

FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED
(FORMERLY KNOWN AS " FAR EAST DDB PUBLIC COMPANY LIMITED ")

INTERIM CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS

JUNE 30, 2018

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Board of Directors of

Far East Fame Line DDB Public Company Limited

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

I have reviewed the consolidated statements of financial position of Far East Fame Line DDB Public Company Limited and its subsidiaries as at June 30, 2018, the related consolidated statements of income, comprehensive income for the three-month and six month periods, changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the financial statements, and have also reviewed the separate financial statements of Far East Fame Line DDB Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No.34: Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No.34: Interim Financial Reporting.

Emphasis of matters

I draw attention to the matters as discussed in Notes 1 and 20, on January 3, 2018, the Company was formed as a result of the entire business transfer with Fame Line Company Limited, a subsidiary of the Company, in order to increase efficiency of the Company's operation and changed the new name to Far East Fame Line DDB Public Company Limited, my opinion is not changed in respect of these matters.

(Dr.Preecha Suan)

Certified Public Accountant Registration No. 6718

August 10, 2018

FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

THOUSAND BAHT

	Notes	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
		Unaudited Reviewed	Audited	Unaudited Reviewed	Audited
ASSETS					
Current Assets					
Cash and cash equivalents	4	82,020	292,333	77,623	59,804
Short-term investments					
Fixed deposit at bank		20,281	20,198	12,265	12,182
Investments in Open-end Fund	5	112,711	105,377	106,459	76,166
Total short-term investments		132,992	125,575	118,724	88,348
Trade accounts receivable	6	224,115	333,842	202,697	168,865
Other receivables					
Accrued income		-	71	-	60
Prepaid expenses		3,824	4,395	3,627	3,295
Others		970	1,753	400	718
Total other receivables		4,794	6,219	4,027	4,073
Advertising-in-progress		3,289	6,256	2,273	330
Other current assets		5,504	2,469	4,228	1,303
Total Current Assets		452,714	766,694	409,572	322,723
Non-Current Assets					
Fixed deposit with obligations		8,000	8,000	5,000	5,000
Investments in available-for-sale securities	7	625,038	510,724	615,251	510,724
Investments in associates	8	144,092	144,876	8,702	6,002
Investments in subsidiaries	9	-	-	1,400	22,766
Other long-term investments	10	36,340	36,488	35,340	35,488
Investments in convertible debentures	11	-	11,235	-	11,235
Property, plant and equipment		194,360	194,572	193,071	175,581
Intangible assets		-	19	-	-
Refundable withholding tax		6,804	7,196	2,435	2,435
Other non-current assets		795	561	142	126
Total Non-Current Assets		1,015,429	913,671	861,341	769,357
TOTAL ASSETS		1,468,143	1,680,365	1,270,913	1,092,080

STATEMENTS OF FINANCIAL POSITION

THOUSAND BAHT

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	Unaudited Reviewed	Audited	Unaudited Reviewed	Audited
Notes				
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Trade accounts payable	236,643	348,179	217,628	123,603
Other payable				
Accrued expenses	5,302	7,622	5,015	6,908
Accrued directors' remuneration and bonus	20,230	45,504	19,080	13,400
Others	203	1,397	203	316
Total other accounts payable	25,735	54,523	24,298	20,624
Accrued corporate income taxes	-	5,802	-	1,699
Other current liabilities	4,551	7,171	4,291	1,767
Total Current Liabilities	266,929	415,675	246,217	147,693
Non-Current Liabilities				
Provision for long-term employee benefits	12	45,933	38,925	22,289
Deferred tax liabilities	16	20,191	21,619	26,260
Other non-current liabilities		680	779	1,082
Total Non-Current Liabilities	66,804	68,228	61,323	49,631
TOTAL LIABILITIES	333,733	483,903	307,540	197,324

STATEMENTS OF FINANCIAL POSITION

THOUSAND BAHT

	Note	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
		Unaudited Reviewed	Audited	Unaudited Reviewed	Audited
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
Shareholders' Equity					
Share capital					
Authorized share capital					
		75,000	75,000	75,000	75,000
Issued and paid-up share capital					
		75,000	75,000	75,000	75,000
		95,000	95,000	95,000	95,000
Surplus from change in shareholding in subsidiaries and associates					
		20	92	-	-
Retained earnings					
Appropriated					
	13	8,500	7,500	8,500	7,500
		791,466	844,796	640,246	567,263
		144,405	149,832	144,627	149,993
		1,114,391	1,172,220	963,373	894,756
		20,019	24,242	-	-
		1,134,410	1,196,462	963,373	894,756
		1,468,143	1,680,365	1,270,913	1,092,080

FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018

	Note	THOUSAND BAHT (Except earnings per share presented in Baht)			
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Revenue from rendering of services and commissions		168,921	212,203	142,209	84,002
Cost of services and commissions		89,226	119,439	72,618	45,388
Gross profit		79,695	92,764	69,591	38,614
Dividend income and return on investments					
in Private Fund		3,028	4,760	23,268	64,154
Other incomes		1,465	2,906	1,790	3,249
Profit before expenses		84,188	100,430	94,649	106,017
Services and administrative expenses		64,029	68,866	55,382	31,648
Share of profit from investments in associates		5,497	5,586	-	-
Profit before income tax		25,656	37,150	39,267	74,369
Income tax expenses	16	1,751	5,447	1,757	2,226
Profit for the periods		23,905	31,703	37,510	72,143
Profit attributable to					
Equity holders of the parent		23,545	28,715	37,510	72,143
Non-controlling interests		360	2,988	-	-
		23,905	31,703	37,510	72,143
Earnings per share to equity holders of the parent					
Basic Earnings Per Share (Baht)		3.14	3.83	5.00	9.62
Issued and paid-up 7,500,000 common stocks					

FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018

THOUSAND BAHT

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Profit for the periods	23,905	31,703	37,510	72,143
Other comprehensive income (loss) :				
Item that may be reclassified subsequently to profit or loss :				
Translation of financial statement differences	96	702	-	-
Loss from the remeasuring of investment in available-for-sale securities	(9,207)	(7,241)	(9,008)	(7,680)
Components of income tax	1,841	1,448	1,802	1,536
Loss from the remeasuring of investment in available-for-sale securities-net of tax	(7,366)	(5,793)	(7,206)	(6,144)
Total other comprehensive loss for the periods	(7,270)	(5,091)	(7,206)	(6,144)
Total comprehensive income for the periods	16,635	26,612	30,304	65,999
Total comprehensive income attributable to				
Equity holders of the parent	16,370	23,577	30,304	65,999
Non-controlling interests	265	3,035	-	-
	16,635	26,612	30,304	65,999

FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

THOUSAND BAHT (Except earnings per share presented in Baht)					
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
Notes	2018	2017	2018	2017	
	Revenue from rendering of services and commissions	315,711	377,590	263,671	135,804
	Cost of services and commissions	174,249	218,105	140,907	73,142
	Gross profit	141,462	159,485	122,764	62,662
	Dividend income and return on investments				
	in Private Fund	3,061	8,760	23,301	68,154
	Other incomes				
	Gain on investment disposal in associates	8	-	17,920	-
	Others	3,255	5,415	3,912	6,282
	Total other incomes	3,255	23,335	3,912	38,949
	Profit before expenses	147,778	191,580	149,977	169,765
	Services and administrative expenses	131,815	138,515	114,901	65,944
	Share of profit from investments in associates	8	12,239	11,311	-
	Profit before income tax expenses	28,202	64,376	35,076	103,821
	Income tax expenses	16	2,297	12,938	2,134
	Profit for the periods	25,905	51,438	32,942	95,628
	Profit attributable to				
	Equity holders of the parent	25,631	46,859	32,942	95,628
	Non-controlling interests	274	4,579	-	-
		25,905	51,438	32,942	95,628
	Earnings per share to equity holders of the parent				
	Basic Earnings Per Share (Baht)	3.42	6.25	4.39	12.75
	Issued and paid-up 7,500,000 common stocks				

FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

	THOUSAND BAHT				
	Note	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Profit for the periods		25,905	51,438	32,942	95,628
Other comprehensive income (loss) :					
Item that may be reclassified subsequently profit or loss :					
Translation of financial statement differences		(153)	(535)	-	-
Gain (loss) from the remeasuring of investment in available-for-sale securities		(6,921)	7,911	(6,708)	6,901
Components of income tax		1,384	(1,582)	1,342	(1,380)
Gain (loss) from the remeasuring of investment in available-for-sale securities-net of tax		(5,537)	6,329	(5,366)	5,521
Item that not reclassified subsequently to profit or loss :					
Actuarial loss from employee benefit plan	12	-	(2,280)	-	(850)
Components of income tax		-	456	-	170
Actuarial loss from employee benefit plan-net of tax		-	(1,824)	-	(680)
Actuarial gain from employee benefit plan of associate-net of tax		986	-	-	-
Total other comprehensive income (loss) for the periods		(4,704)	3,970	(5,366)	4,841
Total comprehensive income for the periods		21,201	55,408	27,576	100,469
Total comprehensive income attributable to					
Equity holders of the parent		21,029	50,916	27,576	100,469
Non-controlling interests		172	4,492	-	-
		21,201	55,408	27,576	100,469

FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (1/3)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

	THOUSAND BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	28,202	64,376	35,076	103,821
Adjustment to reconcile profit before income tax to cash provided from (used in) operation :				
Depreciation	3,129	3,818	2,997	1,880
Amortization of intangible assets	-	3	-	-
Gain on disposal of investments in associate	-	(17,920)	-	(32,667)
Dividend income from investments in associates	-	-	(18,000)	(22,700)
Dividend income from investments in subsidiaries	-	-	(2,240)	(36,694)
Dividend income from investments in other companies	(3,061)	(4,760)	(3,061)	(4,760)
Return on investments in Private Fund	-	(4,000)	-	(4,000)
Interest income	(215)	(780)	(132)	(296)
Gain on disposal and unused equipment	-	(770)	-	(770)
Unrealized gain on investments in Open-end Fund	(325)	(422)	(293)	(19)
Long-term employee benefits expenses	1,714	1,848	1,502	1,032
Loss on diminution of investments in other companies	9	20	9	20
Share of profit from investments in associates	(12,239)	(11,311)	-	-
Profit from operation before changes in operating assets and liabilities items	17,214	30,102	15,858	4,847
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Investments in Open-end Fund	(7,009)	148,636	(30,000)	85,103
Trade accounts receivable	104,208	45,243	118,809	(28,578)
Other receivables	1,415	6,287	1,080	4,626
Advertising-in-progress	2,967	(5,872)	1,628	(3,921)
Other current assets	2,469	(2,972)	3,045	(2,733)
Other non-current assets	(250)	1,804	183	37
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade accounts payable	(97,383)	(65,520)	(106,271)	(14,560)
Other payable	(28,511)	(26,160)	(23,775)	(6,832)
Other current liabilities	(2,478)	(3,243)	(1,594)	(537)
Provision for long-term employee benefits	(1,211)	(6,318)	(1,211)	(6,318)
Other non-current liabilities	(104)	-	(303)	-
Cash provided from (used in) operation	(8,673)	121,987	(22,551)	31,134
Income tax expenses paid	(13,933)	(13,588)	(12,510)	(3,149)
Proceeds from income tax refund	307	-	-	-
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(22,299)	108,399	(35,061)	27,985

**FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (2/3)**

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

	THOUSAND BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) decrease in fixed deposit at bank	(83)	36,533	(83)	39,533
Interest income	106	1,177	77	510
Purchase of investments in associate	-	(2)	-	(2)
Purchase of investments in available-for-sale securities - Private Fund	(110,000)	(100,000)	(100,000)	(100,000)
Purchase of investments in convertible debentures	-	(11,235)	-	(11,235)
Purchase of plant and equipment	(2,917)	(3,699)	(2,913)	(648)
Proceeds from disposal of equipment	-	934	-	934
Proceeds from capital decrease of investment in other companies	139	-	139	-
Dividend income from investments in associates	18,000	22,700	18,000	22,700
Dividend income from investments in subsidiaries	-	-	2,240	36,694
Dividend income from investments in other companies	3,061	4,760	3,061	4,760
Proceeds from return on investments in Private Fund	-	4,000	-	4,000
NET CASH USED IN INVESTING ACTIVITIES	(91,694)	(44,832)	(79,479)	(2,754)
CASH FLOWS FROM FINANCING ACTIVITIES				
Subsidiary's dividend paid to non-controlling interests	(3,360)	(8,556)	-	-
Dividend payments	(75,000)	(52,500)	(75,000)	(52,500)
NET CASH USED IN FINANCING ACTIVITIES	(78,360)	(61,056)	(75,000)	(52,500)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	(192,353)	2,511	(189,540)	(27,269)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	292,333	122,617	59,804	47,481
<u>Add</u> Cash and cash equivalents from business transferred (Supplementary statement 1)	-	-	207,359	-
<u>Less</u> Cash and cash equivalents transferred out from change in subsidiary to associate (Supplementary statement 2)	(17,960)	-	-	-
CASH AND CASH EQUIVALENTS AS AT JUNE 30,	82,020	125,128	77,623	20,212
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS				
NON-CASH FLOWS ITEMS COMPRISE :				
Decrease investments in associate due to translation of financial statements differences on exchange rate	(153)	(535)	-	-
Gain (loss) from the remeasuring of investments in available-for-sale securities	(6,921)	7,911	(6,708)	6,901
Transferred investment in subsidiary to investment in associate	4,211	-	2,700	-
Decrease investments in associate due to advance received from disposal of investment	-	33,334	-	33,334
Increase investments in associate from adjustment of actuarial estimates from employee benefit plan of associate	986	-	-	-
Effect of adjustment of actuarial estimates from employee benefit plan :-				
- Decrease in deferred tax liabilities	-	456	-	170
- Increase in provision for long-term employee benefits	-	(2,280)	-	(850)
- Decrease in retained earnings	-	1,628	-	680
- Decrease in non-controlling interests	-	196	-	-
Converted investments in convertible debentures to investments in available-for-sale securities	11,235	-	11,235	-

FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (3/3)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

SUPPLEMENTARY STATEMENT 1 (THE SEPARATE FINANCIAL STATEMENTS)

Amalgamation with subsidiary

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

	<u>THOUSAND BAHT</u>
Cash and cash equivalents	207,359
Trade accounts receivable	152,641
Other receivables	1,034
Advertising-in-progress	3,571
Other current assets	1,742
Investments in related company-Diginakhon Co., Ltd.	300
Plant , property improvement and equipment	17,574
Deferred tax assets	2,930
Other non-current assets	199
Trade accounts payable	(200,296)
Other accounts payable	(27,449)
Accrued corporate income taxes	(4,135)
Other current liabilities	(4,118)
Provision for long-term employee benefits	(16,345)
Legal reserve	(1,000)
Net assets as at business transferred date	<u>134,007</u>
Investment in subsidiary as at business transferred	<u>(18,966)</u>
Retained earnings received from business transferred	<u><u>115,041</u></u>

SUPPLEMENTARY STATEMENT 2 (THE CONSOLIDATED FINANCIAL STATEMENTS)

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

	<u>THOUSAND BAHT</u>
Cash and cash equivalents	17,960
Trade accounts receivable	5,519
Other accounts receivables	10
Intangible assets	19
Refundable withholding tax	85
Other non-currents assets	16
Trade accounts payable	(14,153)
Other accounts payable	(277)
Other current liabilities	(142)
Non-controlling interests	(4,826)
Net assets in subsidiary transferred out to investment in associate	<u><u>4,211</u></u>

**FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
CONSOLIDATED**

THOUSAND BAHT

	Shareholders' equity of the parent											
	Notes	Issued and paid-up share capital	Premium on common stocks	Surplus (deficit) from changes in interest in subsidiary and associate	Retained earnings		Other components of the shareholders' equity			Total equity holders of the parent	Non-controlling interests	Total shareholders' equity
					Appropriated Legal reserve	Unappropriated	Other comprehensive income		Total other components of the shareholders' equity			
							Translation of financial statements differences	Investments in available-for-sale securities				
Year 2018												
Beginning balances, January 1, 2018		75,000	95,000	92	7,500	844,796	-	149,832	149,832	1,172,220	24,242	1,196,462
Comprehensive income (loss) for the period 2018												
Total comprehensive income (loss) for the period					25,631	(153)	(5,435)	(5,588)	20,043	172	20,215	
Adjustment of actuarial gain from employee benefit plan of associate					986				986	-	986	
Total comprehensive income (loss) for the period 2018					26,617	(153)	(5,435)	(5,588)	21,029	172	21,201	
Capital deficit from change in shareholding in associate			(67)						(67)		(67)	
Change in shareholding from business transfer	20		(5)	1,000	(4,947)		161	161	(3,791)	3,791	-	
Decrease in non-controlling interests from change in subsidiary to associate										(4,826)	(4,826)	
Dividend payment	14				(75,000)				(75,000)		(75,000)	
Subsidiary's dividend paid to non-controlling interests										(3,360)	(3,360)	
Ending balances, June 30, 2018		75,000	95,000	20	8,500	791,466	(153)	144,558	144,405	1,114,391	20,019	1,134,410
Year 2017												
Beginning balances, January 1, 2017		75,000	95,000	87	7,500	777,665	-	91,916	91,916	1,047,168	53,792	1,100,960
Comprehensive income (loss) for the period 2017												
Total comprehensive income (loss) for the period					46,859	(535)	6,220	5,685	52,544	4,688	57,232	
Adjustment of actuarial loss from employee benefit plan net of tax					(1,628)				(1,628)	(196)	(1,824)	
Total comprehensive income (loss) for the period 2017					45,231	(535)	6,220	5,685	50,916	4,492	55,408	
Dividend payment	14				(52,500)				(52,500)		(52,500)	
Subsidiary's dividend paid to non-controlling interests										(8,556)	(8,556)	
Ending balances, June 30, 2017		75,000	95,000	87	7,500	770,396	(535)	98,136	97,601	1,045,584	49,728	1,095,312

FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
THE SEPARATE FINANCIAL STATEMENTS

		THOUSAND BAHT					
		Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of the shareholders' equity Other comprehensive income Investments in available-for-sale securities	Total shareholders' equity
				Appropriated	Unappropriated		
				Legal reserve			
Notes							
<u>Year 2018</u>							
		75,000	95,000	7,500	567,263	149,993	894,756
	20				115,041		115,041
	20			1,000			1,000
					32,942	(5,366)	27,576
	14				(75,000)		(75,000)
		<u>75,000</u>	<u>95,000</u>	<u>8,500</u>	<u>640,246</u>	<u>144,627</u>	<u>963,373</u>
<u>Year 2017</u>							
		75,000	95,000	7,500	432,582	90,884	700,966
					95,628	5,521	101,149
					(680)		(680)
					94,948	5,521	100,469
	14				(52,500)		(52,500)
		<u>75,000</u>	<u>95,000</u>	<u>7,500</u>	<u>475,030</u>	<u>96,405</u>	<u>748,935</u>

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

FAR EAST FAME LINE DDB PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 2018

1. GENERAL INFORMATION

1.1 Legal status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location	465/1-467 Sri Ayudhya Road, Kwaeng Thungphayathai, Khet Ratchathewi, Bangkok, Thailand.
1.3 Type of business	(1) Advertising agent or broker, and in production and advertising related services. (2) Investing in its associates and subsidiaries which carry on business according to Notes 8 and 9 to the interim financial statements, respectively.

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

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

- 2.1 The interim consolidated and the separate financial statements are prepared in accordance with the Accounting Standards and Financial Reporting Standards issued by the Federation of Accounting Professions under the Accounting Profession Act, B.E. 2547 (2004), and the Accounting Act, B.E. 2543 (2000) which prepared on a condensed basis in accordance with Thai Accounting Standards No.34 Interim Financial Reporting issued by the Federation of Accounting Professions and the Notification of the Office of the Securities and Exchange Commission. Except the financial statements of MEDIA INTELLIGENCE (MYANMAR) LIMITED, a subsidiary of Media Intelligence Co.,Ltd., an associate of the Company are prepared in accordance with the Accounting Standards of REPUBLIC OF THE UNION OF MYANMAR. In preparation of interim consolidated financial statements, they are adjusted to be under the same accounting policy as parent company. These interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2017.

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

2.3 These interim consolidated financial statements included the interim financial statements of Far East Fame Line DDB Public Company Limited with its subsidiaries and the equity in associates as follows:

SUBSIDIARIES

COMPANIES	% HOLDING		ESTABLISHED IN
	June 30, 2018	December 31, 2017	
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>			
FAME LINE COMPANY LIMITED	-	99.99	THAILAND
SPRINGBOARD PLUS COMPANY LIMITED	99.99	99.99	THAILAND
INTEGRATED COMMUNICATION COMPANY LIMITED	40.00	40.00	THAILAND
DIGINAKHON COMPANY LIMITED	-	40.00	THAILAND
<u>SUBSIDIARIES HELD IN DIGINAKHON COMPANY LIMITED</u>			
FAME LINE COMPANY LIMITED	-	5.00	THAILAND
INTEGRATED COMMUNICATION COMPANY LIMITED	4.00	4.00	THAILAND

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

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

ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	June 30, 2018	December 31, 2017	
<u>ASSOCIATES DIRECTLY HELD BY THE COMPANY</u>			
MEDIA INTELLIGENCE COMPANY LIMITED	30.00	30.00	THAILAND
DIGINAKHON COMPANY LIMITED	45.00	-	THAILAND
<u>SUBSIDIARIES HELD BY MEDIA INTELLIGENCE</u>			
<u>COMPANY LIMITED</u>			
MEDIA INSIGHT COMPANY LIMITED	99.99	99.99	THAILAND
MIM (THAILAND) COMPANY LIMITED	70.00	70.00	THAILAND
I-DAC (BANGKOK) COMPANY LIMITED	60.00	60.00	THAILAND
MEDIA INTELLIGENCE (MYANMAR) LIMITED	70.00	70.00	REPUBLIC OF THE UNION MYANMAR

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

2.5 Accounting standards that became effective in the current accounting period

Group companies have disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after January 1, 2018, in the notes to financial statements for the year ended December 31, 2017.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and methods of computation used in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2017.

4. CASH AND CASH EQUIVALENTS

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Cash	29	110	5	34
Cash at bank	60,956	271,373	56,759	39,052
Short term fixed deposit	21,001	20,850	20,859	20,718
Cheque on hand	34	-	-	-
Cash and cash equivalents	82,020	292,333	77,623	59,804

5. INVESTMENTS IN OPEN-END FUND

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Investments in Open-end Fund-Debt securities	112,290	104,971	106,116	75,972
Add Allowance for investment	421	406	343	194
Investments in Open-end Fund-Fair value	112,711	105,377	106,459	76,166

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

THOUSAND BAHT

PARTICULARS FOR THE SIX-MONTH PERIODS ENDED JUNE 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Unrealized gain on investments in Open-end Fund	325	422	293	19
Realized gain on disposal of investments - in Open-end Fund	489	1,069	439	341
Gains on investments in Open-end Fund	814	1,491	732	360

6. TRADE ACCOUNTS RECEIVABLE

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
<u>Trade accounts receivable of related parties</u>				
Trade accounts receivable				
Current	90,933	182,608	93,928	94,508
Overdue within 3 months	51,841	85,117	49,946	58,338
Overdue between 3 to 6 months	-	-	2,367	-
Total	142,774	267,725	146,241	152,846
<u>Trade accounts receivable of other companies</u>				
Trade accounts receivable				
Current	52,741	49,433	34,359	11,653
Overdue within 3 months	25,750	16,553	19,247	4,266
Overdue between 3 to 6 months	2,813	-	2,813	-
Overdue between 6 to 12 months	37	100	37	100
Overdue more than 12 months	9,810	9,810	9,810	9,810
Total	91,151	75,896	66,266	25,829
<u>Less</u> Allowance for doubtful accounts	(9,810)	(9,810)	(9,810)	(9,810)
Trade accounts receivable others-net	81,341	66,086	56,456	16,019
Note receivable	-	31	-	-
Trade accounts receivable - net	224,115	333,842	202,697	168,865

7. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

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

THOUSAND BAHT

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Investment Value		Dividends/Return on investments in Private Fund for the six-month periods	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	June 30, 2017
Related Companies						
1. Saha Pathana Inter-Holding Plc.	0.29	0.28	15,217	3,982	763	486
2. I.C.C. International Plc.	0.29	0.29	5,519	5,519	927	969
3. Saha Pathanapibul Plc.	0.33	0.33	7,511	7,511	1,092	1,420
4. Boutique New City Plc.	0.06	0.06	1,710	1,710	36	54
Total cost			29,957	18,722	2,818	2,929
<u>Add</u> Gain from the remeasuring of investments in available-for-sale			173,548	175,860		
Investments in available-for-sale - related companies-fair value			203,505	194,582		
Other Companies						
1.The Siam Cement Plc.			387	387	32	32
2. Nation Multimedia Group Plc.			4,072	4,072	-	-
3. Nation International Edutainment Plc.			52	52	-	-
Total cost			4,511	4,511	32	32
<u>Less</u> Loss from the remeasuring of investments in available-for-sale			(1,793)	(1,189)		
Investments in available-for-sale - other companies-fair value			2,718	3,322	2,850	2,961
Private Fund						
1. BBL Asset Management Co., Ltd.			190,000	140,000	-	4,000
2. Kasikorn Asset Management Co., Ltd.			210,000	160,000	-	-
Total cost			400,000	300,000	-	4,000
<u>Add</u> Gain from the remeasuring of investments in available-for-sale			9,028	12,820		
Investments in available-for-sale - private fund-fair value			409,028	312,820		
Total investments in available-for-sale - net (Separate financial statements)			615,251	510,724	2,850	6,961
Subsidiary invested in Private Fund						
Kasikorn Asset Management Co., Ltd.			10,000	-	-	-
<u>Less</u> Loss from the remeasuring of investments in available-for-sale			(213)	-		
Total investments in available-for-sale of the subsidiary - net			9,787	-	-	-
Total investments in available-for-sale-net (Consolidated)			625,038	510,724	2,850	6,961

THOUSAND BAHT

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			June 30, 2018	December 31, 2017
1. Saha Pathana Inter-Holding Plc.	Commerce	Shareholders/co-directors	567,971	494,034
2. I.C.C. International Plc.	Fashion	Shareholders/co-directors	290,634	290,634
3. Saha Pathanapibul Plc.	Commerce	Shareholders/co-directors	330,000	330,000
4. Boutique New City Plc.	Fashion	Co - shareholders	120,000	120,000

In June 2018, investments in Saha Pathana Inter-Holding Public Company Limited has increased 249,666 shares, amount of Baht 11,234,970 from the conversion of convertible debentures (see Note 11).

8. INVESTMENTS IN ASSOCIATES

THOUSAND BAHT

CONSOLIDATED	% Holding		Equity Method	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Media Intelligence Co., Ltd.	30	30	139,087	144,876
Diginakhon Co., Ltd.	46.60	-	5,005	-
Total			144,092	144,876
THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Media Intelligence Co., Ltd.	30	30	6,002	6,002
Diginakhon Co., Ltd.	45	-	2,700	-
Total			8,702	6,002

THOUSAND BAHT

ASSOCIATES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS FOR THE SIX-MONTH PERIODS	
		June 30, 2018	December 31, 2017	June 30, 2018	June 30, 2017
Myanmar Spa Today Far East Advertising Limited.	Agency or broker advertising	-	-	-	2,700
Media Intelligence Co., Ltd.	Agency or broker advertising	20,000	20,000	18,000	20,000
Diginakhon Co., Ltd.	Agency or broker advertising	6,000	-	-	-
Total				18,000	22,700

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

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

The financial statements of associates which are applied for recording the investments in associates by the equity method in the interim consolidated financial statements as at June 30, 2017, included recording the equity method on the consolidated statements of income for the six-month periods ended June 30, 2017, based on information prepared by their management which are not reviewed by the auditors. Except the financial statements for the six-month period ended June 30, 2018 and 2017, of Media Intelligence Co., Ltd and Diginakhon Co., Ltd were reviewed by other certified public accountant.

The share of profit from investments for using the equity method which are recorded on the consolidated statements of income for the six-month periods ended June 30, 2018 and 2017, as follows:

THOUSAND BAHT

SHARE OF PROFIT(LOSS) FROM INVESTMENTS FOR USING THE EQUITY METHOD FOR THE SIX-MONTH PERIODS ENDED JUNE 30,	CONSOLIDATED	
	2018	2017
MEDIA INTELLIGENCE COMPANY LIMITED	11,445	9,949
DIGINAKHON COMPANY LIMITED	794	-
MYANMAR SPA TODAY FAR EAST ADVERTISING LIMITED	-	1,541
SPA TODAY FAR EAST (THAILAND) COMPANY LIMITED	-	(179)
Total	12,239	11,311

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

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

Summarised financial information of associates

Financial information of the associates are summarized, as follow:

MILLION BAHT

COMPANY'S NAME	Total assets		Total liabilities		Profit (loss) for the six-month periods	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	June 30, 2017
MEDIA INTELLIGENCE COMPANY LIMITED	1,066.17	1,045.23	576.55	541.75	38.15	33.16
DIGINAKHON COMPANY LIMITED	23.96	-	13.22	-	1.70	-
MYANMAR SPA TODAY FAR EAST ADVERTISING LIMITED	-	-	-	-	-	5.14
SPA TODAY FAR EAST (THAILAND) COMPANY LIMITED	-	-	-	-	-	(0.59)

9. INVESTMENTS IN SUBSIDIARIES

THOUSAND BAHT

SUBSIDIARIES	% Holding		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
FAME LINE COMPANY LIMITED	-	99.99	-	18,966
SPRINGBOARD PLUS COMPANY LIMITED	99.99	99.99	* 3,385	* 3,385
INTEGRATED COMMUNICATION COMPANY LIMITED	40.00**	40.00**	1,400	1,400
DIGINAKHON COMPANY LIMITED	-	40.00**	-	2,400
Total cost			4,785	26,151
Less Allowance for impairment in subsidiaries			* (3,385)	* (3,385)
Total Investments in Subsidiaries - net			1,400	22,766

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

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

SUBSIDIARIES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS FOR THE SIX-MONTH PERIODS	
		June 30, 2018	December 31, 2017	June 30, 2018	June 30, 2017
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>					
FAME LINE COMPANY LIMITED	Advertising Agency	-	4,000	-	34,594
SPRINGBOARD PLUS COMPANY LIMITED	Advertising Agency	6,511	6,511	-	-
INTEGRATED COMMUNICATION COMPANY LIMITED	Public Relation	3,500	3,500	2,240	2,100
DIGINAKHON COMPANY LIMITED	Advertising Agency	-	6,000	-	-
<u>SUBSIDIARIES HELD IN DIGINAKHON CO., LTD.</u>					
FAME LINE COMPANY LIMITED	Advertising Agency	-	4,000	-	-
INTEGRATED COMMUNICATION COMPANY LIMITED	Public Relation	3,500	3,500	-	-
				2,240	36,694

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

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

10. OTHER LONG-TERM INVESTMENTS

THOUSAND BAHT

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Investment Value		Dividends for the six-month periods	
	June 30,	December 31,	June 30,	December 31,	June 30,	June 30,
	2018	2017	2018	2017	2018	2017
1. Thai Samsung Electronics Co., Ltd.	0.08	0.08	1,000	1,000	-	300
2. Raja Uchino Co., Ltd.	1.50	1.50	1,533	1,533	18	182
3. Treasure Hill Co., Ltd.	1.00	1.00	* 2,000	* 2,000	-	-
4. Advantage Footwear Co., Ltd.	0.38	0.38	** 1,388	** 1,388	33	35
5. Sahapat Properties Co., Ltd.	2.50	2.50	500	500	40	20
6. Eastern Rubber Co., Ltd.	1.50	1.50	* 450	* 450	-	-
7. Spec Thai Plc.	4.64	4.64	* 9,280	* 9,280	-	-
8. K. Commercial & Construction Co., Ltd.	2.00	2.00	1,000	1,000	-	100
9. Imperial Technology Management Services Co., Ltd.	0.70	0.70	* 6,250	* 6,250	-	-
10. Thai Flying Maintenance Co., Ltd.	10.00	10.00	* 200	* 200	-	-
11. First United Industry Co., Ltd.	1.00	1.00	400	400	120	120
12. Waseda Education (Thailand) Co., Ltd.	7.14	7.14	1,429	1,568	-	-
13. Thanara Co., Ltd.	1.67	1.67	1,500	1,500	-	-
14. Pinnacle Travel Co., Ltd.	3.93	3.93	* 122	* 122	-	-
15. Dairy Thai Co., Ltd.	3.04	3.04	**5,850	**5,850	-	-
16. Sun108 Co., Ltd.	0.42	1.27	**2,531	**2,531	-	42
17. United Utility Co., Ltd.	5.71	5.71	20,000	20,000	-	1,000
18. American Food Co., Ltd.	0.03	0.03	4,200	4,200	-	-
Total cost			59,633	59,772	211	1,799
<u>Less</u> Allowance for loss on capital decrease			** (6,113)	** (6,113)		
Allowance for impairment of investments in other companies			*(18,180)	*(18,171)		
Total long-term investments in other companies - net (Separate financial statements)			35,340	35,488		
GSB Lottery No.101 (3 years) (Due on September 26, 2020)			1,000	1,000		
Total other long-term investments - net (Consolidated)			36,340	36,488		

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

In December 2017, the Company has purchased ordinary shares in Sun 108 Co., Ltd, amount of 84,376 shares, at Baht 10 per share, worth amount Baht 0.84 million.

In November 2017, the Company has purchased ordinary shares in American Food Co., Ltd, amount of 420,000 shares, at Baht 10 per share, worth amount Baht 4.20 million.

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

11. INVESTMENTS IN CONVERTIBLE DEBENTURES

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

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	AMOUNT OF UNIT (UNIT)		INVESTMENT VALUE (THOUSAND BAHT)	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Related Company Convertible Debentures of Saha Pathana Inter-Holding Public Company Limited No. 1/2017 Due 2024 (At face value of Baht 1,000)	-	11,235	-	11,235
TYPE OF CONVERTIBLE DEBENTURES	The Convertible Debentures are issued in registered form, unsecured, unsubordinated, associated with the rights of conversion into the newly issued common stocks of the Company and with a debenture holders' representative.			
TENOR (YEARS)	7			
INTEREST RATE (%) PER ANNUM	0.70			
INTEREST PERIOD	Interest is receivable 4 times per annum on 29 every March, June, September and December of each year during the terms of the Convertible Debentures.			
CONVERSION PRICE (BAHT : COMMON STOCKS)	45 : 1			
CONVERSION RATIO (CONVERTIBLE DEBENTURES : COMMON STOCKS)	1 : 22.222222			
CONVERSION DATE	4 times per annum, in March, June, September and December of each year. The first conversion date is in June 2018.			

In June 2018, the Company has exercised converted all investments in convertible debentures into ordinary shares, amount of 249,666 shares, at a conversion price of Baht 45 each to 1 ordinary share, worth amount Baht 11,234,970, the Company has recorded investments in available-for-sale (see Note 7).

12. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
<u>Defined benefit obligation</u>				
Beginning balances	45,430	47,740	22,289	27,660
<u>Add</u> Increase employee benefits from business transferred	-	-	16,345	-
Actuarial loss from employee benefit plan	-	2,280	-	850
<u>Add</u> Current service cost	1,182	2,595	1,037	1,442
Interest cost	532	1,101	465	623
<u>Less</u> Benefit paid during the periods	(1,211)	(8,286)	(1,211)	(8,286)
Ending balances	45,933	45,430	38,925	22,289

13. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set up legal reserve at least 5% of annual net profit less deficits brought forward (if any) until meet 10% of authorized share capital. Such legal reserve is not allowed to pay for dividend. The Company has completely appropriated for legal reserve in compliance with the legal requirement. During the period the Company has additional legal reserve from the transfer business of Fame Line Company Limited, a subsidiary of the Company, amount of Baht 1,000,000.

14. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

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

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

15. EXPENSES BY NATURE

THOUSAND BAHT

FOR THE SIX-MONTH PERIODS ENDED JUNE 30,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Cost of services and commissions	174,249	218,105	140,907	73,142
Director and management benefit expenses	23,414	17,788	21,220	11,957
Employee benefit expenses	92,692	97,506	79,876	42,557
Depreciation	3,129	3,818	2,997	1,880
Amortization of intangible assets	-	3	-	-
Other expenses	12,580	19,400	10,808	9,550
Total	306,064	356,620	255,808	139,086

16. INCOME TAX

Corporate income taxes of the Company and subsidiaries for the three-month and six-month periods ended June 30, 2018 and 2017 were calculated from accounting profit or loss and adjusted with other revenues and some expenses which are exempted from income tax, such as dividend income, or being disallowable expenses in income taxes computation purposes such as doubtful debts.

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

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

Income tax expenses recognized in statements of income consist:

THOUSAND BAHT

PARTICULARS FOR THE PERIODS ENDED JUNE 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
<u>THREE-MONTH</u>				
The corporate income tax for the periods	2,668	5,413	2,503	2,142
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(917)	34	(746)	84
Income tax expenses	1,751	5,447	1,757	2,226
<u>SIX-MONTH</u>				
The corporate income tax for the periods	2,736	11,947	2,503	7,136
Amortization and reversal of temporary differences assets/liabilities on temporary differences	(439)	991	(369)	1,057
Income tax expenses	2,297	12,938	2,134	8,193

As at June 30, 2018 and December 31, 2017, the deferred tax assets/liabilities arose from the following temporary differences:

THOUSAND BAHT

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Accumulated temporary differences in the statements of income				
Allowance for doubtful trade accounts receivable	9,810	9,810	9,810	9,810
Gain from investments in Open-end Fund	(421)	(406)	(343)	(194)
Allowance for loss on capital decrease and for impairment in investments	24,293	24,284	24,293	24,284
Provision for long-term employee benefits	45,933	43,150	38,925	21,439
Calculate depreciation difference from tax rate	-	(1,696)	-	-
Total	79,615	75,142	72,685	55,339
Temporary differences in the statements of comprehensive income				
- recognized in other components of the shareholders' equity				
Unrealized gain on remeasuring available-for-sale securities	(180,570)	(187,491)	(180,783)	(187,491)
- recognized in retained earnings				
Provision for long-term employee benefits	-	2,280	-	850
Total	(100,955)	(110,069)	(108,098)	(131,302)
Deferred tax liabilities	(20,191)	(22,014)	(21,619)	(26,260)

17. FINANCIAL INFORMATION BY SEGMENT

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

18. TRANSACTIONS WITH RELATED PERSON AND PARTIES

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

COMPANIES	RELATIONSHIP
Associates	See Note 8
Subsidiaries	See Note 9
Related companies	
Saha Pathana Inter-Holding Plc.	Shareholders / co - directors
I.C.C. International Plc.	Shareholders / co - directors
Saha Pathanapibul Plc.	Shareholders / co - directors
Lion Corporation (Thailand) Limited	Co - directors
Boutique New City Plc.	Co - shareholders
Thai President Foods Plc.	Co - directors/ Co - shareholders
Ruamissara Co., Ltd.	Co - directors
Winteregency Co., Ltd.	Major shareholder in an associate of Company
HAKUHODO DY MEDIA PARTNERS INC.	Shareholder in an associate of the Company
President Bakery Plc.	Major shareholder and Co - directors
Pinnacle (Travel) Co., Ltd.	Co - directors
Chailadadol Co., Ltd.	Co - directors
Data First Co., Ltd.	Co - directors
Chokwattana Co., Ltd.	Co - directors
Bangkok Athletic Co., Ltd.	Director is relative with director of the the Company
Related persons	Directors's Company /subsidiaries and spouses of directors of the Company

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

THOUSAND BAHT

Transactions in statements of financial position	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	18,580	11,447
- Associates	1,362	3,417	1,362	3,417
- Related companies	141,412	264,308	126,299	137,982
Total	142,774	267,725	146,241	152,846
<u>Other receivables</u>				
- Subsidiaries	-	-	28	228
- Associates	1	-	1	-
- Related companies	57	229	57	229
Total	58	229	86	457
<u>Investments in available-for-sale-fair value</u>				
- Related companies (Note 7)	203,505	194,582	203,505	194,582
<u>Investments in convertible debentures</u>				
- Related company	-	11,235	-	11,235
<u>Purchase investment in a subsidiaries</u>				
- Related person	-	11,497	-	11,497
<u>Sale investments in associates</u>				
- Related persons	-	8,550	-	8,550
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	1,501	5,231
- Associates	21,354	6,872	21,130	6,490
- Related companies	1,160	15,465	1,160	469
Total	22,514	22,337	23,791	12,190
<u>Accrued expenses</u>				
- Related companies	12	-	12	-
<u>Other non-current liabilities</u>				
- Subsidiaries	-	-	99	298
- Associates	16	-	16	-
- Related companies	552	552	552	552
Total	568	552	667	850

Transactions in statements of income for the six-month periods ended June 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
<u>Income from services and commissions</u>				
- Subsidiaries	-	-	9,622	877
- Related companies	146,019	151,019	133,618	41,354
Total	146,019	151,019	143,240	42,231
<u>Other incomes</u>				
- Subsidiaries	-	-	857	2,537
- Associates	15	300	15	300
- Related companies	1,376	1,413	1,376	1,413
Total	1,391	1,713	2,248	4,250
<u>Dividend income</u>				
- Subsidiaries	-	-	2,240	36,694
- Associates	-	-	18,000	22,700
- Related companies	2,818	2,929	2,818	2,929
Total	2,818	2,929	23,058	62,323
<u>Cost of services and commissions</u>				
- Subsidiaries	-	-	1,710	9,440
- Associates	4,128	4,258	3,246	3,019
- Related companies	-	7,470	-	-
Total	4,128	11,728	4,956	12,459
<u>Other expenses</u>				
- Related companies	60	60	60	60

19. COMMITMENT AND CONTINGENT LIABILITIES

19.1 As at June 30, 2018, Group companies have contingent liabilities in relation to letters of guarantee issued by commercial banks amounting to approximately amount of Baht 3.09 million. The Group pledged their 3 month time deposit as collateral for the letter of guarantee.

19.2 As at June 30, 2018, the Company had unused overdraft facilities from commercial banks, totaling amount of Baht 12 million, which were guaranteed by one director of the Company in the amount of Baht 10 million and the remaining amount had no collateral and personal guarantee.

19.3 As at June 30, 2018, the Company had outstanding forward contract line from a commercial bank of USD 200,000 from the total of USD 200,000 or equivalent.

20. THE BUSINESS TRANSFER

On January 3, 2018, the Company has completed the business transfer of Fame Line Company Limited, a subsidiary of the Company which has shareholding 99.99%. The amalgamation resolution was approved by the Extraordinary Shareholders' Meeting No.1/2017 on December 29, 2017, in order to increase efficiency of the Company's operation and the business of Fame Line Company Limited is similar to the Company's business. Furthermore, the transfer of business of Fame Line Company Limited shall strengthen and increase the potential to expand customer base and lead the Company to be a leader in the business. This transaction pursuant to the relevant regulations issued under the Revenue Code and the Company shall be entitled to tax exemption. Under the entire business transfer all assets, debts, rights, duties and obligations of Fame Line Company Limited shall be transferred to the Company. Then, the Company presented the initial amount of account with the total value of net book value according to the financial statements as of January 3, 2018. This transaction of business transfer has no effect to the structure of shareholding of the Group companies. (As the Statement of Cash Flow, Supplement Statement 1)

21. RECLASSIFICATION

The Company certain accounting transactions in the statements of income for the three-month and six-month periods ended June 30, 2017 have been reclassified to conform to the statements of income for the three-month and six-month periods ended June 30, 2018. The reclassifications had no effect to previously reported profit or shareholders' equity.

22. EVENTS AFTER THE REPORTING PERIOD

The major resolutions of the Extraordinary Meeting of Shareholders No. 1/2018 held on August 1, 2018 are as follows:

- 22.1 Approval of the issuance and offering of the newly issued ordinary shares, in the amount of 370,000 shares with a par value of Baht 10 each, and allocate to the directors, executives and employees of the Company under the Employee Stock Option Program (FE-ESOP). The offering price per share is Baht 99 and the exercise period starting from August 1, 2018 to July 31, 2019.
- 22.2 Approval of the capital increase of the Company, in the amount of Baht 3,700,000 from the existing registered capital of Baht 75,000,000 to Baht 78,700,000 by issuing 370,000 ordinary shares with a par value of Baht 10 each, which will be allocated for reserving to accommodate the issuance and offering of the newly issued ordinary shares to directors, executives and employees of the Company under the FE-ESOP scheme.

23. FINANCIAL STATEMENTS APPROVAL

These interim financial statements were authorized for issuing by the Company's authorized directors on August 10, 2018.