsidiaries				
Current and not over 3 months	-	-	-	822,400.00
Trade receivables - Associated companies				
Current and not over 3 months	5,254,856.66	4,409,755.43	5,254,856.66	4,409,755.43
Trade receivables - Related companies				
Current and not over 3 months	224,266,457.48	162,528,638.03	98,082,548.82	118,514,292.12
Over 3-12 months	8,636,301.70	5,490,142.99	8,636,301.70	5,431,142.99
Trade receivables - others				
Current and not over 3 months	213,151,916.29	227,072,271.78	167,792,795.87	159,099,502.49
Over 3-12 months	15,233,215.05	3,009,601.80	15,118,930.00	2,848,233.16
Over 12 months	9,565,896.79	46,887,027.58	5,034,263.84	43,115,853.42
Post dated cheques	18,829.88	328,931.08	18,829.88	275,891.08
Total Trade receivables	476,127,473.85	449,726,368.69	299,938,526.77	334,517,070.69
<u>Less</u> Allowance for doubtful accounts	(8,627,176.79)	(8,627,176.79)	(5,034,263.84)	(5,034,263.84)
Trade receivables - net	467,500,297.06	441,099,191.90	294,904,262.93	329,482,806.85

As at December 31, 2011 the trade receivables which are over 12 months amounting to Baht 38.08 million in the consolidated and separate financial statement, represented debtors in the government sectors. The Company had collected these debtors.

## 7. INVESTMENTS IN ASSOCIATED COMPANIES – NET

Investments in associated companies – net as at December 31, 2012 and 2011, and dividend income from the investment during the years ended December 31, 2012 and 2011, consisted of:

Company	Industries	Relations	Unit: Thousand Baht									
			Unit: Thousand Baht Issued share capital		Percentage of investment (%)		Consolidated financial statements Equity method		Separate financial statements Cost method-net		Dividend	
			2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Inter Continental Holding Co.,Ltd.	Investment	Shareholding	8,000	8,000	40.00	40.00	1,908	1,644	3,200	3,200	-	-
Integrated Communication Co.,Ltd.	Public Relation	Shareholding	3,500	3,500	40.00	40.00	14,974	13,556	1,400	1,400	2,100	2,100
Myanmar Spa-Today-Far East Ltd.	Agency	Shareholding	\$83.33	\$83.33	30.00	30.00	3,374	3,517	797	797	-	-
Spa-Today-Far East (Thailand) Co.,Ltd.	Agency	Shareholding	1,000	1,000	30.00	30.00	1,629	1,004	-	-	300	150
Media Intelligence Co.,Ltd.	Agency	Shareholding	20,000	20,000	33.33	33.33	74,705	60,329	6,667	6,667	7,333	6,667
Total							96,590	80,050	12,064	12,064	9,733	8,917

The Company recorded share of profits from investments in associated companies for using equity method amounting to Baht 1.79 million and Baht 1.33 million in the consolidated statements of comprehensive income for the years ended December 31, 2012 and 2011, respectively by using management reports which have not yet been audited or reviewed by an auditor.

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES – NET

Investments in subsidiary companies – net as at December 31, 2012 and 2011, and dividend income from the investment during the years ended December 31, 2012 and 2011, consisted of:

Company	Industries	Relations	Unit: Thousand Baht							
			Unit: Thousand Baht		Percentage of		Separate financial statements			
			Issued share capital		investment (%)		Cost method-net		Dividend	
			2012	2011	2012	2011	2012	2011	2012	2011
Fame Line Co.,Ltd.	Agency	Shareholding	4,000	4,000	86.48	86.48	3,459	3,459	17,297	13,838
Rapp Collins (Thailand) Co., Ltd.	Agency	Shareholding	5,000	5,000	52.00	52.00	-	-	-	-
Total							3,459	3,459	17,297	13,838

The Company recorded allowance for impairment of investment in Rapp Collins (Thailand) Company Limited amounting to Baht 2.60 million.

## 9. OTHER LONG - TERM INVESTMENTS - NET

Other long-term investments – net as at December 31, 2012 and 2011 consisted of:

	Unit: Thousand Baht					
	2012			2011		
	Consolidated financial statement/ Separate financial statement			Consolidated financial statement/ Separate financial statement		
	Available- for- sale securities	General investments	Total	Available- for- sale securities	General investments	Total
<b>Marketable equity securities</b>						
Saha Pathana Inter-Holding Plc.	40,938	-	40,938	32,196	-	32,196
I.C.C. International Plc.	35,195	-	35,195	37,935	-	37,935
Boutique Newcity Plc.	1,325	-	1,325	1,058	-	1,058
The Siam Cement Plc.	1,320	-	1,320	939	-	939
Saha Pathanapibul Plc.	60,081	-	60,081	34,410	-	34,410
Nation Multimedia Group Plc.	2,706	-	2,706	1,061	-	1,061
Inter Far East Engineering Plc.	2,223	-	2,223	1,544	-	1,544
Nation International Edutainment Plc.	59	-	59	31	-	31
<b>Non-marketable equity securities</b>						
Investments in common stock - Net from impairment of investments of Baht 23.48 million in 2012 and Baht 22.85 million in 2011	-	31,577	31,577	-	12,401	12,401
Total	143,847	31,577	175,424	109,174	12,401	121,575

As at December 31, 2012 and 2011, the Group had general investments in common stock in 17 companies which represent investments in non-marketable securities, which were presented at cost net from allowance for impairment of these investments. The Company evaluates for the impairment of investment for each fiscal year and records impairment loss in the statement of comprehensive income.

# 10. **PROPERTY, PLANT AND EQUIPMENT - NET**

Property, plant and equipment as at December 31, 2012 and 2011 consisted of:

Unit: Thousand Baht						
Consolidated financial statements						
	Land	Buildings and building improvements	Furniture, fixture and office equipment	Vehicles	Asset under installation	Total
At cost						
As at December 31, 2011	159,185	75,905	77,624	50,874	190	363,778
Purchases/transfers in during the year	-	2,715	3,849	4,710	544	11,818
Disposal/transfers out during the year	-	-	(240)	(10,513)	(734)	(11,487)
As at December 31, 2012	159,185	78,620	81,233	45,071	-	364,109
Accumulated depreciation						
As at December 31, 2011	-	(63,219)	(63,942)	(37,397)	-	(164,558)
Depreciation for the year	-	(5,278)	(5,518)	(3,811)	-	(14,607)
Disposals/transfers out during the year	-	-	114	10,513	-	10,627
As at December 31, 2012	-	(68,497)	(69,346)	(30,695)	-	(168,538)
Net book value						
As at December 31, 2011	159,185	12,686	13,682	13,477	190	199,220
As at December 31, 2012	159,185	10,123	11,887	14,376	-	195,571

Depreciation for the years ended December 31, shown in the statements of comprehensive income were:

Year 2011	16,490
Year 2012	14,607

	Unit: Thousand Baht					
	Separate financial statements					
	Land	Buildings and building improvements	Furniture, fixture and office equipment	Vehicles	Asset under installation	Total
<b>At cost</b>						
As at December 31, 2011	159,185	64,176	59,505	27,146	190	310,202
Purchases/transfers in during the year	-	2,715	2,848	4,710	544	10,817
Disposal/transfers out during the year	-	-	(240)	(4,187)	(734)	(5,161)
As at December 31, 2012	159,185	66,891	62,113	27,669	-	315,858
<b>Accumulated depreciation</b>						
As at December 31, 2011	-	(56,560)	(50,786)	(20,290)	-	(127,636)
Depreciation for the year	-	(3,066)	(3,335)	(2,720)	-	(9,121)
Disposals/transfers out during the year	-	-	114	4,187	-	4,301
As at December 31, 2012	-	(59,626)	(54,007)	(18,823)	-	(132,456)
<b>Net book value</b>						
As at December 31, 2011	159,185	7,616	8,719	6,856	190	182,566
As at December 31, 2012	159,185	7,265	8,106	8,846	-	183,402

Depreciation for the years ended December 31, shown in the statements of comprehensive income were:

Year 2011	10,973
Year 2012	9,121

The carrying amounts of fully depreciated assets that are still in use are as follows:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Year 2011	125,392	106,231
Year 2012	115,957	99,367

## 11. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2012 and 2011 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables				
Trade payables - related parties	24,529,135.82	22,620,156.23	18,965,183.26	15,733,725.70
Trade payables - others	331,462,074.58	263,111,448.37	177,431,744.29	173,771,515.70
Total trade payables	355,991,210.40	285,731,604.60	196,396,927.55	189,505,241.40
Other payables:				
Accrued employee benefits	46,125,045.00	35,464,940.00	23,561,652.00	24,717,514.00
Accrued expenses	17,732,951.43	22,033,390.02	10,599,174.18	17,190,157.11
Advertising income received in advance	15,750.00	178,418.75	15,750.00	178,418.75
Others	1,140,200.12	109,863.46	68,148.00	50,814.00
Total other payables	65,013,946.55	57,786,612.23	34,244,724.18	42,136,903.86
Total trade and other payables	421,005,156.95	343,518,216.83	230,641,651.73	231,642,145.26

## 12. EMPLOYEE BENEFITS OBLIGATIONS

Movement of the present value of employee benefits obligations and employee benefit expenses in the statements of comprehensive income for the years ended December 31, 2012 and 2011 as follows:

	Unit: Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Defined benefit obligations at beginning of the year	39,676,567.00	36,949,054.00	28,632,551.00	27,130,677.00
Add Employee benefit expenses in				
the statements of comprehensive income:				
Current service costs	2,262,121.00	2,654,873.00	1,550,008.00	1,893,677.00
Cost of interest	1,595,432.00	1,738,612.00	1,093,825.00	1,274,169.00
Less Payment for employee benefit obligations	-	(1,665,972.00)	-	(1,665,972.00)
Defined benefit obligations at end of the year	43,534,120.00	39,676,567.00	31,276,384.00	28,632,551.00

Employee benefits obligations in the statements of financial position as at December 31, 2012 and 2011 consisted of:

	Unit: Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Present value of obligations	43,534,120.00	39,676,567.00	31,276,384.00	28,632,551.00
<u>Less</u> Fair value of plan assets	-	-	-	-
Employee benefits obligations - net	43,534,120.00	39,676,567.00	31,276,384.00	28,632,551.00

The Group has defined benefit plan in accordance with severance payment under the labor law and other defined benefit plan for the retired employee who has the service period as specified in the plan.

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table for the year 1997 of the Office of Insurance Commission.

The actuarial assumption of future salary increases is estimated from historical statistic of each departments of the Group.

The actuarial assumption of proportion of employees opting for early retirement estimate from historical data based on the age of the employee.

### 13. **LEGAL RESERVE**

The legal reserve of the Company was established in accordance with the provision of the Public Company Limited Act, (B.E. 2535) which requires the appropriation as legal reserve of at least 5 % of net income until the reserve reaches 10 % of the authorized share capital. This reserve is not available for dividend distribution.

### 14. **DIVIDEND PAYMENT**

The resolutions of the Company's Ordinary General Shareholders' Meeting No. 18 held on April 27, 2012, approved to pay dividends from the result of the Company's operations for the year 2011 in the amount of Baht 67.50 million, at Baht 9 per share. The dividend payment date was May 24, 2012.

The resolutions of a subsidiary's Ordinary General Shareholders' Meeting No. 23 held on April 27, 2012, approved to pay dividends from the result of its operations for the year 2011 in the amount of Baht 20 million, at Baht 500 per share. The dividend payment date was May 23, 2012.

The resolutions of the Company's Ordinary General Shareholders' Meeting No. 17 held on April 28, 2011, approved a dividend declaration from the result of the Company's operations for the year 2010 in the amount of Baht 60 million, at Baht 8 per share. The payment date was May 11, 2011.

The resolutions of a subsidiary's Ordinary General Shareholders' Meeting No. 22 held on April 28, 2011, approved to pay dividends from the result of its operation for the year 2010 in the amount of Baht 16 million, at Baht 400 per share. The dividend payment date was May 23, 2011.

## 15. OTHER INCOMES

Other incomes included cash discounts resulting from cash management for the years ended December 31, 2012 and 2011 are as follow:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Year 2012	38,693	17,401
Year 2011	46,679	19,529

## 16. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2012 and 2011 were as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cost of services and commissions	317,493	296,582	190,519	209,475
Employee benefits	224,912	222,990	144,510	154,733
Depreciation	14,607	16,490	9,121	10,973
Loss on impairment of investment in subsidiary company	-	-	-	2,600
Others	63,779	65,437	53,464	54,238
Total	620,791	601,499	397,614	432,019

## 17. INCOME TAX EXPENSES

Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 23% on net profit for the accounting period beginning on or after January 1, 2012, and will be reduced to 20% on net profit for the two consecutive accounting periods beginning on or after January 1, 2013 onwards.

## 18. COMMITMENTS AND CONTINGENT LIABILITIES

18.1 As at December 31, 2012 and 2011, the Group has contingent liability in relation to letters of guarantee issued by banks amounting to approximately Baht 5.51 million and Baht 6.0 million, respectively. The Group pledged their 3 month time deposit totaling of Baht 5.51 million and Baht 6.0 million, respectively as collateral for the letters of guarantee.

18.2 As at December 31, 2012 and 2011, the Company has a management services agreement with a related company whereby the latter granted the Company the right in trademark, assistance in business development and client services, and technical assistance involved in customers both nationwide and regionwide. The Company will reciprocate this company by paying an annual fee of Baht 3 million.

As at December 31, 2012 and 2011, the Subsidiary had memorandum of understanding for business establishing with related company in oversea which the subsidiary will pay a management fee at the rate of 2% of gross margin (US\$ 1,000 in case the profit after tax less than the computed fee) each year.

18.3 As at December 31, 2012 and 2011, the Company had unused overdraft facilities from commercial banks, totaling Baht 12 million, which were guaranteed by a director of the Company in the amount of Baht 10 million and the remaining amount had no collateral and personal guarantee.

18.4 As at December 31, 2012 and 2011, the Company had outstanding forward contract from a commercial bank, USD 200,000 and USD 20,114.43, respectively from totaling USD 200,000 or be equal to.

## 19. RELATED PARTY TRANSACTIONS

The Group has certain transactions with its related parties. These companies are related through common shareholdings and/or directorships. A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. The effects of these transactions are reflected in the accompanying financial statement on the basis of market price under normal commercial activities as determined by the companies concerned. As at December 31, 2012 and 2011, the significant outstanding balances and transactions with related parties can be summarized as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<b>Assets</b>				
Trade and other receivables	238,243	172,510	112,219	129,717
<b>Liabilities</b>				
Trade payable	24,529	22,620	18,965	15,734
Deposit receipts	194	194	484	484
	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<b>Related companies</b>				
<b>Revenues and expenses</b>				
Revenue from rendering of services	271,734	209,140	106,574	124,136
Other incomes	3,536	1,916	6,375	5,279
Service expenses	16,707	16,878	10,507	10,825
Consulting fee expenses	600	600	480	480
<b>Related persons</b>				
Key management compensation				
Short-term benefits	26,806	28,204	25,056	26,564

## **20. FINANCIAL INFORMATION BY SEGMENT**

The Group has operated only as a domestic advertising agency, therefore, there is no presentation of financial information by segment.

## **21. FINANCIAL INSTRUMENTS**

The Group does not speculate or engage in the trading of any derivative financial instruments.

### **Interest Rate Risk**

Interest rate risk occurs when the value of financial instruments change in accordance with the fluctuation of market interest rates, which may affect interest income and interest expense of the present and future years.

As at December 31, 2012 and 2011, the Group did not have significant interest bearing loans or liabilities. Therefore, the Group is not materially exposed to interest rate risk.

### **Credit Risk**

The Group provides credit terms on many trade transactions for customers after confirming their credit worthiness. The collection of accounts receivables is closely monitored. The Group focus collection on all accounts overdue and will make a provision for accounts receivable on overdue accounts for more than 1 year. At this time there is no reason to expect major or significant losses arising from the collection of trade receivables.

The trade receivable aging schedule had been disclosed in Note 6 to the financial statements.

### **Fair Value**

The fair value of the financial instruments is the amount at which the instruments may be exchanged in a current transaction between willing parties. The following methods and assumptions are used to estimate the fair value for each class of the Company's financial instruments:

- Financial assets shown at estimated fair value.
- Financial liabilities shown at book value are almost the same as the fair value, because such liabilities will mature in the short term.

## **22. EMPLOYEE PROVIDENT FUND**

A subsidiary and its employees have jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed equally by both the employees and the subsidiary at the rate of 2-5 percent of the employee's salary based on the number of employees' working year. The fund will be paid to the employees upon termination in accordance with the rules of the fund. Contribution payment is starting April 1, 2008.

## **23. APPROVAL OF FINANCIAL STATEMENT**

The Company's authorized directors approved to issue these financial statements on February 27, 2013.

**Audit Fee for the year 2012****1. Audit Fee**

- The Company and Subsidiaries paid audit fee to the Company's Auditor for the year 2012 as follows:

Far East DDB Plc.	Baht	440,000.00
Fame Line Co., Ltd.(Subsidiary)	Baht	145,000.00
Rapp Collins (Thailand) Co., Ltd. (Subsidiary)	Baht	93,000.00

**2. Non - Audit Fee**

- None -



Recognitions



Great  
challenges  
bring forth  
the best of  
ideas.

## 2012 Awards Summary

### ▶▶ TVC



Elephant Brand Stationery : Serious for ladies  
B.A.D. Awards 2012 : Nomination – TVC



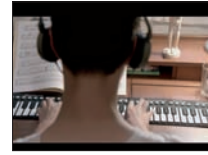
Elephant Brand Stationery : Why Shake?  
B.A.D. Awards 2012 : Nomination – TVC



Elephant Brand Stationery : Serious campaign  
B.A.D. Awards 2012 : Finalist – TVC



AP Corporate "You are our Inspiration"  
Adman Awards 2012 : Finalist – TVC  
BAD Awards 2012 : Finalist – TVC



โตไปไม่โกง “อภัย / กันไว้ดีกว่า / ล่อลวง”  
รางวัลยอดเยี่ยม 2012 : Awarded, TVC



### ▶▶ Print



B.A.D Student Workshop 2012 "เปิดพิศดาร"  
Adman Awards 2012 : Finalist – Print  
Adman Awards 2012 : Finalist – Outdoor



Quantum  
: Correction Pen Hero  
B.A.D. Awards 2012  
: Certificate – Craft Print  
B.A.D. Awards 2012  
: Nomination – Craft Print



Quantum : Correction Pen Hero  
B.A.D. Awards 2012  
: Certificate – Craft Print  
B.A.D. Awards 2012  
: Nomination – Craft Print



Quantum : Pencil Hero  
B.A.D. Awards 2012  
: Nomination – Craft Print

### ▶▶ Marketing Awards



Farmhouse Fine Wholewheat  
"ขนมปังโฮลวีตที่อร่อย"  
MAT Awards 2012 :  
Bronze – Marketing Campaign

### ▶▶ Radio



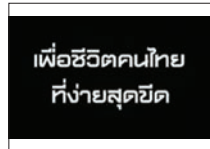
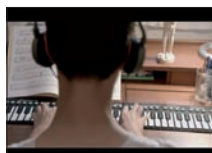
ก.ร.ท. "เรียนนอกหลักสูตร"  
Adman Awards 2012 : Finalist – Radio

# 2012 Our Work

## ▶▶ TVC



Asian Property



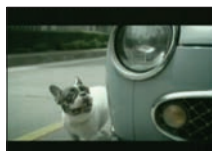
KTB Netbank - ใต้เวลาปฏิวัติ



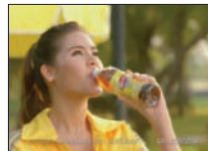
KTB Netbank



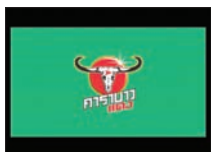
B-Quik



Lipton Iced Tea



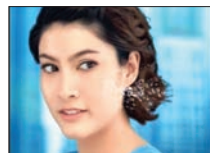
CarabaoDang



MAMA แกล้งขี้อหวาน



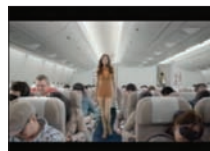
Falless Shampoo



Neutrogena Hydro Boost Water Gel



Farmhouse Daily Wholewheat



V-Slim Canned Coffee



►► Print



Arrow



Arrow



MAMA



Carabao Dang



Mont Fleur



KTB Netbank



Thailand's Brand



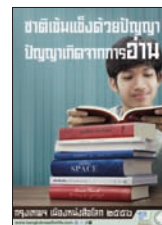
True Move



Hi-Class



Pan Quicker



Bangkok Read for Life



Tra Chang SmartWOOD



Cotto Tiles



Cotto Tiles



Neutrogena Hydro Boost



ARUNOTAI	RUANGSUNTI
BOVON	KONGTHANANET
KOMKRICH	RATCHUSIRI
KORN	PRADITKET
NUANPHAN	VIPATAKUL
PENNAPA	CHAITEM
PISSAMAI	AEMPRANEET
POLAVUTH	VARAKARMOL
PORNTHIP	CHASIRIROJ
PORNWILAI	PINVANICHKUL
PRAJAK	RUENPAHANA
PRANEE	CHAROENPORNPOS
PREECHA	WORAPONGSATHORN
SUPORN	JAMVITEELERT
SUREE	MUENNARINTR
VICHITRA	THAMNORANART



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