



Annual Report 2006

124 Communications Public Company Limited.

บริษัท 124 คอมมิวนิเคชั่นส์ จำกัด (มหาชน)

Content

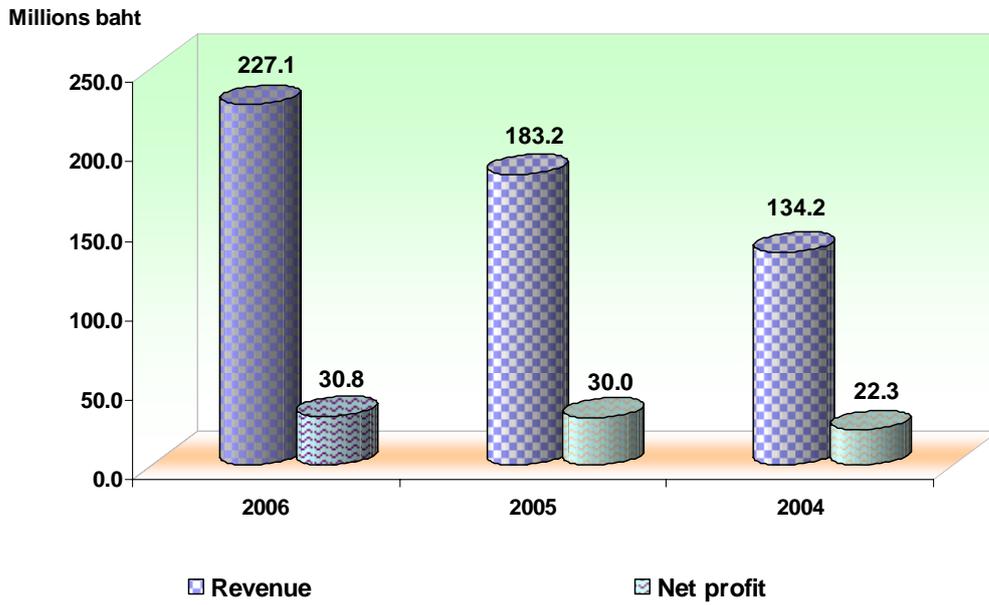
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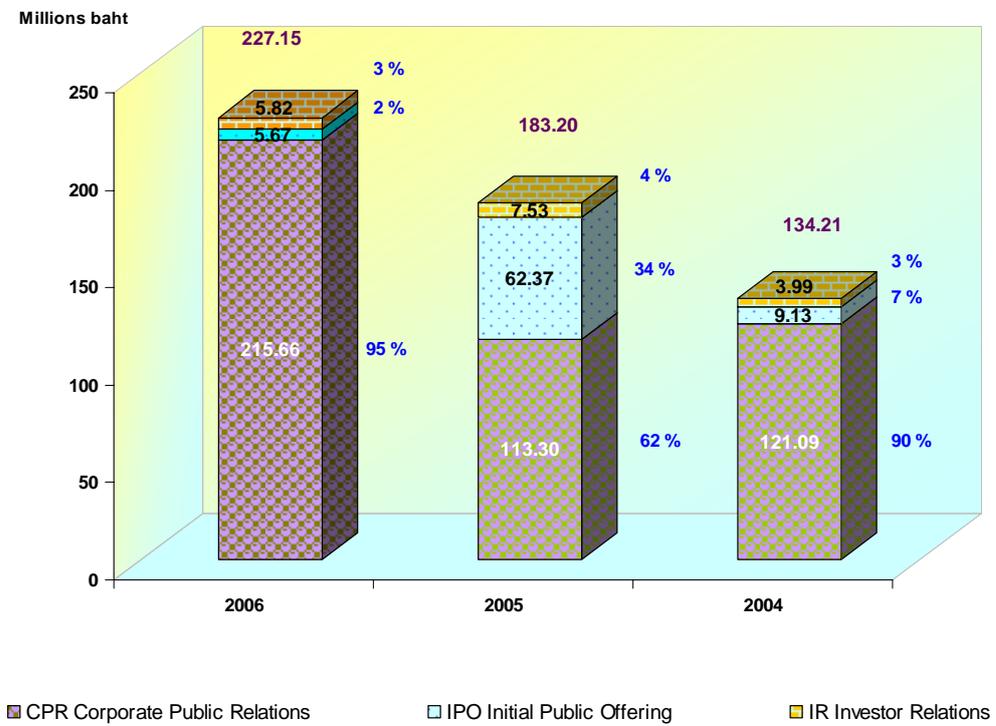
“We certainly do not rest on our laurels and aspire to serve our clients ever better in the years to come”

Nimitz Modrakee
Chief Executive Officer

Company Performance 2004-2006



Revenue by type of Service



Financial Highlight

(หน่วย : ล้านบาท)	2549	2548	2547	Unit : THB in Million
	2006	2005	2004	
สินทรัพย์				Assets
สินทรัพย์รวม	175.1	162.1	93.4	Total assets
ลูกหนี้การค้าและตัวเงินรับสุทธิ	81.4	59.9	46.6	Account receivables(Net)
หนี้สินและส่วนของผู้ถือหุ้น				Liabilities & Shareholders' Equity
หนี้สินรวม	29.9	25.2	43.7	Total liabilities
ส่วนของผู้ถือหุ้น	145.1	136.8	49.7	Total equity
ผลการดำเนินงาน				Income Statement
รายได้รวม	227.1	183.2	134.2	Total revenues
ค่าใช้จ่ายจากการดำเนินงาน	187.8	140.2	101.3	Total expenses
กำไร (ขาดทุน) สุทธิหลังภาษี	30.8	30.0	22.3	Net Profit (Loss) After Tax
อัตราส่วนทางการเงิน				Financial Ratios
อัตราส่วนสภาพคล่อง	4.8	5.7	1.9	Current Ratio
อัตราส่วนสภาพคล่องหมุนเร็ว	4.8	5.6	1.8	Quick Ratio
อัตราส่วนหมุนเวียนลูกหนี้การค้า	3.2	3.4	4.2	Account receivables Turnover
ระยะเวลาถ่วงเฉลี่ยการเก็บหนี้	113.6	106.2	87.4	Average Collection Period
อัตราการหมุนเวียนของสินทรัพย์	1.3	1.4	2.0	Total Assets Turnover
อัตราการหมุนเวียนของสินทรัพย์ถาวร	19.5	17.1	18.5	Fixed Assets Turnover
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	0.21	0.18	0.88	D/E Ratio
ความสามารถในการชำระดอกเบี้ย	220.67	154.62	92.16	Interest Coverage Ratio
อัตราส่วนแสดงความสามารถในการทำกำไร				Profitability Ratios
อัตรากำไร (ขาดทุน) สุทธิ (%)	13.6	16.4	16.7	Net Profit (Loss) Margin (%)
อัตราผลตอบแทนสินทรัพย์ (%)	23.3	33.6	49.4	Return on Assets (%)
อัตราผลตอบแทนผู้ถือหุ้น (%)	21.84	32.21	56.85	Return on Equity (%)

Letter from the Chairman

Dear shareholders,

It is widely known that the surfacing of political uncertainties in 2006 directly affected confidence in the Thai economy with this decreasing investment and business expansion. The company was slightly affected by this situation with some projects proposed to clients, especially government agencies, being postponed or cancelled. Nevertheless, large clients and some government agencies continued to see the importance of public relations, leading to the company's performance remaining satisfactory with more revenue and profit generated than the previous year.

Listing on the Stock Exchange of Thailand (SET) in 2005 elevated the company's internal management and brought it in line with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. This boosted the efficiency of the company's management, operations and customer services. It also improved the company's reputation and increased business opportunities and alliances. In 2006, the company adjusted its policies to deal with certain situations that could have affected its business operation. One strategy was to expand its range of government and private sector services because these generate a lot of revenue with low risk of default. The company obtained several major clients including Airports of Thailand (AOT), Suvarnabhumi Airport, Thai Beverages Plc, The Prime Minister's Office, King Power Company Limited and MasterCard Company Limited.

In terms of performance, 124 Communications Plc's total revenue increased from 183.2 million baht in 2005 to 227 million baht in 2006 or 24%. Net profit rose from 30.0 million baht in 2005 to 30.8 million baht in 2006 or 2.7%, leading to net profit per share of 0.68 baht.

Lastly, 124 Communications Plc would like to thank all its shareholders, customers, investors, the Press and the government sector for always supporting, having confidence and trusting us. The company would also like to congratulate the management and all staff members for this remarkable success. Everyone worked to the best of their ability and fully cooperated with the external audit system which helped raise the standard of our professional services and corporate governance.



Dusit Nontanakorn
Chairman of the Board of Directors



Nimitz Modrakee
Chief Executive Officer

Management Profile

1. Mr. Dusit Nontanakorn (Chairman of the Board, Chairman of the Audit Committee, Independent Director)

Date of Birth January 14, 1947

Education

Master Degree Marketing
University of California at Los Angeles, USA

Master Degree Structural Engineering
Ohio State University, USA

Bachelor Degree Civil Engineering
Youngstown State University, Ohio, USA

Certificate Directors Certification Program
Thai Institute of Directors Association Class 24/2002

Certificate Chairman 2000
Thai Institute of Directors Association Class 7/2002

Certificate Audit Committee Program
Thai Institute of Directors Association ACP 2005

Experience

Present Chairman of the Board / Chairman of the Audit Committee
124 Communications Plc

Present Director
Loxley Plc

Present Consultant for Managing Director office
The Siam Cement Plc

Present Audit Committee
Siam Future Development Plc

Present Secretary General
The Thai Chamber of Commerce

2. Mr. Chai Jroongtanapibarn (Vice Chairman, Audit Committee, Independent Director)

Date of Birth November 25, 1954

Education

Master Degree Accountancy
Thammasat University

Bachelor Degree Accountancy
Chulalongkorn University

Certificate Directors Certification Program
Thai Institute of Directors Association Class 29/2003

Certificate Audit Committees Program
Thai Institute of Directors Association Class 4/2005

Experience

Present Vice Chairman / Audit Committee
124 Communications Plc
Present Chairman of the Audit Committee
Thai Metal Trade Plc
Present Director
Siam Future Development Plc
Present Chairman of the Audit Committee
Major Cineplex Group Plc
Present Chairman of the Audit Committee
Team precision Plc

3. Mrs. Savinee Jantaraprapa (Audit Committee, Independent Director)

Date of Birth December 2, 1950

Education

Bachelor Degree Commerce and Accountancy
Chulalongkorn University
Certificate Directors Accredit Program
Thai Institute of Directors Association Class 42/2005

Experience

Present Audit Committee
124 Communications Plc
Present Managing Director
Patra Complex Co., Ltd.

4. Mr. Nimitz Modrakee (Director, Chief Executive Officer)

Date of Birth January 1, 1945

Education

Master Degree Business Administration, Management
University of Southern California
Bachelor Degree Science, Physics
University of Manila
Certificate Directors Accredit Program
Thai Institute of Directors Association Class 39/2005

Experience

Present Director/Chief Executive Officer

1989-2002	124 Communications Plc Managing Director
Present	124 Communications Plc Member of the Board of Director
Present	College of Music, Mahidol University Special lecture, Master Degree course
2000 – 2004	Suan Dusit Rajabhat University Columnist
2000-2001	Manager Daily Newspaper Special lecturer, Master Degree course
1999-2001	Thammasat University Columnist
1999-2002	Telecom Journal Newspaper

5. Mrs. Sopawadee Chanthaworn (Director, Managing Director)

Date of Birth	January 11, 1969
Education	
Master Degree	Mass Communications California State University Fullerton, USA
Bachelor Degree	Liberal Arts Thammasat University
Certificate	Directors Accredited Program Thai Institute of Directors Association Class 40/2005
Experience	
Present	Director/Managing Director 124 Communications Plc
2002-2004	Executive Director 124 Communications Co., Ltd.
2000-2002	Director 124 Communications Co., Ltd.
1997-2000	Manager 124 Communications Co., Ltd.

6. Ms. Kanyamas Maleetavonkul (Director, Chief Financial Officer)

Date of Birth	September 19, 1966
Education	
Master Degree	Business Administration, Finance Xavier University, Cincinnati, USA
Bachelor Degree	Commerce & Accountancy, Business Administration, Finance Chulalongkorn University

Certificate Directors Accredited Program
Thai Institute of Directors Association Class 38/2005

Experience

Present Director / Chief Financial Officer
124 Communications Plc
1998-2004 Financial Controller
Akzo Nobel Coatings Trading Co., Ltd.
1996-1998 Client Service Manager
Network Advisory Team Ltd.
1994-1996 Assistant Manager
Association of Securities Companies

7. Mrs. Manila Ladavalva (Director/Chief Operational Officer)

Date of Birth November 10, 1969

Education

Master Degree Business Administration, Finance
California State University at San Bernardino, USA
Bachelor Degree Economics
California State University at San Bernardino, USA
Certificate Directors Accredited Program
Thai Institute of Directors Association Class 38/2005

Experience

Present Director/Chief Operational Officer
124 Communications Plc
2000-2004 Planning & Business Development Manager
124 Communications Co., Ltd.

8. Ms. Inthira Chaion-nom (Executive Director)

Date of Birth May 28, 1967

Education

Bachelor Degree Arts
Chulalongkorn University

Experience

Present Executive Director
124 Communications Plc
2003-2004 Director
124 Communications Co., Ltd.
2002 Specialist

1992-2002 Thai Asset Management Corporation
Public Relations Consultant
124 Communications Co., Ltd.

9. Ms. Misada Sivabovornwattana (Accounting Vice President)

Date of Birth February 1, 1966

Education
Bachelor Degree Business Administration, Accountancy
Ramkhamhaeng University

Experience
Present Accounting Vice President
124 Communications Plc
2001-2004 Accounting Manager
124 Communications Co., Ltd.
1993-2000 Accounting Supervisor
124 Communications Co., Ltd.

Report from the Audit Committee

Dear shareholders,

On March 28, 2006 124 Communications Plc established its Audit Committee consisting of 3 independent members with the chief financial officer being the secretary. The committee is responsible for reviewing reports on the company's finances as well as internal and statutory audits conducted by certified auditors. In addition, the committee supports and ensures good corporate governance while ascertaining that sufficient risk management and proper internal control system are in place.

The Audit Committee held 5 independent meetings in 2006. At these meeting the committee reviewed the company's audited financial statements and gave advice on the Stock Market of Thailand's rules and regulations. Account policy and principles, internal control and audit plan were also assessed. In addition, the Audit Committee reviewed and verified the financial reports of each quarter of 2006 and also offered suggestions to the company's Board of Directors to safeguard against any possible risk.

The internal auditors' duties have been carefully determined. There are regular internal assessment of the company's weaknesses and possible risks with reports being sent to the company's executives. In addition, the internal auditors have to be certain that all the suggestions are implemented by the company's management. Details of internal audit report along with the management's responses and adjustment plans are taken up by the Audit Committee which revises and asks questions to ascertain that these modifications are carried out in appropriate time.

The Audit Committee is of the opinion that the internal control of 124 Communications Public Company Limited is thoroughly efficient and this gives confidence that the company's assets are well protected, all accounting transactions are recorded according to accounting standard and all company's resources are efficiently allocated.

The Audit Committee suggested that 124 Communications Plc's Board of Directors should appoint Ms. Sukanya Suthprasert and/or Ms. Praphasri Leelasupha of Sam Nak-Ngan A.M.C. Co Ltd. as the company's statutory auditor for 2007. The auditor's appointment and remunerations depends on the approval of the shareholders at the annual general shareholders meeting to be held on March 29, 2007.



Dusit Nontanakorn
Chairman of the Audit Committee

General Information

Company Name: 124 Communications Public Company Limited (PR124)

Business Type: Public relations and corporate communication consultancy

Address: 16th Floor, room 1604, 1606-1608, The United Business Center
(UBC II), 591 Sukhumvit Road, North Klong-Ton, Wattana
Bangkok 10110

Registration Number: 0107548000340

Home Page: www.124comm.com

Telephone: 0-2662-2266, 0-2662-1957-8

Fax: 0-2204-2661-2

Registered Capital: 45,000,000 shares

Paid-up Capital: 45,000,000 shares

Par Value 1 baht

Paid-up Capital: 45,000,000 baht

Registrar: Thailand Securities Depository Company Limited

Address: Capital Market Academy Building, 2nd Floor, 2/7 Moo 4 (North
Park Project) Viphavadi-Rangsit Road
Thungsonghong, Laksi, Bangkok 10210
Tel: 0-2596-9000 Fax. 0-2832-4994-6

Auditor Company: Sam Nak-Ngan A.M.C. Co.,Ltd.
Ms. Sukanya Sutheepasert
Certified Public Accountant (Thailand) No. 5063

Address: 19th Floor, 4th Unit, Silom Complex Building 191 Silom Road,
Silom, Bangrak, Bangkok 10500
Tel: 0-2231-3980-7 Fax: 0-2231-3988

Investor Relation Officer: Ms. Kanyamas Maleetavonkul
Chief Financial Officer
Tel: 662 662 2266 ext. 108
Fax: 662 204 2661
E-mail: kanyamas@124comm.com

Mrs. Tidarat Soenvanichakul
Investor Relations Officer
Tel: 662 662 2266 ext. 114
Fax: 662 204 2661
E-mail: tidarat@124comm.com

Business Overview

124 Communications Plc (“the company”) registered as a private company on August 17, 1989 with 1 million baht registered capital to provide both the public and private sectors with public relations services and strategic planning. The company became a public company on May 19, 2005 with 45 billion baht fully-paid registered capital. Mr. Nimitz Modrakee is the Chief Executive Officer and major shareholder with his group holding 31.85% of the shares.

The company’s three major services

1. Corporate Communications is related to providing public relations consultancy with the aim of creating and propagating a positive image and attitude among corporations in the target groups. This also includes Brand and Marketing communications to build up brand awareness and generate sales volumes.

2. IPO Public Relations involves offering consultancy to client companies that are planning to list on the stock market. It also includes accurate dissemination of information about such companies to the target audience so as to add corporate value. Aside from this market intelligence is gathered for corporate management.

3. Investor Relations focuses on providing information about 124 Communications’ listed client companies. As part of this service news and regular updates on the performance of these listed client companies are disseminated to investors, analysts and shareholders to ensure that they are in tune with the latest developments and to stay interested in these stocks.

124 Communications Plc also offers other services such as Issues and Crisis Management, Corporatization, M&A communications, Media Relations, Public Affairs and Community Relations. These services are part of key services provided to clients to ensure that they are best served.

Type of services	2006		2005		2004	
	million baht	per cent	million baht	per cent	million baht	per cent
1. Corporate Communications	215.66	95	113.3	62	121.08	90
2. IPO Public Relations	5.67	2	62.37	34	9.13	7
3. Investor Relations	5.82	3	7.53	4	3.99	3
Total income	227.15	100.00	183.2	100.00	134.2	100.00

Income structure

The company’s revenues are generated from 2 sources as follows:

1. Income from public relation consultancy service for fixed duration and retainer fee. The company provides consultancy and gives advice according to the plans stated in a contract.

2. Income from activities that reinforce strategic plans which further support public relations action. These include activities that support public relations drive or promote marketing as well as the dissemination of information through international media.

The company's financial structure during 2004-2006 according to the type of services is as follows:

Type of business	2006		2005		2004	
	million baht	million baht	million baht	per cent	million baht	per cent
1. Public relations consultancy	47.94	47.94	70.20	38.32	87.55	65.23
2. Activities reinforcing strategic plans	175.44	175.44	112.82	61.58	46.60	34.72
Other income	3.77	3.77	8.18	0.10	0.06	0.05
Total	227.15	227.15	183.20	100.00	134.21	100.00

Business objectives

The company's main objective is to be one of the leading public relations companies in the region and also the best recognized and accepted for adding value to an organization or product and improving the service quality through outstanding innovations and creativity. Aside from this the company has a policy to outdo clients' expectations and offer a big variety of services that differ from its competitors to ensure their greatest satisfaction and maintain good relations. The company is also mindful of being fair to its allies and partners, upholding its responsibility towards shareholders, maintaining good governance and being a responsible member of the society and country.

In addition, the company sees the importance of employees who are considered to be a very important resource in a business operation. Therefore, the company's objective is to further develop and build up the potential of its staff in order to improve the quality and standard of service. This will be achieved by in-house and outside training including overseas training.

Marketing strategies

The company's main marketing plans and strategies are as follows:

1. Offer public relations services to a variety of businesses.
2. Introduce innovative services that correspond with the customer's needs and expand the company's customer base.
3. Create new services and products that are outstanding and unique compared to what competitors offer.

4. Enhance the capability of the company's staff and increase their experience in the public relations continuously.
5. Maintain good relations with the Press and partners.
6. Share knowledge and increase understanding of the benefits of good public relations work among other organizations.

Characteristics of customers and the target markets

The company has grouped its target markets into two as follows:

1. Public organizations and enterprises:

This group is considered to have high growth potential because the government is now emphasizing public relations and also supporting its use to enhance an organization's image in the eyes of the public in order to obtain their cooperation and support for new projects and activities.

2. Private companies:

Most of 124 Communications' customers belong to this group because the company provides a wide variety of high-quality services which are well accepted. Moreover, the company is an expert in providing public relations consultancy to many businesses leading to private companies trusting its services and products. Large private companies are of special interest because the company can offer a variety of services to this segment. Private companies which are 124 Communications' customers cover many industries including telecommunications, banking and finance, automobile, aviation, consumer products, steel and property.

Distribution channels

The company's distribution channels can be categorized into 2 as follows:

1. Previous customers who return to use the company's services:

With over 18 years of experience, the company has a very large customer base. Customers who previously used the firm's services are highly confident of the quality and are satisfied with the result. These customers frequently return to use the company's services. The number of previous customers who returned and rehired the company totaled 45.38%, 45.12% and 42.04% in 2004, 2005 and 2006 respectively.

2. New customers obtained through the recommendation of existing customers and business allies or directly approached by the company:

Previous customers not only returned to the company but also recommended new clients who need public relations services. Business allies and financial advisory companies also recommended new customers. Furthermore, the company also obtained new customers by directly approaching companies on its own. The number of new customers obtained in 2004, 2005 and 2006 totaled 54.62%, 54.88% and 57.96% respectively.

Outlook of the industry

Generally, public relations business is slightly influenced by economic conditions. In other words, companies and organizations tend to set aside large budgets for public relations, advertising and promotional activities during periods of economic growth in order to build up demand. However, during times of economic downturn, some private companies could consider cutting the budget. Despite this, many government agencies and private sector companies still see the importance of public relations work and allocate budget to ensure reliable and positive image among the general public. These firms opt for public relations because it requires a low budget while yielding high returns. Also, public relations is a very efficient tool in maintaining an organization's good image in the eyes of the public and can efficiently reach target customers.

Despite a slowdown in spending by both the public and private sectors due to the current political changes, public relations still remains a necessity to broaden knowledge and understanding as well as creating a good image of an organization among the public. As a result, the public sector requires more effective public relations, and this opens up opportunities in providing such services to government agencies and state enterprises.

Regarding public relations for IPOs, the uncertain economic climate in the past year led to companies postponing their plans to list on the Stock Exchange of Thailand thus decreasing the number that were fully-qualified to do so. However, it is anticipated that listing will pick up this year after relevant factors become clearer.

As for the investor relation, the trend is still positive because of increasing need for speedy and accurate information about listed companies which underscores its importance in publicizing information and building trust. Additionally, the Stock Exchange of Thailand also encourages listed companies to reveal and publicize their information with this being one of 15 requirements for good corporate governance. The Stock Exchange of Thailand also encourages listed companies to set up investor relations units so that information is quickly and accurately disseminated among shareholders and investors. Accordingly, many listed companies now consider investor relations to be a priority. However, some listed companies still do not have their own investor relations units and for this reason use the services of a public relations consultancy for greater convenience in publicizing information to investors. This is a good opportunity for 124 Communications to provide this service.

Industry competition

Competitors in the public relations field can be categorized as follows:

1. Purely Public Relations Companies:
These are both foreign and Thai owned firms.
2. Advertising agencies that also provides public relations service:
These companies mostly started as advertising firms but later expanded into public relations.

However, 124 Communications is the leader in this business because the company believes that quality is the priority. Customer satisfaction is the major factor helping retain customers and also draw new ones in future.

The company's competitive advantage

124 Communications Plc is a public relations company owned by Thais that has been growing continuously for 18 years. The company has expertise in public relations for technology and communications, telecommunications, banking and finance, energy, industry, and property. The company is also proficient in enhancing the image of government organizations and has a special team which specializes in government agencies and state enterprises.

The company has a network to provide public relations service across the world through alliances with two global public relations companies -- Ketchum and Fleishman-Hillard. In addition, the company has signed a contract with CNBC to be its public relations and advertising strategy agent for large private companies overseas and is its sole agent in Thailand for state and public enterprise sectors.

Also, members of 124 Communications' management have a very good reputation both academically and professionally with some writing columns or being invited to speak at many academic institutions such as Chulalongkorn, Mahidol, Thammasat and Suan Dusit universities. Management members are also advisors to business organizations such as Metal Pipe Production Industry Organization of Thailand.

Where clients are concerned the most important point in selecting PR services is the qualification of the company's personnel. They are expected to be very experienced, well-known and accepted by every industry. This enables the company to sustain business growth.

Public relations trends

Continued growth is foreseen in public relations business. This is attributed to greater concern about public relations among public and private organizations due to the benefits they can obtain and among these are the good image of a company, brand or product. Growth is also expected to continue because generally management has a better understanding of the strength of public relations and has noticed its efficiency in building up a logo, introducing a product, renaming an organization and re-branding. Aside from this public relations is also used as a marketing tool to stimulate sales and build up popularity ensuring that an organization or a logo will be noticed by the target customers. It is evident that both public and private sectors have allocated bigger budgets for public relations and marketing as the economy grows stronger.

Moreover, corporate social responsibility is gaining ground because of the greater attention the public has paid to this issue. This has led to organizations, both public and private, concentrating on helping the society. They set aside money for these activities and also implement public relations measures for public awareness. Among these activities are helping the poor, assisting disaster victims, planting trees and supporting children's education. Public relations is necessary to publicize such humanitarian activities to the society to ensure better

attitudes towards an organization, company or brand. This leads to abundant opportunities for public relations business.

Service procedure

The steps in providing public relations consultancy are as follows:

1. Either a client who requires public relations service contacts the company's marketing department or the company's marketing department contacts the client to recommend services and inquire about their objectives in using these services.
2. The company selects a team of experienced staff to take care of each account.
3. Each team sets up brain-storming sessions to study and analyze the client's business.
4. The team plans and defines the outline, limitation, format, and details of the service. It then presents the plan to senior management (director level or higher) to examine and make recommendations.
5. The company presents its proposal and cost to the client.
6. The team carries out the service as planned.
7. After completing each project, a meeting is held to evaluate the work and determine if any mistakes were made for the benefit of future projects.

Risk Factors

1. Political changes

Political uncertainties are likely to lead to an economic slowdown, stagnancy or even a downturn. As a result, both the public and private sectors have postponed, reduced and sometimes even cancelled activities that incur cost, especially the public sector which usually allocates a large budget for public relations.

However, armed with significant achievement, years-long experience, veteran staff and capital raised from the Stock Exchange of Thailand, 124 Communications has an advantage over its competitors in winning contracts from mega-projects that usually require large revolving capital. Besides this, the fact that the company is listed means its operations are carried out with transparency because they can be examined. The aforementioned strong points have also given the company an edge in being selected by any mega-project including those implemented by the public sector.

Nonetheless, the political upheaval has led to members of public sector committees being changed with this unexpectedly and unavoidably affecting state projects. In 2006, 124 Communications was assigned by a state enterprise to prepare printed material and DVD cases. After submitting a quotation to this enterprise, the company completed its task and delivered all the material to the enterprise and the parties involved which distributed the products according to the orders it had received.

In order to finish the work on time so as to meet public demand, the company agreed to carry out the task before receiving a purchase order from the enterprise. Later, the company pressed for this written confirmation but it so turned out that Thai politics took a significant turn on September 19, 2006 leading to a new government being installed and this affected the company because it led to a further delay in obtaining the purchase order. Therefore the company is currently in the process of claiming the purchase order worth a total of 42.10 million baht.

2. Reliance on Experts

124 Communications Plc's business is operated by well-experienced and proficient public relations experts. As the absence of senior management would cause the company's business, management and performance to suffer, the company has decentralized its structure and established teams with each headed by a competent executive well-versed in many business fields. This ensures continuous opportunities to exchange knowledge and share experience and also builds up healthy team work. Each team consists of 3-6 skilled staff members with different levels of competencies but each is able to effectively do the other's job. This reduces the risk of relying only on the ability of one executive.

In addition, in cooperation with its business and project partners, 124 Communications' staff members regularly participate in training courses both on public relations and other aspects of this industry. The company's welfare benefits and salary scale are also not below the industry standard. Moreover the payment of commission and share allocation in June 2005 built up loyalty among the staff. The company also maps out career paths for all its employees to maintain good team work and reduce staff turnover.

3. Overdue or Late Payment

The company provides services to both the public and private sectors and could be at risk if it is unable to collect overdue fees from clients or if payments are delayed because debts accumulate. However, most of the company's clients are big, credible firms with well-established reputation. The company also selects financially strong customers and checks their financial background and creditworthiness before providing services. When payments are overdue, the company's accountants are responsible for following up by collaborating with that particular client's public relations team and later reporting to the executives.

4. Competition and Newcomers in the Market

As public relations business can be easily operated with smaller budgets, 124 Communications could face serious competition through the emergence of newcomers in the market. However, the fact that 124 Communications is one of the country's leading public relation agencies keeps it ahead of new public relations firms which lack real understanding of the business and whose work is less well accepted. Moreover, a number of clients focus on other issues aside from service fee in selecting an agency.

Moreover 124 Communications has a variety of customers from a wide range of businesses. It has contracts of 3 to 12 months which strengthens its financial position. The service fee is a consistent revenue source, excluding extra fees from strategic event planning. This ensures continuous and stable cash flow without the necessity of borrowing from banks or financial institutions.

Additionally, the company has expanded its customer base by offering wider and different services than its competitors such as Public Relations for IPO, Investor Relations and Public Relations for government and state enterprise sectors as well as large enterprises. In particular the company has set up a team specializing in providing services to government agencies and state enterprises. In conclusion, the aforementioned factors help maintain the company's market share and expand its business.

Shareholder structure

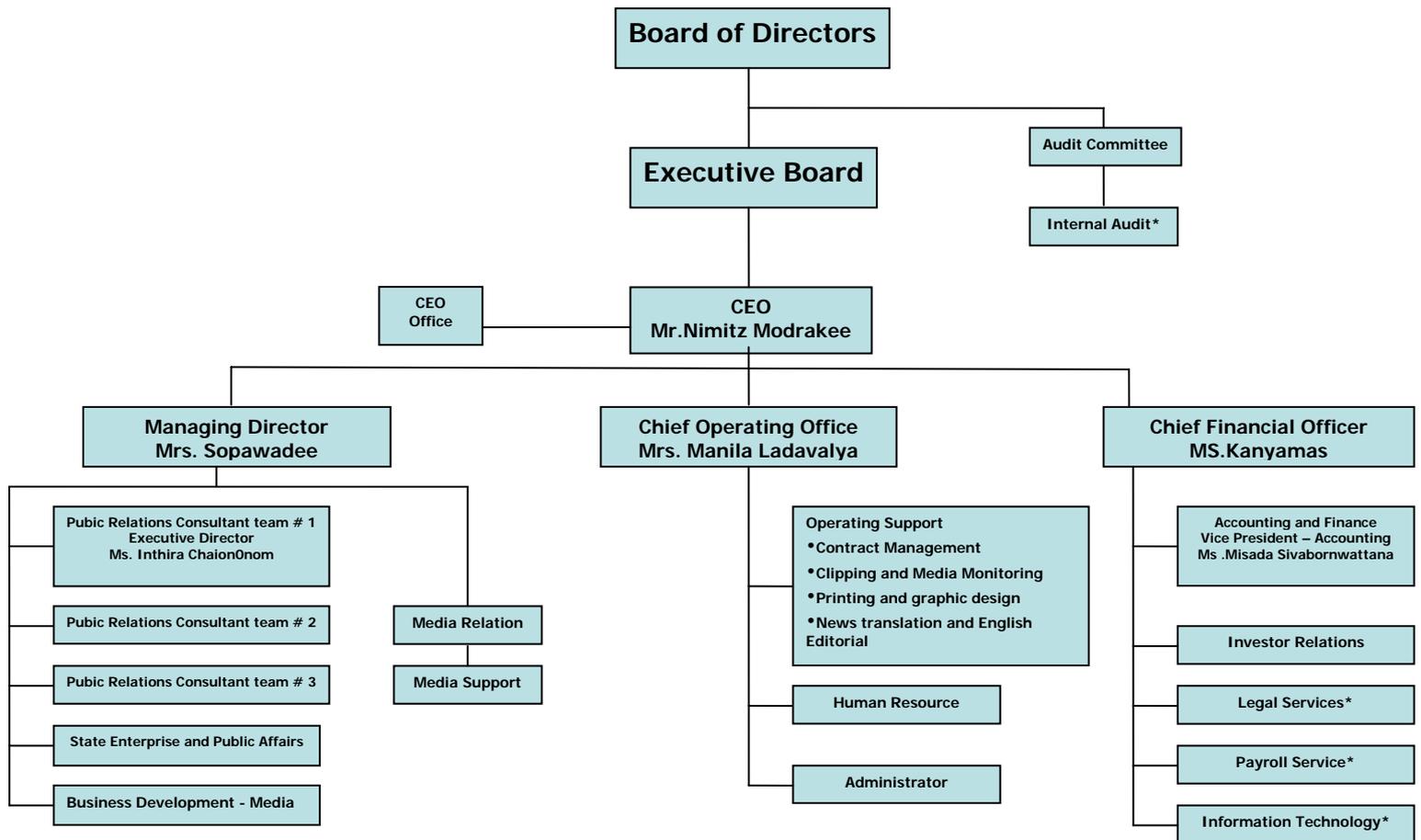
The first 11 major shareholders as of October 17, 2006

	Number of Shares	% of Shareholding
1. Mr. Nimitz Modrakee's group *	14,333,000	31.85
2. Ms. Jira Sanguthai	6,600,000	14.67
3. Mr. Pairach Imchokchai	1,776,000	3.95
4. Mr. Niphon Panprom	1,703,600	3.79
5. Mr. Boonsong Nakphu	1,532,411	3.41
6. Mrs. Chaveewan Suthaphong	1,360,000	3.02
7. Mrs. Pojana Panprom	1,174,168	2.61
8. Ms. Chuwan Chamkasem	1,143,836	2.54
9. Ms. Pongthip Suthaphong	1,120,000	2.49
10. Mr. Prapan Thevaniyompan	1,120,000	2.49
11. Mrs Boonterm Thevaniyompan	1,120,000	2.49
Total	32,983,015	73.30

Note * Mr. Nimitz Modrakee's group includes:

- 1) Mr. Nimitz Modrakee who held 12,363,500 shares which is 27.47% of the paid-up capital.
- 2) Mrs. Manila Ladavalya who held 571,000 shares which is 1.26% of the paid-up capital.
- 3) Mr. Pongchayut Ladavalya who held 340,000 shares which is 0.76% of the paid-up capital.
- 4) Mrs. Panthipa Modrakee who held 340,000 shares which is 0.76% of the paid-up capital.
- 5) Ms. Pilipda Modrakee who held 340,000 shares which is 0.76% of the paid-up capital.
- 6) Mr. Niwat Modrakee who held 340,000 shares which is 0.76% of the paid-up capital.
- 7) Mr. Nikom Modrakee who held 38,500 shares which is 0.08% of the paid-up capital.

The Organizational Chart (As of December 31, 2006)



NOTE * The company has outsourced these functions to other companies and individuals.

Management

The management structure of 124 Communications Plc consists of the Board of Directors, the Audit Committee, the Executive Committee and management team, details of which are as follows:

Board of Directors

As of December 31, 2006, there were 7 members of the Board of Directors namely:

No.	Name	Position
1.	Mr. Dusit Nontanakorn	Chairman of the Board, Chairman of the Audit Committee, Independent Director
2.	Mr. Chai Jroongtanapibarn	Vice Chairman, Audit Committee, Independent Director
3.	Mrs. Savinee Jantaraprapa	Audit Committee, Independent Director
4.	Mr. Nimitz Modrakee	Director, Chief Executive Officer
5.	Mrs. Sopawadee Chanthaworn	Director, Managing Director
6.	Mrs. Manila Ladavalya	Director, Chief Operational Officer
7.	Ms. Kanyamas Maleetavonkul	Director, Chief Financial Officer, company's secretary

- Scope of the Board of Directors' Duties and Responsibilities

The Board of Directors is responsible for managing the public company so that it complies with the law, upholds the company's objectives and implements regulations and shareholders meeting resolutions. The board must lay down the company's policy and strategy as well as set its business direction ensuring that this is efficiently carried out leading to maximum return to shareholders and sustainable growth.

Audit Committee

As of December 31, 2006, the Audit Committee comprised of 3 independent directors namely:

No.	Name	Position
1.	Mr. Dusit Nontanakorn	Chairman of the Board, Chairman of the Audit Committee, Independent Director
2.	Mr. Chai Jroongtanapibarn	Vice Chairman, Audit Committee, Independent Director
3.	Mrs. Savinee Jantaraprapa	Audit Committee, Independent Director

- Scope of the Audit Committee's Duties and Responsibilities

The Audit Committee is responsible for the adequate financial statement and the effectiveness of internal control and internal audit systems. In addition, the committee also ensures the compliance with the SEC Act, SET regulations and laws governing the business of the company. The Audit Committee selects and nominates the company's auditor, including recommending the auditor's remuneration. Another duty is to consider any disclosures concerning a connected transaction that might have lead to a conflict of interest to ensure these are accurate and complete.

Executive Committee

As of December 31, 2006, the company's Executive Committee comprised of 4 members namely:

No.	Name	Position
1.	Mr. Nimitz Modrakee	Chief Executive Officer
2.	Mrs. Sopawadee Chanthaworn	Managing Director
3.	Mrs. Manila Ladavalya	Chief Operational Officer
4.	Ms. Kanyamas Maleetavonkul	Chief Financial Officer

- Scope of the Executive Committee's Duties and Responsibilities

The Executive Committee sets the company's policy, direction, strategy, its main management structure, business plan, budget and management hierarchy. It is responsible for controlling the company's business so that this is in line with established business policy, plan and strategy as approved by the board of directors.

Management Team

As of December 31, 2006, the company's management team comprised of 6 members namely:

No.	Name	Position
1.	Mr. Nimitz Modrakee	Chief Executive Officer
2.	Mrs. Sopawadee Chanthaworn	Managing Director
3.	Mrs. Manila Ladavalya	Chief Operational Officer
4.	Ms. Kanyamas Maleetavonkul	Chief Financial Officer
5.	Ms. Inthira Chaion-nom	Executive Director
6.	Ms. Misada Sivabovornwattana	Accounting Vice President

Appointment of Directors

- **Appointment of Directors and Management**

The company does not have a nomination committee to select candidates for the board of directors and management. Nonetheless, selection and consideration by the board of directors will be based on knowledge, capability and related experience of candidates who fully qualify with the company's regulation and the law. In appointing the board of directors, shareholders are assigned to vote at the meeting according to the following principles:

1. Each shareholder has one vote.
2. Shareholders will vote for each candidate of the board of directors.
3. Candidates will be ranked in descending order according to the number of votes they receive with those receiving the most votes becoming directors according to the number of vacancies. In the event of a tie, the chairman of the shareholders meeting will make the final decision.

- **Appointment of Independent Directors**

Shareholders appoint independent directors by considering the criteria set by Securities and Exchange Commission as follows:

1. Independent directors should not hold more than 5% of the company's paid-up registered capital shares. This includes shares held by related parties.
2. Independent directors should not be involved in the management of the company or any related or associated company and should not receive regular salary from them. They should not have the right to control the company nor have any conflicts with the company a year prior to their appointment.
3. They should not have any business relations nor obtain direct or indirect benefits from the company's finances and management. They should not have any conflicts which could affect their independent status.
4. They should not be related in any way to any member of the management or the company's major shareholders or those who could have a conflict with the company.

Nevertheless, there should be at least 1 independent director in the Audit Committee who has experience in accounting, finance and related fields that have bearing on amending the financial report.

Remuneration for the Board of Director

- **Monetary Remuneration**

List of Board of Directors	Y 2005 (Baht)	Y 2006 (Baht)
Mr. Nimitz Modrakee	116,666	160,000
Mrs. Sopawadee Chanthaworn	116,666	160,000
Mrs. Manila Ladavalya	116,666	160,000
Ms. Kanyamas Maleetavonkul	116,666	160,000

Mr. Dusit Nonthanakorn	320,000	330,000
Mr. Chai Jarungthanaphiban	213,332	290,000
Mrs. Savinee Chantrapapa	213,332	240,000
Total	1,213,328	1,500,000

Note * Remuneration consists of fees and annual remuneration.

The remuneration of 6 board and management members includes monthly salary, bonus, Provident Fund totaling 16,471,466.53 baht.

- **Other Compensation**

None

Dividend Payment Policy

The company's policy is that minimum 50% of the net profit after corporate income tax be paid out as dividend each year. However, many factors must be taken into consideration before deciding the payment of dividend including investment plan, future necessity, reserve fund, business expansion and the company's liquidity on the condition that shareholders must receive optimum benefit. Dividend payment has to be agreed upon at the shareholders meeting with the consent of the company's Board of Directors. The exception is interim dividend payment which can be approved by the Board of Directors before reporting to the next shareholders meeting.

Corporate Governance

124 Communications Plc has outlined its policy on the management's operation and control of the company's business to ensure the highest degree of efficiency. The Board of Directors adheres to the Code of Best Practice in being the board of a listed company according to the direction of the Stock Exchange of Thailand. The company aims to ensure the greatest transparency and business efficiency which would lead to greater confidence among shareholders, investors and other related parties. Good corporate governance has been summarized below:

1. Corporate Governance Policy

The company carries out its business legally, transparently and fairly. The firm focuses on internal verification and control systems, risk management and dissemination of sufficient information which would lead to continuous and sustainable business growth while maximizing the company's value for shareholders and other parties as stated by the law and in accordance with business ethics. Good corporate governance is regularly stated in the annual report for the benefit of shareholders and other related parties.

2. Equality and Rights of Shareholders

The company treats all shareholders equally while urging them to participate in making significant decisions at the shareholders meeting. Shareholders will be given advance notice of shareholders meetings, including the meeting agenda and related information so that they have sufficient time to consider the information prior to the event during which precise minutes will also be kept. Shareholders can express their opinions and ask any question at the meeting. Should it be inconvenient for them to attend the meeting, they can send a proxy.

3. Rights of Related Parties

All related parties, including customers, employees, trading partners, competitors, creditors and the society, will be treated fairly since each party has different goals and expectations. Where customers are concerned, the company aims to offer the highest-quality service and will strictly abide by its commitments. In terms of public relations, the company will not confuse customers or the general public about the quality, price and conditions of the service.

4. Shareholders Meeting

The general shareholders meeting is held annually. Should urgent matters arise another general meeting can be arranged with shareholders being uniformly informed of the event. All members of the Board of Directors will participate in these meetings and will answer all questions while expressing their opinion. Adequate time will be allotted to shareholders to ask questions and voice their opinion. All important questions and viewpoints will be recorded for future use. As the company has now listed on MAI, it is giving shareholders the option of asking independent directors to be their proxy should it be inconvenient for them to attend the meeting.

5. Leadership and Vision

The Board of Directors is appointed at the shareholders meeting. Each director is a professional with knowledge, capability, experience and vision. The Board of Directors sets and approves the company's policies and monitors the management's implementation of the business plan in order to achieve business targets. The Board of Directors determines the separate roles, duties and responsibilities of itself, the Executive Committee, independent directors and the Chief Executive Officer.

6. Conflict of Interest

The company has set up the Audit Committee comprising independent directors to disclose details of all transactions involving conflict of interest. If there is a conflict of interest, the transaction between the company and the party with which a conflict is possible will need prior approval of the Audit Committee. According to the regulation of the Stock Exchange of Thailand, directors and other members involved in possible conflict of interest do not have the right to vote to approve the transaction and the company is committed to uphold this regulation.

7. Code of Ethics

The company has put down in writing the rules and regulations on ethics and the code of conduct making this clear to all members of the Board of Directors, the management, employees and shareholders that they should be ethical, honest and accountable in doing business.

8. Directors' Roles

The Board of Directors comprises 7 members. Four of these directors are members of the management team while the other 3 are independent directors (43% of the total board). The Audit Committee represents minor shareholders and makes sure that the company's business is conducted legally and transparently.

9. Division of Responsibilities

The roles and authority of management members are clearly divided. The chairman and the chief executive officer cannot be the same person in order to separate duties in setting the policy and overseeing daily work, ensuring transparency, maintaining a balance of power, allowing for checks and prevention of the concentration of unlimited authority in any particular member of the management.

10. Remuneration for Directors and Management

Guidelines on directors' remuneration have been clearly established based on workload, assignments and responsibilities. The remuneration is approved by shareholders at the annual meeting. Management's remuneration has been set by the Board of Directors in keeping with the policy of being fair to qualified members. Remuneration should be adequate to motivate qualified personnel to be efficient and comply with good standards of practice.

The company agrees to disclose information on remuneration for directors and the management according to SEC's requirement.

11. The Board of Directors Meeting

The Board of Directors holds meetings regularly with the minimum being 4 times a year and extraordinary meetings convened as required. Directors are required to attend every meeting except in case of emergency. Directors will be notified of upcoming meetings and sent an agenda with all related information at least 7 days before the event so that they have sufficient time to study the information. In case of emergency, in order to protect the benefits of the company, a meeting will be called by other means and scheduled at an earlier date. The minutes of the meeting are recorded for future use.

In 2006, the Board of Directors held 6 meetings with the following directors participating:

Name	2006 Meeting Attendance	Appointed a board member
6) Mr. Nimitz Modrakee	6/6	August 17, 1989
2 Mrs. Sopavadee Chanthavorn	6/6	November 25, 2004
3 Mrs. Manila Ladawan	6/6	November 25, 2004
7) Ms. Kanyamas Maleethavornkul ¹	6/6	March 28, 2006
8) Mr. Dusit Nonthanakorn ²	5/6	March 28, 2006
9) Mr. Chai Jarungthanaphiban ²	6/6	March 28, 2006
10) Mrs. Savinee Chantrapapa	3/6	May 3, 2005

Note 1. Appointed a board member at the 8th extraordinary general shareholders meeting held on November 25, 2004

2 Appointed a board member at the 3rd extraordinary general shareholders meeting held on May 3, 2005

12. Subcommittee

At 2005's annual general shareholders meeting held on May 3, 2005, three Audit Committee members were appointed for three-year term. All of them are independent directors with it being required that one be skilled in accountancy or finance in order to monitor precise and sufficient dissemination of the company's information. The scope of the Audit Committee's duties is stated in item number 9.1 of the management structure. The Audit Committee meets regularly, at least once every quarter, with special meetings convened in case of emergency.

At 2005's first Board of Directors' meeting held on June 2, 2005, 4 members were appointed for three-year term. The scope and duties of the Board of Directors is stated in item number 9.1 of the management structure. The Board of Directors meets regularly, at least once a month, to review the company's performance and risk management, assess problems and work out solutions among other issues. A special meeting can be convened with the consent of the chief executive.

Currently, the company does not have a subcommittee to work out remuneration. However, appropriate remuneration consideration process is in place based on the remuneration of other companies in the same industry. Other points taken into consideration include fairness, retaining of qualified management members and to ensure high-quality and standardized work by the management. The company will table the Board of Directors' remuneration to the shareholders meeting for final approval.

13. Internal Audit and Control System

The company realizes the importance of having an internal control system at both management and operational levels. A written manual prescribing the scope of the duties and authority of the management and staff has been provided. The duties of the staff and controllers have been separated to ensure balance and allow for mutual inspection.

Internal control is an independent department. The company employed Mrs. Sumon Limpichet as an internal auditor on April 8, 2005 and she inspects and assesses operational results and important financial activities to ensure that they are conducted effectively, transparently and in line with the company's policy and laws and regulations governing the company. The internal auditor interviews the management team and assesses the risks the company faces. In addition, the internal auditor writes the risk assessment report, annual audit plan and internal audit manual to check finances, operation, management, information technology, compliance and the holding of special audits after the Audit Committee has reviewed these issues. The internal auditor is required to present the audit report directly to the Audit Committee in order to create an independent and balanced atmosphere.

14. Board of Directors' Report

The Board of Directors is responsible for the company's important business operations, corporate governance, overseeing financial budget and publication of financial information in the annual report. An appropriate budget, set in accordance with nationally-accepted accountancy standards, is carefully used by the company. Sufficient information is disclosed in the extra financial budget notification.

The Board of Directors allows for an effective internal control system in order to ensure that financial information is recorded precisely and on time. This pinpoints faults and prevents dishonesty. Additionally, the Audit Committee, appointed by the Board of Directors, comprises independent members, who are not among the management team. The duties of the Audit Committee include verifying the financial policy, the quality of the financial report and classification of internal control. The Audit Committee agreed that the company has an adequate and appropriate internal control system.

15. Investor Relations

The company realizes the importance of accurate and timely disclosure, including disclosure of financial and non-financial information, to investors for right investment decision. Ms. Kanyamas Maleethavornkul has been appointed to disseminate information and communicate with analysts, corporate investors, shareholders and other related parties.

Regulations on the Inside Information

- (1) All directors, executives, staff and employees of the Company shall keep the confidence and/or inside information of the Company;
- (2) All directors, executives, staff and employees of the Company shall not disclose the confidence and/or inside information of the Company with the aim to seek benefit for oneself or for other persons either directly or indirectly regardless of whether or not such benefit is to be received.
- (3) All directors, executives, staff and employees of the Company shall not sell, purchase, transfer or acquire securities of the Company by using the confidence and/ or inside information of the Company and/ or enter into any transactions by using the confidence and/or internal information of the Company in a manner that could possibly cause damage to the Company either directly or indirectly.

All directors, executives, staff and employees of the Company who involve in the inside information shall avoid or not trade securities of the Company with in one month prior to the disclosure of the Company's financial statement to public.

This provision shall also apply to spouses and children not reaching the age of maturity of the directors, executives, staff and employees of the Company. Violators of the regulations shall be deemed as committing serious offence.

- (4) All Directors and Executives already signed the report on the holding of securities in the Company of them and of their spouses including their children not yet attaining the age of majority together with changes in such holding to the office of the Securities and Exchange Commission under Section 59.

Those violating the 4 regulations above will be under penalties provided under the Securities and Exchange Act B.E. 2535 or the related Act.

Connected Transactions

The company did not undertake any connected transactions in 2006. Nevertheless, the company's policy on the procedure for these transactions is as follows:

- **Procedure for Approval of a Connected Transaction**

A connected transaction between the company and another party which is not a normal transaction or in line with general transaction conditions has to be approved by the Audit Committee, which is the independent directors, with the rationale of the transaction, price and conditions to be taken into consideration.

A connected transaction ought to be implemented as a normal transaction with price comparison being made between this and other outside parties or the market price. As the company is listed on the Stock Exchange of Thailand, the company's board has to ensure that a connected transaction is legally correct and meets the Stock Market's regulations and announcements governing assets, disclosure of information, acquisition or sale of assets held by a listed company or its affiliate (if any). The transaction should also meet the standard of the Institute of Internal Auditors of Thailand.

The board or any related party with a conflict or a conflict of interest in a connected transaction and the parties involved has no right to approve it on behalf of the company or its affiliate (if any).

- **Policy and Future Implementation of Connected Transactions**

The procedure for approval of any future connected transaction needs to be in line with the aforementioned measures. The company's board is required to ensure that such transactions are legally correct and are in keeping with laws governing assets and the Stock Market's regulations and announcements on disclosure of information, transactions and acquisitions or distribution of assets held by a listed company or its affiliate (if any). The transaction should also meet the Institute of Internal Auditors' standards.

The company also does not have a policy to guarantee a loan taken out by a board member or any related party in keeping with the regulations of the Securities Exchange Acts and the Stock Market of Thailand. This includes a board member or a related party lending to the company or guaranteeing for the company. However, if the company has to take out a loan or obtain guarantee for a loan from a board member or any related party, the transaction will have to be approved by the Audit Committee with this meeting the company's work procedure.

Should the Audit Committee not have the expertise to assess any particular transaction, the company would have to seek the opinion of an independent counselor or an authorized auditor with this to be used for decision-making by the board and the shareholders meeting. The company will disclose any connected transaction in the note to audited financial statement.

Management Discussions and Analyses

Operating Results

During 2004-2006 124 Communications Plc consistently generated revenue and recorded net profit growth while obtaining more government and state enterprise clients. Being a listed company is a remarkable step for the company because only a well-known public relations firm with good track record and sufficient capital flow would be recruited by such clients. Aside from further improving our reputation, listing on the Stock Market of Thailand ensures that the company is well accepted for its effective business management system and ability to raise funds for large projects.

124 Communications Plc is regarded as one of the country's avant-garde PR agencies and a leader in PR innovation while having appropriate business direction and strategies.

1) Revenue

The company's revenues totaled 134.21 million baht and 183.20 million baht in 2004 and 2005 respectively (an increase of 36.50%) and 227.1 million baht in 2006 (an increase of 23.96%).

This continuous revenue growth resulted from customer base expanding every year for the following reasons:

- 1) Both public and private sectors now better accept the effectiveness of public relations in accurately communicating information to a target group. These two sectors also now realize that public relations can efficiently disseminate knowledge and build up understanding and the right attitude towards an organization within the target group.
- 2) The company has been able to forge ahead of its competitors by better meeting customers' needs through dynamic expansion of its range of public relations services. Additionally, the company has strongly focused on providing public relations services to large public and private enterprises thus obtaining higher returns from each project.

2) Cost of Service and Sales and Administrative Expense

Majority of the cost of service are variable cost which relies on the revenue. The company's variable costs of service were 81.68%, 73.76% and 83.05% of total revenue from services in 2004, 2005 and 2006 respectively. Cost of service changes according to strategic public relations plans which are mapped out for clients and meet their needs. Fixed cost of service totaled 18.32%, 26.24% and 16.95% of all service cost in 2004, 2005 and 2006 respectively. Significant parts of fixed cost of service are monthly payroll for public relations and corporate communication sections and office expenses. Most of the sales and administration expenses are fixed costs including payroll for other sections and other office expenses. The company's sales and administrative expense increased in 2006 because of an increase in the number of employees, holding intensive seminars for employees, an increase in office rent, purchase of more office equipment and a 1.6-million-baht loss from investing in Open Radio.

3) Liabilities

The company has not drawn loans from any financial institution, leading to very low liabilities and interest expenses. The interest burden that the company does shoulder arises from hire-purchase of vehicles and some office appliances.

4) Auditor's Remuneration

The auditor's remuneration for the previous fiscal year totaled 696,120 baht.

5) Net Profit

The company's net profit has risen continuously every year. In 2004, net profit totaled 22.35 million baht with this increasing to 30.04 million baht in 2005 and reaching 30.79 million baht in 2006. In percentage terms, net profit increased by 16.7% in 2004, 16.4% in 2005 and 13.55% in 2006.

Financial Status

1) Assets

Most of the company's assets are current assets including cash, deposits at financial institutions, trade accounts and note receivables. As of the end of 2006, the company's assets totaled 175 million baht with cash and bank deposits amounting to 37.42 million baht, or 21.38% of the total assets. Short term investments totaled 23 million baht, or 13.15%. Trade accounts and note receivables totaled 81.47 million baht, or 46.53% of the total assets. Other current assets totaled 1.59 million baht, accounting for 1% of the total assets and other non-current assets totaled 1.49 million baht or 0.85% of the total assets. The building improvement and equipment are worth 10.33 million baht or 5.9% of the total assets and obligated totaled 19.75 million baht, or 11.28%.

The company's cash and bank deposits are partly from operational cash flow and shares offered to the public. Money raised from the initial public offering has been used as the company's working capital and for its business operation in 2005.

The company has trade account and note receivables through extension of normal credit line. However, the firm has a strict policy of setting aside a provision for doubtful debts. By considering every possible default on a case by case basis at the end of 2006, the company decided to set aside a provision of 1.23 million baht to cover 2 doubtful accounts with legal procedures of these cases having already ended and holders of both accounts have agreed to clear their debts.

In 2006, the company was assigned by a government agency to produce printed material and DVD cases. The quotation form was sent to the agency and all procedures completed before the agency delivered the printed material to members of the general public who had placed orders.

With the aim of completing the work on time, the company decided to start working on the project before obtaining a written purchase order from that government agency. The company did ask for this order later but the unexpected political change in September 2006 which led to

the installation of a new government caused further delay in obtaining this document. The company is continuing to ask for the purchase order which is worth 42.10 million baht.

The company's fixed assets are primarily vehicles, office equipment, and computer system for greater operational efficiency and communication. Because the company's main business is to offer services, it does not have to invest substantially in fixed assets.

2) Shareholders

The company's shareholders accumulated equity totaling 49.77 million baht, 136.81 million baht and 145.1 million baht at the end of 2004, 2005 and 2006 respectively. Due to excellent performance, the company's net profit has risen continuously each year, leading to increasing number of shareholders.

3) Liabilities

The company had a total of 43.71 million baht, 25.29 million baht and 29.97 million baht in liabilities at the end of 2004, 2005 and 2006 respectively. These are mostly current liabilities consisting of trade credit and note payable worth 13.17 million baht. Overdue expenses and some financial lease contracts total 16.66 million baht. Other non-current liabilities total 0.14 million baht.

Corporate Social Responsibility

For our Brothers and Sisters in the Northern Border of Thailand

Everyone agrees that 124 is a high-end PR company being at the top of the society. Those who work here would spend their lives spoiling their only best among themselves and their business prosperity and not having to care for the rest of their off-society counterparts.

But in fact, appearance is not always what it appears to be.

Certainly, we cannot avoid the stream of globalization. The modern way of living and the city life have inevitably made us leap forward in both financial and business aspects in order to correspond with the constantly accelerating national development. Yet 124 today has proven it is not as snobbish as everyone thinks it is.

“I’ve never forgotten the day when I was a poor man.”

The familiar quote from Nimitz, our beloved boss, is often heard.

Nimitz has always been fond of sharing with us his tough childhood days. Frequently he would mention making donations to the temples and the needy country schools and would love us to gather and carry out the same activity.

Through the common giving hearts within 124 and generosity of our CFO, the educational support project has taken place in order to donate a substantial sum of money to a far away school. Furthermore, our MD’s initiative to pass such project as well as giving miscellaneous advice has also been a big help including personal financial support of Baht 30,000 from our colleagues for academic purposes. Four vans hauling educational and sports items headed through entwined country roads to Nan province, the place where there can be no destination without determination, right at the Thai-Lao border.

Baan Huay Sa Tang, a community school in Amphur Thung Chang, in Nan province is situated in Kamu tribal village around the former turmoil among the Thai people of political discrepancies.

The school comprises 68 students, 5 teachers and 7 study rooms with a government-supported budget of only Baht 60,000 that is supposedly meant to cover lunch expense, utility cost, educational and sports items, and any other daily necessities.

...Needless to say, the idea of sufficiency living may sometimes cause insufficiency...

Principal Somkuan Moonkam, together with the school teachers and villagers, gave us such a wholeheartedly warm welcome. It might not be as often for the kids to get to welcome people with unfamiliar faces since they got so excited that they not only escorted us on school excursion through the hallway decorated with their knowledgeable artful pieces of work but also gave us some enjoyable moments of picture taking with their naïve poses.

The day began with a traditionally well-choreographed performance by the Kamu kids whose origin was that of Mon. It is believed that the Mon have long been situated along the Khong river on Thai-Lao border. Kru Ae, one of the nicest school teachers we have ever met, shared with us

that the kids live peacefully as brothers and sisters. Regardless of seniority, they are fond of doing extracurricular activities together. Additionally, it is common that the Kamu-oriented people use an identical last name, 40 kids with one last name as “Pang Kum Sai” in this case, as they were originally born of the same root.

There followed the ceremonial procedure of giving out the donation and the collection of educational items. Later, we all joined in for delightful lunch which was tastefully prepared by the school.

What a blissfully blissful peace of mind!

In fact, 750 kilometers of road path and 13 hours of traveling time turned out to be quite a fine journey for we were allowed a day off which offered us a lifelong meaningfulness.

We did get to give some value to the society...

We did get to help those in need...

We did get to realize the affliction present in the life of our country friends...

We did get to appreciate the existing devotion and hospitality of individuals...

We did get to refresh ourselves in the cheer of nature...

We, also, did get to spend pleasurable time together. Easy conversations, pleasant smiles, joyful laughs and heavenly singings were made simply to strengthen our mind ready for the turbulence of economy and society which may strike us anytime.

Thank you, everyone, for coming to share these overjoyed moments together.