



(TRANSLATION)

Tor. For. 6 / 2020

May 14, 2020

Subject: (1) Submission of the Financial Statements for Q1/2020
(2) The resolution to appoint the Company's auditor
(3) Management Discussion and Analysis, Quarter 1 Ending 31 March 2020
(4) The Impact of the COVID-19 situation

To: President of the Stock Exchange of Thailand

Reference: (1) Document no. Tor. For. 4/2020 dated April 10, 2020, regarding postponement of the Annual General Meeting of Shareholders no. 26/2020 and approval of the interim dividend payment
(2) Document no. Tor. For. 2/2020 dated March 13, 2020, regarding dividend payment, fixing date of the 2020 Annual General Meeting of Shareholders, the record date to determine the shareholders entitled to attend the meeting and receive dividend and the dissemination of the meeting invitation letter

Attachment: The reviewed Q1/2020 Financial Statements

Far East Fame Line DDB Public Company Limited ("the Company") would like to submit the reviewed Q1/2020 Financial Statements and Consolidated Financial Statements as of March 31, 2020 and the Company would like to inform as follows:

The resolution to appoint the Company's auditor

According to the Board of Directors' Meeting no. 248 of the Company, held on April 10, 2020 had the resolution to postpone indefinitely the Annual General Meeting of Shareholders (AGM) no. 26 for the year 2020 due to the pandemic situation of Coronavirus Disease 2019, as the reference no. (1). It resulted in postponing the agenda of the AGM regarding the appointment of company auditor and approval of audit fees for year 2020.

However, the Securities and Exchange Commission ("SEC") announced the Notification of Capital Market Supervisory Board No. Tor. For. 28/2563 dated March 27, 2020 that listed companies, which are unable to have AGM and appoint company auditor due to the pandemic situation of Coronavirus Disease 2019, are able to submit the company's financial statements for the first quarter of 2020 reviewed by the auditors in the list of auditors approved by the SEC and appointed

by the company, to the SEC. Additionally, the company is required to propose the agenda of appointment of the company auditor as aforementioned in the upcoming AGM.

As the reference no. (2), the Board of Directors' Meeting no. 247 of the Company, held on March 13, 2020, with the agreement from the Audit Committee, had adopted the resolution to appoint the auditor from Dr. Virach & Associates Office Co., Ltd. to be the Company' auditor for the year 2020, according to name list as follows :

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|----------------------------------|---|
| 1. Dr. Virach Aphimeteetamrong, | Certified Public Accountant No. 1378 and/or |
| 2. Mr. Chaiyakorn Aunpitipongsa, | Certified Public Accountant No. 3196 and/or |
| 3. Mr. Apiruk Ati-anuwat | Certified Public Accountant No. 5202 and/or |
| 4. Dr. Preecha Suan, | Certified Public Accountant No. 6718 and/or |
| 5. Miss Kornkaew Darbkaew | Certified Public Accountant No. 8463 |

Any one of these authorized auditors can audit and sign the Company's financial statements. The above mentioned auditors do not have any relationship or vested interest with the Company / associated companies / executives / major shareholders or any person who are related to them. Furthermore, the Board determined the audit fee for the year 2020 in the amount of THB 1,280,000.

In this regard, the Company will propose to the upcoming AGM for the year 2020 to approve the appointment of the aforementioned auditors and the audit fee for the year 2020.

Management Discussion and Analysis, Quarter 1 Ending 31 March 2020

The clarification on the Company's operating results for the first quarter of 2020, which can be summarized as below details:

From the Consolidated Financial Statement for the first quarter of 2020, for the three-month period ended March 31, 2020, the Company has operating profit of the equity holders of THB 12.02 million, compared to the same quarter in 2019, the operating result decreased THB 11.29 million or 1,535.92 per cent.

1. Income from service and commission of the consolidated financial statement for the first quarter of 2020 was THB 118.44 million, compare to the same quarter in 2019, a decrease of THB 29.11 million or 19.73 per cent.
2. Cost of service and commission of the consolidated financial statement for the first quarter of 2020 was THB 99.89 million, a decrease of THB 5.53 million or 5.25 per cent from the same quarter for the last year.
3. The administrative expenses of the consolidated financial statement for the first quarter of 2020, was THB 38.51 million, a decrease amount of THB 11.36 million or 22.78 per cent, compare to the same quarter last year. The main result of decline in expenses is from the decreasing of employee benefit expenses amount of THB 11.60 million.

4. The profit from investment in associated company of the consolidated financial statement was THB 1.88 million, a decrease of THB 1.10 million or 36.81 per cent compared to the same quarter last year, the result is from decreasing operation performance of the associated companies.

The decreasing of operating results in the first quarter of 2020 as mentioned above, is mainly from the impact of the COVID-19 situation which refrain the advertising and public relations activities. Product launch activities, commercial's film shooting and other events must be stopped in strictly comply with government measures. At the same time, some clients have slowed down in using advertising budgets or changing advertising budgets to do CSR (Corporate Social Responsibility) instead. These are the main reasons that inevitably affects the Company's revenue and business performance.

The Impact of the COVID-19 situation

Risk factors and the impact on business operations

1. The Company had analyzed the impact that may occur in the future If the company's clients are affected by the COVID-19 situation, causing the lack of financial liquidity which inevitably cause delayed payment or not receiving payment from the clients that may lead to the risk of bad debts.
2. The Company is aware that the finding of additional income from new clients in the COVID-19 situation is quite difficult. The managements and team brainstorm for strategy how to propose work that is suitable for the COVID-19 situation as the alternatives to the existing clients to decide to use more advertising budget.
3. From the COVID-19 situation, the company gives the importance to the safety and health of employees. Therefore, the Company implement "Work From Home" policy and lay down necessary measures to guarantee work efficiency.

Impact on liquidity and appropriate Capital Structure

Due to the ongoing COVID-19 situation had effect to reduced income, however, it is not yet affected the Company's financial status because the current ratio of current assets to current liabilities is at a high level. The financial position of the company is sufficient for working capital to continue the business in the future. The Company has also no debt from loans.

The Company still has a consistent assessment of financial impact on the value of assets and contingent liabilities.

Kindly be informed accordingly.

Yours sincerely,
Malee Leelasiriwong
(Mrs. Malee Leelasiriwong)
Director