



Annual Report

2015

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Message from the Chairman

In 2015, it was another year that Planet Communications Asia Public Co., Ltd or PCA has continued our growth, based on our business strength and leading position of telecommunications and digital TV systems for ASEAN Economic Community (AEC). All members' region-wide need to prepare themselves to be ready in all aspects for business operations and competitions, therefore, Thai entities are strictly required to pursue their non-stop developments, planning for stably standing on business stage. Transformation of analog to digital TV system widely results in entrepreneurs and household sector, especially change of signal receptor to digital system, which, as an entrepreneur, we have to always be responsive and self-development as well as defining business strategies to catch up with the changing world.

PlanetComm has continued our growth. We are mainly focused on efficient and effective operating performance in every aspect. PlanetComm's development is aimed at making the Company be ready and responsive to competitions worldwide, in line with our vision achievement. Key mission has been defined as our commitment to provide an integrated service through exclusively high quality products, reasonable prices, in-time delivery, pre and after-sale services provided by our professional engineering team, meant for technologies optimization, cost-efficiency and customers satisfaction.

PlanetComm's the Board of Directors has closely monitored the Company's policies in accordance with time and goal, to ensure efficient remunerations to investors. Operating costs and expenses have been monitored to ensure optimal spending to ensure our stable growth and prospect. In collaboration with our alliances, we set our missions on preventive and anti-corruption. Our objective is to cultivate spirit and moral ethics in the mindset of our stakeholders under the concept that "Thai people -No take, No give and No corruption". In addition, we give support and cooperate for anti-corruption on business operations in line with good governance, fairness and transparency as well as support public and private networks as a contributor to recommendations and audit against corruption.

On behalf of PlanetComm's the Board of Directors, I would like to thank our clients, business partners, shareholders, as well as executives and employees for their continued support and contribution to the Company's success. I would also like them all to confide that the Board strictly adheres to good corporate governance practices and contributes to continued and sustainable growth of the PlanetComm.

(Mr. Sanpat Sopon)
Chairman



Message from CEO & CTO

With our knowledge, expertise and more than 20 years of experience, Planet Communications Asia Public Co., Ltd. or PCA is a comprehensive integrated provider of telecommunications and digital TV technology to leading organizations in ASEAN Economic Community (AEC). We offer professional consultation, design, installation services with after-sales support for all widely-recognized and acceptable products under the brand “PlanetComm”.

In 2015, we remained our emphasis on new technologies and readiness for future trends by providing innovative products and services to meet private and public demands, catching up with rapidly changing technologies and being responsive to new technologies for quick operation. Efficiency, cost efficiency and easily accessibility to information anywhere and anytime. Many activities have been conducted, including procuring and developing new products launching to the market, aimed at gearing to stable growth, goal and mission achievements. PCA Board of Directors gives a big concern on good management under good governance practice for the most benefits of all our stakeholders, including our shareholders, clients as well as human resources development for knowledge on new technologies, aimed at creating our strength in this field business and sustainable growth

In the midst of 4G or 4th Generation Mobile Communications era or so called as LTE (Long Term Evolution), this telecommunication innovation takes a big role in our lives. 4G system is claimed as benefit for efficiently visual and audio communications, such as, downloading or video watching with HD resolutions, wireless videoconference teaching, medical treatment in remote areas, accessibility of information by farmers and people in other professions. In addition, 4G system supports to be easily accessible to portable devices, such as mobile phones, tablets and notebook computers. With these aforementioned benefits, 4G system becomes popular in many countries worldwide. In Thailand, there is a rapid and continuous growth and popularity of 4G.

In 2016, our business strategies are set in line with Digital Economy government policy and marketing in AEC countries. Our experienced executives and professional engineering team specialized in software technologies development do their best effort and devote to strengthen all aspects, to catch up with rapidly changing technologies, competitive market and efficiently and properly meet customer’s satisfaction. Our new innovation is PlanetFiber called “GigaNET”. It is a kind of internet service by fiber optic transmission from the source to client’s room. The Fiber to the Room (FTTR) is suitable for those who have lifestyle on using high speed internet and social media through many portable devices in the same time.

On behalf of Planet Communications Asia Public Co., Ltd., we would like to say thank to our shareholders, executives and employees for their dedication for sustainable and stable growth of PCA. Please be assured that we will do our best effort and full potential to proceed PCA management, strictly in compliance with good governance and transparency for the most benefit of all stakeholders of us. We would like to again end our message with our thanking to all our shareholders, investors, clients, executives and employees, as well as business partners and contributors for their continued trust and support for our PCA.

(Mr. Prapat Rathlertkarn)
President & CEO

(Mr. Trevor J. Thompson)
President & CTO

Vision and Mission



Vision

PlanetComm is a leading provider in telecommunication systems and digital TV for leading corporations in the AEC (ASEAN Economic Community) region.

Mission

We provide integrated services including high quality products with reasonable price and timely delivery. In addition, all backed up by pre-sales and after-sales service will be performed by experienced engineers. PlanetComm is dedicated in making full use of technology to maximize our customer's return on investment and customer satisfaction.

AWARD

2015

- Most Improved Var Year-on-Year Revenue Increase by COBHAM

2014

- Cisco Premier Partner 2014

2013

- FY13 Public Sector Partner of the Year by Cisco
- FY13 Top YoY Growth of the Year (2 Tier) by Cisco
- Best Growth Partner of the Year by ClearOne
- Best Performance / Marketing Penetration Award by TVU Network
- Codan-Authorised Partner 2013
- The Top Congeniality Collaboration Partner Award and Premier Certified Partner (Cisco Channel Partner Program)

2012

- TelePresence Video Master Authorized Technology Partner by Cisco
- FY12 Public Sector Partner of the Year by Cisco

2011

- Top Enterprise Partners Award 2011 by ZYXEL



Financial Highlights

| Financial Ratio | | 2012 | 2013 | 2014 | 2015 |
|--------------------------------|--------|---------|--------|---------|--------|
| Liquidity Ratios | | | | | |
| Current Ratio | (time) | 1.46 | 1.64 | 2.73 | 1.86 |
| Quick Ratio | (time) | 1.01 | 1.03 | 1.59 | 1.24 |
| Cash Flow Ratio | (time) | -0.34 | 0.57 | -0.55 | -0.24 |
| Account Receivable Turnover | (time) | 2.67 | 2.88 | 3.70 | 2.75 |
| Average Collection Period | (days) | 135.07 | 125.15 | 98.53 | 98.38 |
| Inventory Turnover | (time) | 5.03 | 4.73 | 5.28 | 3.59 |
| Average Days Sale | (days) | 71.57 | 76.18 | 69.19 | 101.77 |
| Account Payable Turnover | (time) | 6.19 | 6.78 | 8.83 | 7.35 |
| Average Payment Period | (days) | 58.20 | 53.11 | 41.32 | 49.69 |
| Cash Cycle | (days) | 148.44 | 148.22 | 126.4 | 150.47 |
| Profitability Ratio | | | | | |
| Gross Profit Margin | (%) | 34.76 | 32.22 | 26.14 | 26.79 |
| Operating Profit Margin | (%) | 12.25 | 9.05 | 6.44 | 6.70 |
| Other Income Margin | (%) | 1.30 | 0.88 | 1.28 | 0.83 |
| Ratio of Cash to make a profit | (%) | -106.07 | 217.95 | -162.74 | -94.25 |
| Net Profit Margin | (%) | 9.22 | 6.50 | 5.03 | 5.20 |
| Return on Equity | (%) | 31.85 | 23.35 | 14.51 | 11.31 |
| Efficiency Ratio | | | | | |
| Return on Assets | (%) | 13.15 | 9.97 | 12.23 | 6.54 |
| Return on Fixed Asset | (%) | 155.18 | 140.09 | 120.47 | 108.02 |
| Total Asset Turnover | (time) | 1.43 | 1.53 | 1.38 | 1.26 |
| Financial Policy Ratio | | | | | |
| Debt to Equity Ratio | (time) | 1.59 | 1.09 | 0.52 | 0.93 |
| Interest Coverage ratio | (time) | -10.27 | 27.61 | 19.57 | 10.27 |
| Coverage obligation | (time) | -9.13 | 0.63 | 0.74 | -0.58 |
| Dividend Payout | (%) | 302.58 | 89.61 | - | 56.19 |

Board of Directors



1 Mr. Sanpat Sapon
• Chairman

2 Dr. Katiya Greigarn
• Independent Director
• Chairman of Audit Committee

3 Mr. Prapat Rathlertkarn
• Vice Chairman
• Chairman of Executive Committee
• President and Chief Executive Officer

4 Mr. Trevor John Thompson
• Director
• Vice Chairman of Executive Committee
• President and Chief Technology Officer

5 Mr. Somphong Ouitrakul
• Independent Director
• Audit Committee Member
• Risk Management Committee Member
• Nomination Remuneration and Corporate Governance Committee Member

6 Mrs. Sutharak Soonthornpusit
• Independent Director
• Audit Committee Member
• Risk Management Committee Member
• Nomination Remuneration and Corporate Governance Committee Member

7 Mr. Pramote Bhongse-tong
• Independent Director
• Chairman of Nomination Remuneration and Corporate Governance Committee
• Risk Management Committee Member

8 Mr. Somkid Wangcherdchuwong
• Independent Director
• Chairman of Nomination Remuneration and Corporate Governance Committee
• Risk Management Committee Member

Executive Management



1 Mr. Prapat Rathlertkarn
 • Vice Chairman
 • Chairman of Executive Committee
 • President and Chief Executive Officer

2 Mr. Trevor John Thompson
 • Director
 • Vice Chairman of Executive Committee
 • President and Chief Technology Officer

3 Mrs. Ratana Suwan
 • Advisor - Accounts and Finance

4 Mr. Satit Rathlertkarn
 • Executive Committee Member
 • Executive Vice President of Sales

5 Mr. Veerasak Arthornchaikul
 • Vice President of Marketing and Business Development

6 Ms. Wannapha Weeracharoen
 • Vice President of Operation

7 Mrs. Thachporn Rattanamora
 • Executive Committee Member
 • Vice President of Accounts and Finance

8 Mr. Prawich Rungdecharak
 • Executive Committee Member
 • Vice President of Technical Services

9 Mr. Rungroj Jaturaworaporn
 • Executive Committee Member
 • Vice President of Sale of Broadcast & Service Providers

10 Mr. Phairoj Pornpathananagoon
 • Executive Committee Member
 • Vice President of Technical Services

Board of Directors



Mr. Sanpat Sapon

Age : 61

- Chairman

Appointed : 30 December 2011

Education

- Master of Business Administration, Western Michigan University, USA

Work experiences

- 2013 - present Independent Director, Chairman of Audit Committee, MasterKool International Plc.
- 2011 - present Chairman, Planet Communications Asia Plc.
- 2010 - 2014 Director, Software Industry Promotion Agency
- 2003 - 2009 Managing Director of Hewlett-Packard (Thailand) Ltd.

Director in other listed companies

- Chairman of Audit Committee, MasterKool International Plc.

Number of shares held (including those held by associated persons)

- 0 share

Trainings

- Director Certification Program (DCP), course no. 49/2004
- The Executive Director Course (EDC), course no. 1/2012
- Role of the Chairman Program (RCP), course no. 30/2013

Meeting(s) attended in 2015

- Board of Director Meeting : 10/10
- Nomination Remuneration and Corporate Governance Committee Meeting : 1/3
(resigned from Nomination Committee on 18 June 2015)



Dr. Katiya Greigarn

Age : 63

- Independent Director
- Chairman of Audit Committee

Appointed : 30 December 2011

Education

- Doctor of Philosophy in Electrical Engineering, University of Missouri-Rolla, USA

Work experiences

- 2012 - present Independent Director of MK Restaurant Group Plc.
- 2011 - present Independent Director, Chairman of Audit Committee, Planet Communications Asia Plc.
- 2008 - present Independent Director, Chairman of Audit Committee, Premier Marketing Plc.
- 2007 - 2015 Chairman of Audit Committee, Premier Technology Plc.
- 1988 - present Managing Director of KV Electronics Co., Ltd.

Director in other listed companies

- Chairman of Audit Committee, Premier Marketing Plc.
- Independent Director, MK Restaurant Group Plc.

Number of shares held (including those held by associated persons)

- 0 share

Trainings

- Director Accreditation Program (DAP), course no. 37/2005
- Financial Statements for Directors (FSD) course no. 3/2008
- Director Certification Program (DCP), course no. 110/2008
- Audit Committee Program (ACP), course no. 4/2011
- Anti-Corruption for Executive Program (ACEP), course no. 9/2014
- Director Certification Program Update (DCPU), course no. 5/2015

Meeting(s) attended in 2015

- Board of Directors Meeting : 10/10
- Audit Committee Meetings : 4/4
- Nomination Remuneration and Corporate Governance Committee Meeting : 1/3
(resigned from Nomination Committee on 18 June 2015)



Mr. Prapat Rathlertkarn

Age : 57

- Vice Chairman
- Chairman of Executive Committee
- President and Chief Executive Officer

Appointed : 27 April 1994

Education

- Master of Business Administration, Business Administration, Phillips University, USA

Work experiences

- 1994 - present Vice Chairman, Chairman of Executive Committee President and Chief Executive Officer, Planet Communications Asia Plc.
- 2004 - present Director, P&T Asset Co., Ltd.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 78,950,000 (or 31.58% of paid-up share capital)

Trainings

- Director Accreditation Program (DAP), course no. 94/2012
- Director Certification Program (DCP), course no. 195/2014

Meeting(s) attended in 2015

- Board of Directors Meeting : 10/10



Mr. Trevor John Thompson

Age : 61

- Director
- Vice Chairman of Executive Committee
- President and Chief Technology Officer

Appointed : 27 April 1994

Education

- Bachelor of Commerce, Engineering, British Columbia Institute of Technology, Canada

Work experiences

- 1994 - present Director, Vice Chairman of Executive Committee, President and Chief Technology Officer, Planet Communications Asia Plc.
- 2004 - present Director of P&T Asset Co., Ltd.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 78,950,000 (or 31.58 % of total paid-up share capital)

Trainings

- Director Accreditation Program (DAP), course no. 95/2012
- Director Certification Program (DCP), course no. 207/2015

Meeting(s) attended in 2015

- Board of Director Meeting : 8/10



Mr. Somphong Ouitrakul

Age : 62

- Independent Director
- Audit Committee Member
- Risk Management Committee Member
- Nomination Remuneration and Corporate Governance Committee Member

Appointed : 30 December 2011

Education

- Master of Business Administration, Rangsit University

Work experiences

- 2011 - present Audit Committee Member, Planet Communications Asia Plc.
- 2007 - 2013 Manager of Incomes and Welfare, 3M (Thailand) Co., Ltd.

Director in other listed companies

- none

Number of shares held (including those held by associated persons)

- 50,000 shares (or 0.02% of total paid-up share capital)

Trainings

- Director Accreditation Program (DAP), course no. 102/2013
- Advanced Audit Committee Program (AACP) 17/2014 session

Meeting(s) attended in 2015

- Board of Directors Meeting : 10/10
- Audit Committee Meeting : 4/4
- Risk Management Committee Meeting : 2/2
- Nomination Remuneration and Corporate Governance Committee Meeting : 3/3



Mrs. Sutharak Soonthornpusit

Age : 63

- Independent Director
- Audit Committee Member
- Risk Management Committee Member
- Nomination Remuneration and Corporate Governance Committee Member

Appointed : 30 December 2011

Education

- Master of Science in Economy and Marketing, Ball State University, USA

Work experiences

- 2011 - present Audit Committee Member, Planet Communications Asia Plc.
- 2005 - present Managing Director, Charoendecor International Co., Ltd.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 50,000 (or 0.02% of total paid-up share capital)

Trainings

- Director Accreditation Program (DAP), course no. 103/2013

Meeting(s) attended in 2015

- Board of Directors Meeting : 8/10
- Audit Committee Meeting : 3/4
- Risk Management Committee Meeting : 2/2
- Nomination Remuneration and Corporate Governance Committee Meeting : 2/3



Mr. Pramote Bhongse-tong

Age : 72

- Independent Director
- Chairman of Nomination Remuneration and Corporate Governance Committee

Appointed : 12 May 2015

Education

- Bachelor of Electrical Engineering, Feati University, Philippines

Work experiences

- 2015 - present Independent Director, Planet Communications Asia Plc.
- 2015 - present Chairman of Subcommittee on Information System, National Reform Council : Subcommittee Infrastructure and Logistic Reforms
- 2010 - 2014 Chairman of Audit Committee, Software Industry Promotion Agency
- 2010 - 2013 Executive Director, Software Industry Promotion Agency

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 0 share

Trainings

- Director Certification Program (DCP), course no. 0/2000
- Director Certification Program Refresher (DCPRE), course no. 5/2007

Meeting(s) attended in 2015

- Board of Directors Meeting : 7/10
(Appointed as director on 12 May 2015)
- Nomination Remuneration and Corporate Governance Committee Meeting : 2/3
(Appointed as member of Nomination Committee on 19 June 2015)



Mr. Somkid Wangcherdchuwong

Age : 57

- Independent Director
- Chairman of Nomination Remuneration and Corporate Governance Committee
- Risk Management Committee Member

Appointed : 12 May 2015

Education

- Barrister-at-Law, The Thai Bar under the Royal Patronage
- Bachelor of Laws, Chulalongkorn University

Work experiences

- 2015 - present Independent Director, Planet Communications Asia Plc.
- 2007 - present Chairman, ITV Plc.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 0 share

Trainings

- Director Accreditation Program (DAP), course no. 2006

Meeting(s) attended in 2015

- Board of Directors Meeting : 7/10
(Appointed as director on 12 May 2015)
- Nomination Remuneration and Corporate Governance Committee Meeting : 2/3
(Appointed as member of Nomination Committee on 13 August 2015)
- Risk Management Committee Meeting : 2/2
(Appointed as member of Risk Management Committee on 19 June 2015)

Management



Mr. Prapat Rathlertkarn

Age : 57

- Vice Chairman
- Chairman of Executive Committee
- President and Chief Executive Officer

Appointed : 27 April 1994

Education

- Master of Business Administration, Business Administration, Phillips University, USA

Work experiences

- 1994 - present Vice Chairman, Chairman of Executive Committee President and Chief Executive Officer, Planet Communications Asia Plc.
- 2004 - present Director, P&T Asset Co., Ltd.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 78,950,000 (or 31.58% of paid-up share capital)

Trainings

- Director Accreditation Program (DAP), course no. 94/2012
- Director Certification Program (DCP), course no. 195/2014

Meeting(s) attended in 2015

- Board of Directors Meeting : 10/10

Mr. Trevor John Thompson

Age : 61

- Director
- Vice Chairman of Executive Committee
- President and Chief Technology Officer

Appointed : 27 April 1994

Education

- Bachelor of Commerce, Engineering, British Columbia Institute of Technology, Canada

Work experiences

- 1994 - present Director, Vice Chairman of Executive Committee, President and Chief Technology Officer, Planet Communications Asia Plc.
- 2004 - present Director of P&T Asset Co., Ltd.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 78,950,000 (or 31.58 % of total paid-up share capital)

Trainings

- Director Accreditation Program (DAP), course no. 95/2012
- Director Certification Program (DCP), course no. 207/2015

Meeting(s) attended in 2015

- Board of Director Meeting : 8/10



Mr. Satit Rathlertkarn

Age : 51

- Executive Committee Member
- Executive Vice President of Sales

Appointed : 30 December 2011

Education

- Bachelor of Electrical Engineering, Chiangmai University

Work experiences

- 1994 - present Director, Executive Vice President of Sale, Planet Communications Asia Plc.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 10,375,000 (or 4.15% of total paid-up share capital)

Trainings

- Director Accreditation Program (DAP), course no. 104/2013
- Director Certification Program (DCP), course no. 205/2015



Mrs. Ratana Suwan

Age : 55

- Advisor – Accounting and Finance

Appointed : 30 December 2011

Education

- Bachelor of Accounting, The University of the Thai Chamber of Commerce
- Bachelor of Law, Sukhothai Thammathirat Open University

Work experiences

- 2016 - present Advisor – Accounting and Finance, Planet Communications Asia Plc.
- 2003 - 2015 Executive Vice President of Accounting and Finance, Planet Communications Asia Plc.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 5,130,000 (of 2.05% of total paid-up share capital)

Trainings

- Director Accreditation Program (DAP), course no. 94/2012
- Director Certification Program (DCP), course no. 188/2014



Mr. Veerasak Arthornchaikul

Age : 41

- Executive Committee Member
- Vice President of Marketing and Business Development

Appointed : 18 January 2016

Education

- Master of Science and Technology (IT), Assumption University
- Bachelor of Science and Technology (IT), Assumption University

Work experiences

- 2016 - present Vice President of Marketing and Business Development, Planet Communications Asia Plc.
- 2015 Acting Vice President of Marketing and Business Development, Planet Communications Asia Plc.
- 2014 - 2015 Head of Department - Set Top Box, Planet Communications Asia Plc.
- 2012 - 2015 Head of Department - Digital TV, Planet Communications Asia Plc.
- 2006 - 2012 Head of Marketing Department, Planet Communications Asia Plc.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 10,000 shares (or 0.004% of total paid-up share capital)

Trainings

- None



Ms. Wannapha Weeracharoen

Age : 47

- Executive Committee Member
- Vice President of Operation

Appointed : 18 January 2016

Education

- Master of Business Administration, Chulalongkorn University
- Bachelor of Electrical Engineering, Khon Kaen University

Work experiences

- 2016 - present Vice President of Operations, Planet Communications Asia Plc.
- 2015 Acting Vice President of Operation, Planet Communications Asia Plc.
- 2010 - 2015 Head of Sales Department - Service Providers Group, Planet Communications Asia Plc.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 0 share

Trainings

- None



Mrs. Thachporn Rattanamora

Age : 41

- Executive Committee Member
- Vice President of Accounts and Finance

Appointed : 18 January 2016

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Accounting, The University of the Thai Chamber of Commerce

Work experiences

- 2016 - present Executive Committee Member
Vice President of Accounts and Finance,
Planet Communications Asia Plc.
- 2013 - 2015 Finance Director,
MMI Precision Forming (Thailand) Limited.
- 2011 - 2013 General Accounting Manager,
American Standard B & K (Thailand) Plc.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 0 share

Trainings

- None



Mr. Prawich Rungdecharak

Age : 37

- Executive Committee Member
- Vice President of Technical Services

Appointed : 30 December 2011

Education

- Master of Business Administration,
Mahanakorn University of Technology

Work experiences

- 2016 - present Vice President of Presale,
Planet Communications Asia Plc.
- 2000 - 2015 Vice President of Technical Services,
Planet Communications Asia Plc.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 775,000 shares (0.31% of total paid-up share capital)

Trainings

- None



Mr. Rungroj Jaturaworaporn

Age : 42

- Executive Committee Member
- Vice President of Sale of Broadcast & Service Providers

Appointed : 12 November 2013

Education

- Bachelor of Electronic Engineering, King Mongkut's Institute of Technology Ladkrabang

Work experiences

- 2013 - present Vice President of Sale of Broadcast & Service Providers, Planet Communications Asia Plc.
- 2010 - 2013 Country Sales Director, ECI Telecom Ltd.
- 2009 - 2010 Senior Manager, Nortel Networks Inc.

Director in other listed companies

- None

Number of shares held (including those held by associated persons)

- 50,000 shares (or 0.02% of total paid-up share capital)

Trainings

- None



Mr. Phairoj Pornpathananangoon

Age : 39

- Executive Committee Member
- Vice President of Technical Services

Appointed : 18 January 2016

Education

- Master of Telecommunication Management, University of Maryland, USA

Work experiences

- 2016 - present Executive Committee Member
Vice President of Technical Services, Planet Communications Asia Plc.
- 2009 - 2015 Senior Manager, i-mobile Plus Co., Ltd.

Director in other listed companies

- None

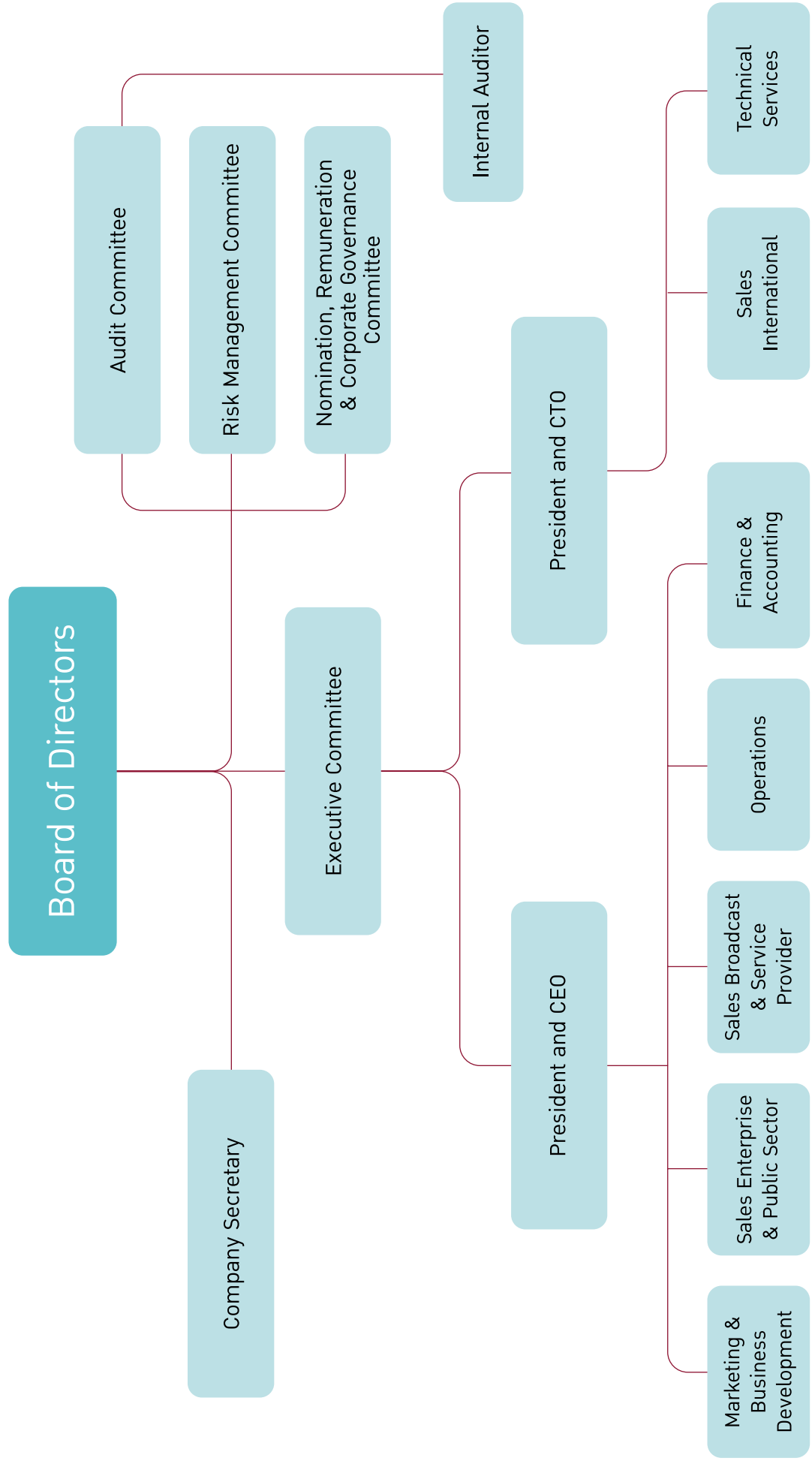
Number of shares held (including those held by associated persons)

- 0 share

Trainings

- None

Organization Chart



Policy and Business Overview



Company Background and Major Milestone

Planet Communications Asia Public Company Limited (henceforth “the Company”) was established on April 27, 1994, originally under the name Technology Gateway Asia Co., Ltd. with a registered start-up capital of 2 million Baht. The Company was co-founded by Mr. Prapat Rathlertkarn and Mr. Trevor Thompson, who have been in the IT business for over 30 years. It initially offered the professional consultancy, development and implementation of satellite communication systems for both public and private sectors. On October 20, 1998, the Company changed its name to Planet Communications Asia Co., Ltd.

Led by experienced management with proven success and expertise in the industry, the Company has continued expansion and become an authorized distributor of many leading telecommunications vendors, such as CISCO, CODAN, Sony, THALES and ClearOne. The Company has since broadened its line of products and services into a full range of telecommunications functions, covering wired and wireless network, multi-media systems, as well as terrestrial and digital television broadcasting. Under the PlanetComm brand, it has engaged in the design, development and integration of devices for IT solutions. The Company has also been appointed as a CODAN SERVICE CENTER, due to its extensive knowledge and competency in telecommunications. However, it is also fully-equipped and well-staffed to provide maintenance and repair services for other leading vendors, such as GE and Comtech EF Data. This allows for PlanetComm to offer a complete telecommunications service to its customers.

Major company milestones and accolades as follows

| Year | Milestones |
|------|---|
| 1994 | <ul style="list-style-type: none"> • Founded as “Technology Gateway Asia Co., Ltd.”; rendered services for the consultancy, development and implementation of satellite communication systems • Appointed as an authorized distributor of satellite communication products for Prodelin/Vertex (GD SatCom), Comtech EF Data and ViaSat |
| 1996 | <ul style="list-style-type: none"> • Increased paid-up capital to 5 million Baht for business expansion • Appointed as a distributor of satellite communication products for CODAN |
| 1998 | <ul style="list-style-type: none"> • Rebranded as Planet Communications Asia Co., Ltd. • Increased paid up capital to 15 million Baht for business expansion |
| 1999 | <ul style="list-style-type: none"> • Increased paid-up capital to 25 million Baht for business expansion • Commenced wired network services, appointed as an authorized distributor of data network products for Patton Electronics and security network products for Thales Group |
| 2000 | Commenced multimedia services, appointed as an authorized distributor of video conference system for Polycom |
| 2001 | Granted ISO 9001:2000 accreditation |
| 2002 | <ul style="list-style-type: none"> • Broadcast services, provided satellite earth station devices to television broadcasting companies in Thailand and ASEAN countries • Successful in-house R&D to manufacture 1:1 Redundant LNB/LNA equipment |
| 2005 | <ul style="list-style-type: none"> • Commenced terrestrial wireless and radio communications services, appointed as an authorized distributor for Motorola and CODAN HF • Successful in-house R&D to assemble a mobile satellite vehicle |
| 2010 | <ul style="list-style-type: none"> • Relocated head office to PlanetComm Building on Ramindra Road. The new headquarter is an intelligent building that uses cutting-edge telecommunications and multimedia facilities, enabling the Company to demonstrate products and position itself for future growth • Granted ISO 9001:2008 accreditation • Selected to be a wireless Platinum Partners from Motorola Inc • Won the Telecom Innovation Award from the Telecommunications Research and Industrial Development Institute (TRIDI) for its 1:1 LN_x Redundant Controller) • Awarded for Sales Growth Achievement (Asia Pacific Region) by the Broadcast Pix • Won the Top Enterprise Partners Award 2010 from manufacturer named Zyxel Communication Corp. |
| 2011 | <ul style="list-style-type: none"> • Collaborated on R&D with the National Electronics and Computer Technology Center (NECTEC) to manufacture the radio jammer T-Box 3.0 • Commenced second generation terrestrial digital video broadcasting (DVB-T2/Digital TV) services in preparation for the transition from analog broadcasting to digital system, in accordance with NBTC and government policy |

| Year | Milestones |
|------|---|
| 2012 | <ul style="list-style-type: none"> Appointed as an authorized Radio Telecommunications Equipment Service Center for CODAN Became the only company in Thailand to qualify as a TelePresence Video Master Authorized Technology Partner for CISCO Awarded FY12 Public Sector Partner of the Year by CISCO Appointed as an authorized distributor of terrestrial and digital TV broadcasting systems for Cobham, TVU and Thomson |
| 2013 | <ul style="list-style-type: none"> Won the Top Congeniality Collaboration Partner Award, Premier Certified Partner (Cisco Channel Partner Program), FY13 Top YoY Growth of the Year (2 Tier) and FY13 Public Sector Partner of the Year from CISCO Was officially appointed as an authorized distributor and service center of mobile satellite communications system (Satcom on the Move) for ThinKom in Thailand and Vietnam Was appointed as an authorized partner of CODAN Won the Best Performance/Marketing Penetration Award from TVU Network Awarded the Best Growth Partner of the Year by ClearOne Listed as public limited company (PLC) Changed par value per share from 10.00 Baht to 1.00 Baht, resulting in a tenfold increase of ordinary shares from 2.5 million to 25 million Increased registered capital from 25 million Baht to 250 million Baht by issuing 225 million new ordinary shares with a par value per share of 1.00 baht allocated as follows: <ul style="list-style-type: none"> (1) 150 million shares to existing shareholders, resulting in the increase of the Company's paid-up capital to 175 million shares (2) 70 million shares via the initial public offering (3) 5 million shares to the Company's directors and employees |
| 2014 | <ul style="list-style-type: none"> Began offering 75 million capital gain shares at 2.80 Baht per share, consisting of 70 million shares via IPO and 5 million shares to the Company's directors and employees. Traded ordinary shares on the Market for Alternative Investment (MAI) under the stock symbol "PCA" on June 23, 2014 Appointed as Premier Partner of Cisco |
| 2015 | <ul style="list-style-type: none"> Awarded THE MOST IMPROVED VAR YEAR-ON-YEAR REVENUE INCREASE by Cobham PlanetFiber being granted by NBTC for Telecommunications Business Operation License, Type III on September 2, 2015. |

Business Overview

The Company offers comprehensive services related to the design, installation and sales of telecommunications and broadcast/digital TV systems along with associated products for leading firms and organizations in the ASEAN Economic Community (AEC). Products and services can be divided into three categories, namely,

1. Products for which the Company is an authorized distributor, including

- (1) Products related to telecommunications systems including
 - Wireless Networks which transmit data through various frequencies of satellite communications, terrestrial wireless communications and radio communications.
 - Wireless Networks, which transmit data through cables in data networks, fiber optic networks and security networks.
 - Multimedia system, which transmit video, audio and data through digital transmission video, audio and data through digital transmission networks such as TelePresence, unified collaboration, audio conference and audio and visual accessories.
- (2) Products related to digital TV broadcasting systems, for the production, distribution and transmission of studio content.

2. Products under the PlanetComm brand including

- (1) Advanced telecommunications equipment to the customer, as follows
 - Mobile Satellite Vehicles
 - Signal receiving and amplifying devices LNB/LNA (1:1 LNx Redundant Controller)
 - Radio Jammers
- (2) Telecommunications control software, such as network management systems to monitor and control satellite earth stations.
- (3) General products distributed under the PlanetComm brand as follows
 - Feeder Cables & Connectors for the installation of mobile phone base stations.
 - Passive fiber optic components for high-speed FTTx networks.
 - Set Top Boxes (Set Top Box / DVB-T2) for terrestrial digital television.

3. Services provided by the Company's technical support and service centers for its customers, pre-sales and after-sales service, i.e. consultation and design, installation and implementation and maintenance and repair.

Business Goal

The Company is committed to bring the provider of telecommunications and digital TV broadcasting technologies and services, trusted by the leading firms and organizations of the AEC. PlanetComm strives to attain business capacity on par with other world-class providers in the industry. Therefore, it prioritizes delivering innovative technologies and products and boosting competitiveness via state -of the- art facilities and test equipment staffed by experienced personnel. The Company is managed under ISO 9001:2008 standards and operates with social responsibility in order to fulfill customer needs and achieves customer satisfaction. To accomplish these goals, PlanetComm sets forth the following policies.

1. Policies related to telecommunications and digital TV broadcasting products

- Endeavor to become authorized distributors of products and services for the world's premier vendors and business partners.
- Endeavor to deliver technological innovations to AEC markets.
- Endeavor to provide comprehensive systems and technologies, in order to excel in terms of efficiency, quality and investment return for customers.

2. Policies related to PlanetComm products

- Build brand awareness and recognition in telecommunications and digital TV markets.
- Develop novel products and technologies with high growth potential and in-market demand.
- Conduct product research and development (R&D) in order to drive innovation in the industry.

3. Policies related to services

- Render services professionally using ISO 9001:2008 standards in order to maximize customer satisfaction.
- Endeavor to be a leader in comprehensive telecommunications services, including the design, development and installation of system solutions with pre and after sale services in order to meet customer requirements.
- Endeavor to constantly develop novel modes of services in rapid response to the ever-changing business landscape.

Business Operations

Revenue Structure

| Revenue | 2013 | | 2014 | | 2015 | |
|--|---------------|---------------|---------------|---------------|-----------------|---------------|
| | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % |
| Sales of distributed products | | | | | | |
| • Telecommunications systems | 529.99 | 70.57 | 613.25 | 63.64 | 679.53 | 66.14 |
| • Digital TV Broadcasting systems | 93.41 | 12.44 | 156.18 | 16.21 | 77.18 | 7.51 |
| Total sales of distributed products | 623.40 | 83.00 | 769.43 | 79.85 | 756.73 | 73.65 |
| Sales of PlanetComm products | 80.69 | 10.74 | 119.90 | 12.44 | 184.35 | 17.94 |
| Service revenue | 40.32 | 5.37 | 62.00 | 6.43 | 78.10 | 7.61 |
| Total revenue from sales and services | 744.42 | 99.12 | 951.33 | 98.72 | 1,019.22 | 99.20 |
| Other revenue* | 6.63 | 0.88 | 12.4 | 1.28 | 8.51 | 0.08 |
| Total revenue | 751.05 | 100.00 | 963.69 | 100.00 | 1,027.73 | 100.00 |

Note * includes exchange gain, sale of assets gain, rental income and interest income

1. Products and Services

The Company provides design and installation services; the sales of telecommunications systems; digital TV broadcasting systems; and associated products for leading firms and organizations in the AEC. In addition, it engages in research and development (R&D) as well as the integration of devices into telecommunications solutions under the PlanetComm brand. With decades of experience in the industry, along with experts and full-scale test equipment, the Company is capable of rendering comprehensive telecommunications service. An overview of products and services are as follows

1.1 Products for which Company is an authorized distributor

The Company is an authorized distributor of many world-class telecommunications products, such as wireless networks, wire networks and multimedia systems (the sales of which have dominated revenue from 2011 to first three months of 2015), as well as products related to digital TV broadcasting systems. Details are as follows;

Products related telecommunications systems including

1. Wireless Network, which transmit data using radio frequencies (RF) or infrared. Wireless data can penetrate walls, ceilings or other structures without the use of cables. This type of system enhances workstation mobility and is ideal for networks where endpoints are remote or inaccessible. Wireless network solutions vary according to the required distance and speed for data transmission. At present, the Company is an authorized distributor of wireless network products and technologies as follows

(a) Satellite Communications which transmit data using communications satellites via C-band, Ku-Band, Ka-Band or X-Band radio frequencies from one satellite earth radius of 3,000-5,000 kilometers from the operating satellite. This type of system is suitable for businesses and organizations such as government agencies, military units, public communications service providers and satellite TV stations. The Company distributes products for satellite earth stations as follows

- Satellite Modems, used for modeling data signals on IF and L-Band frequencies.
- Up/Down Converters, used for converting IF frequencies into C-Band or KU-Band frequencies for signal transmission via satellite.
- Satellite Transceivers, used for amplifying radio signals for satellite transmission in full duplex mode, which is capable of amplifying the reception and transmission of satellite signals in a single package.
- Block Up Converters (BUCs), used for converting the L-Band frequency to C-Band for Ku band, Ka band or X-band frequencies.
- LNA/LNB Receiving Devices, used for reducing signal noise and improving signal quality in both C-band, Ku-band, Ka band or X-band frequencies received via satellite.
- Satellite Antennas, which range from transmit/receive earth station antennas, to receive only and mobile antennas, depending on the design and utility of the satellite earth station.
- Very Small Aperture Terminal (VSAT), a small scale satellite system that is easy to install and is used for high-speed data transmission via satellite within a large network of users.
- The Company is an authorized distributor for world-class vendor, such as GD Satcom, CODAN, CPI, Comtech EF data, Viasat, Cobham (SeaTel), Thinkom and many more.



Satellite communication equipment

(b) Terrestrial Wireless Communications, which transmit data using terrestrial radio frequencies. The system can be categorized by application as follows;

- Wireless Broadband, which transmits and receives data at high speed over approximately 50-80 kilometers. This system is suitable for outdoor installations and long-distance data communications. The Company is an authorized distributor of related products by U.S. based Cambium.

- Wi-Fi Communications, which transmit and receives data at high speed over short distances for computers and other electronics. This system is suitable for both outdoor and indoor installations with an effective radius of 30-100 meters. The Company is an authorized distributor of related products by Cisco, from USA.



Terrestrial wireless equipment

(c) Radio Communication is the technology for transmitting data, images and audio via radio frequencies over long distance. The Company is an authorized distributor of world-class products, such as CODAN's digital radio system and P25 digital radio communications from Harris, High Frequency (HF), Very-High Frequency (VHF), Ultra-High Frequency (UHF) and Global System for Mobile Communications (GSM) from Raytheon. The Company also distributes products by U.S. based GE MDS, namely communications equipment for supervisory control and data acquisition (SCADA) systems, SCADA. SCADA systems receive and transmit mechanical control data using radio frequencies and are suitable for energy providers and the oil industry.



Radio Communications Equipment

2. Wired Networks which transmit data using cables such as copper cables, fiber optic cables, etc. The Company currently distributes products categorized as follows

(a) Data Networks, consisting of intra-network data communications equipment such as routers, switches, converters and passive components. The Company is an authorized distributor for top vendors, such as CISCO, Patton, GE, Comtech, Memotech and Siemens, etc.



Data Network Equipment

(b) Optical Fiber Network , consisting of

- Equipment by Calix for high-speed signal transmission using fiber optic cables.
- Fiber optic cables and passive components by Tyco Electronics (TE), Senko and Yamasaki for the installation of fiber optic networks.



Fiber Optic Network Equipment

- Security Networks, which are highly-security data protection systems to prevent network sniffing. The system is suitable for government authorities, security agencies, financial institutions, etc. The Company is an authorized distributor of data encryption and security system and equipment Thales.



Data Security Equipment

3. Multimedia Systems, which apply and present a combination of data and different forms of media, such as images, animations, audio, video, etc. Interactive multimedia systems enable users to learn, share and transfer information or carry out joint activities effectively) From 2011 to the 1st quarter of 2014, sales of multimedia products have accounted for the largest proportion of the Company's revenue. Products and technologies distributed by the Company consist of :

(a) TelePresence & Video Conferences, consisting of a range of products for Telepresence & video conferencing, multipoint conference units, recording & streaming servers and other feature systems. The Company is an authorized distributor and a TelePresence Video Master Authorized Technology Provider (ATP) of CISCO and Polycom, being appointed a Platinum Partner



Video Conference Equipment

(b) Unified Collaboration Systems, a new product category being marketed in order to fulfill all videoconferencing needs. Unified Collaborations within an organization, such as internet protocol (IP) telephony, mobile conference, messaging, and audio and video conference. The Company is an authorized distributor of related products by CISCO.



United Collaboration Equipment

(c) Audio Conference, consisting of audio conferencing and audio set installation for conference rooms using products by Polycom and Clearone.



Audio Conference Equipment

(4) Audio & Visual Accessories for teleconference, namely

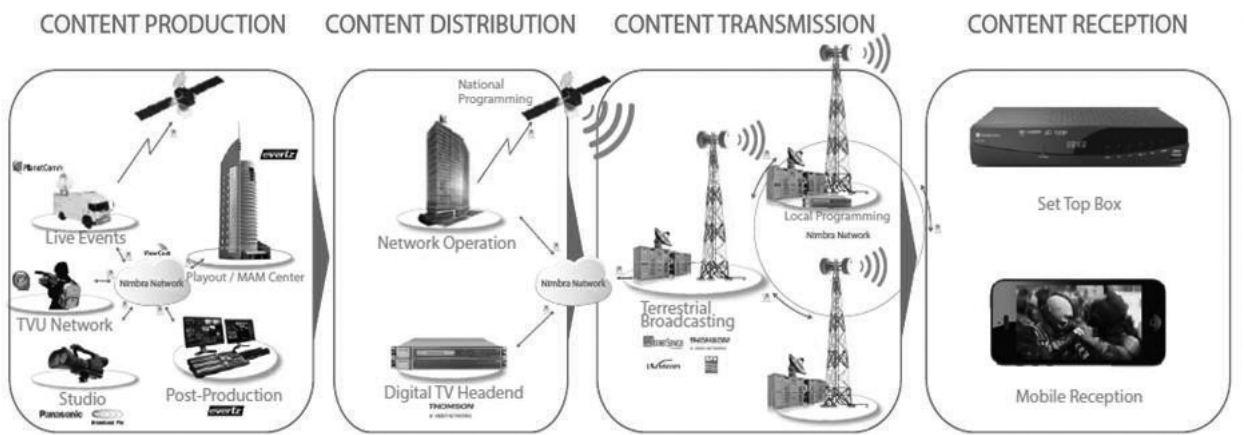
- 3D visualizer by Wolfvision
- HD Cameras by Vaddio
- Visual display systems for mobile devices by Mersive
- Microphone systems for conference rooms by ClockAudio



Audio and Visual accessories for Teleconference

2. Products related to digital TV broadcasting systems

Products under this category are related to digital TV broadcasting, from audio and video signal compression and encoding technologies, to digital video broadcasting systems via various channels. These broadcasting systems include satellite (DVB-S), cable (DVB-C) and terrestrial platforms (DVB-T). Digital TV systems not only enhance the efficiency of signal broadcasting via high definition (HD) systems, but also increases the number of television channels. The Company offers a comprehensive distribution of products this category, transmission. The Company has also engaged in the R&D of content reception equipment under the PlanetComm brand. Details are as follows;



Digital TV Broadcastin systems

1. Content Production & Studio, consisting of

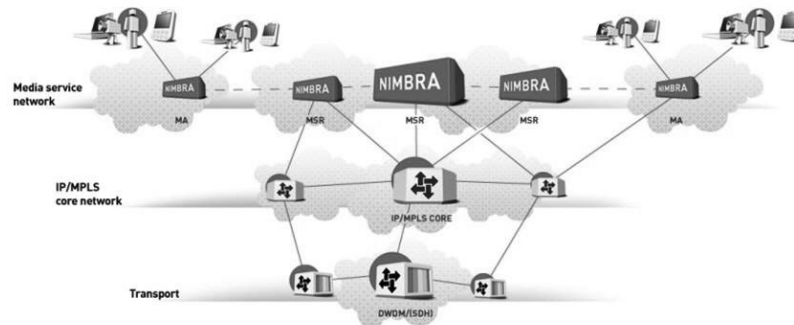
- (1) Professional studio camera system by Sony
- (2) Wireless professional camera systems by Cobham
- (3) Video switcher systems for studio works by Sony and Broadcast Pix
- (4) Video router, multiviewer and media asset management (MAM) systems for master control rooms (MCR), production studios, edit suites and broadcast control room by Evertz
- (5) 3 G Broadcasting systems by TVU Network



Equipment for TV and multimedia content production and studio system

2. Content Distribution & Transmission consisting of

(a) Video over Fiber Networks which transmit digital television signals fiber optic networks for nationwide digital broadcast programs. The Company is an authorized distributor of the Nimbra product series by Sweden-based Net Insight



Equipment for video over fiber network

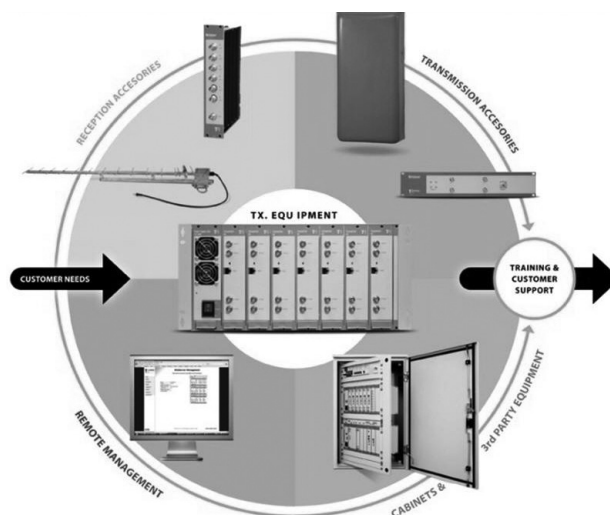
(b) Television Signal Processing and Encoding Systems for television headend, which encode and convert signals into digital formats, i.e. MPEG-2/MPEG-4 compression standards for signal broadcasting, to viewers via terrestrial, satellite and internet networks. The Company is an authorized distributor of products by world-class vendors, such as Thomson and Envivio



Equipment for Television Headend

(c) Television Transmitter and Network Infrastructures consisting of

- TV Transmutation system, covering systems and equipment for the digital television broadcasting to homes on the DVB-T2 platform. The Company is an authorized distributor and applicator of TV transmission systems by Spain -based Trades



RF Components for Transmission System

- Equipment for television broadcasting stations (RF Components) such as antennas, feeder cables and antenna combiners. Antenna combiners are used to combine digital broadcast signals with conventional analog signals feeding both to the UHF antenna system of a TV broadcasting station. The Company distributed RF Components under the German-Based Kathrein and US based Jampro



Antenna and RF Components for Content Transmission System

1.2 Products under PlanetComm Brand

PlanetComm products are designed, researched, developed and manufactured for distribution or integration into turnkey solutions provided by the Company, consisting of

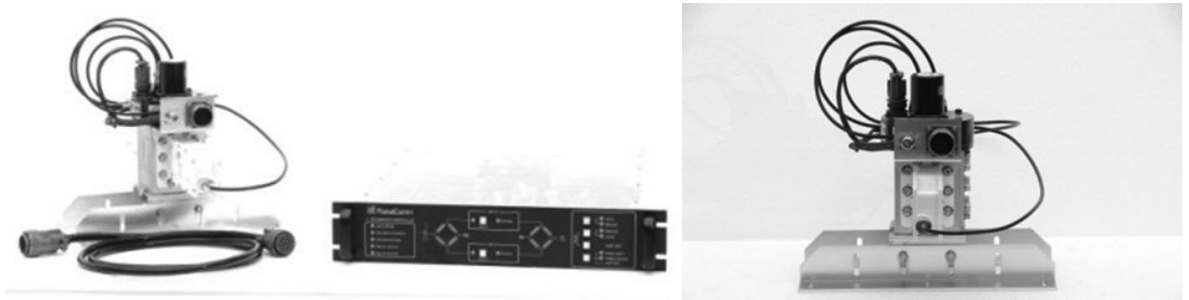
1. Advanced telecommunications equipment designed, developed, integrated and customized according to customer needs including

1.1 Satellite Mobile Vehicle equipped with a satellite dish and facilities for satellite and radio communications, wireless networking, video conferencing, data encoding, broadcasting, etc for telecommunications and broadcasting purpose. The Company specializes in designing and assembling small, medium and large mobile satellite vehicles, such as mobile military vehicles and digital satellite news gathering vehicles



Mobile Satellite Vehicle

1.2 LNB/LNA (1:1 LNB/LNA Redundant Controller) which can control and direct communications devices in satellite earth stations. Operations can be set, controlled and monitored remotely via web browser



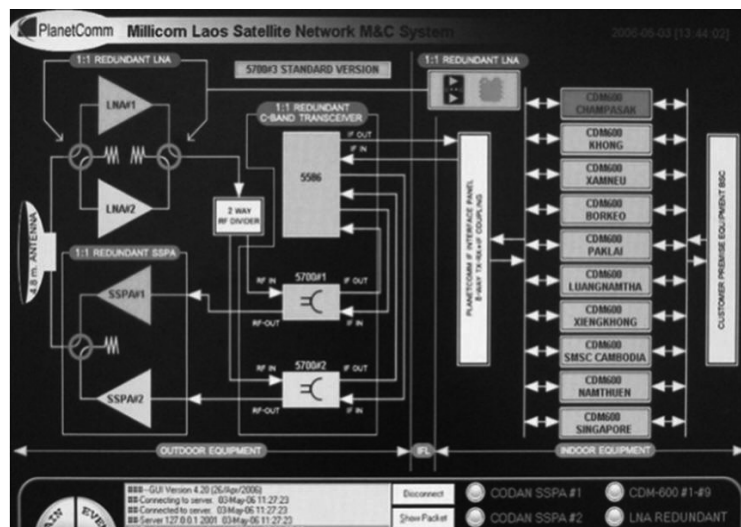
Redundant Controller 1:1LNx

1.3 Radian Radio Audio Jammers which were co-developed by PlanetComm and the National Electronics and Computer Technology Center (NECTEC) to block command signals from a mobile phone to other devices. The jammer is manufactured and sold exclusively to Thailand's government authorities responsible for maintaining national peace and security.



Radio Jammer Equipment

2. Telecommunications Control Software: Telecommunications control software is designed for the control and management of equipment and devices in a satellite earth station to facilitate communications between the control unit and each satellite equipment. The system allows for display protocols and equipment settings to be adjusted remotely via IP network



Network Management For Satellite Station

3. General products distributed under the PlanetComm brand including

3.1 Feeder Cables & Connectors which are coaxial cable imported and distributed by the Company for the installation of mobile network transmitters for operation such as AIS, TrueMove, DTAC.

3.2 Fiber Optic Passive Component which includes fiber optic cables and related equipment imported and distributed by the Company, such as connectors, enclosures and splitters for the high-speed FTTx broadband market.

3.3 Set Top Box (DVB-T2) which receives digital terrestrial television signals broadcasting on the DVB-T2 platform. Video and audio content is transmitted through HDMI or AV cables and displayed on analog TV sets. The Company imports the related components which are then assembled by local contractors. PlanetComm Set Top Boxes have the following key features

- Standard definition (SD) and High definition (HD)
- Thai and English user menus
- Electronic program guide (EPG) support
- Multilingual Video and audio output support
- On-screen display for signal strength and quality
- Certified under NBTC product standards
- Certified under TIS 1195-2536 safety standards

In an effort to enhance PlanetComm products and maximize customer satisfaction, the Company plans to develop it's a second-generation Set Top Box capable of receiving DVB-T2 and internet signals simultaneously. This second generation Set Top Box would be compatible with hybrid interactive broadband TVs (Hbb TV) and enables users to interact with service providers, e.g. to present or select the program for viewing



Products distributed under PlanetComm brand

1.3 Services

The Company offers a full range of services provided by highly skilled and experienced engineering teams as follows

1. Pre-Sales Services to design and consult on end-to end solutions for comprehensive and customized telecommunications and digital TV systems

2. Implement & Installation Services to assemble, install, implement and test telecommunications and digital TV systems

3. After Sales Services to test equipment and set up associated courtesy equipment for its customers. The Company Service Center offers the followings

1. Extended Product Warranty offered for 1-3 years following the standard warranty period for products distributed by the Company. Products are legible for repairs at no charge (Terms and Conditions apply).

2. Maintenance Services provided for telecommunications and digital TV equipment on a periodic basis, e.g. quarter or semiannual system inspections. Maintenance inspections ensure that systems are consistently functioning at peak efficiency and prevent system failures that may disrupt client operations.

3. RF Repair to conduct repairs of high frequency rapid equipment by world-class vendors, such as CODAN, GE and Comtech EF Data. The RF Repair Center is staffed by factory-trained engineers using high-quality test equipment and spare parts. This dedication to quality service has earned the Company high recognition from vendors and customers alike. As a result, the Company is the only certified Codan Service Center in Thailand.

4. Rental service for telecommunications equipment, such as TATA Motor Co., Ltd. renting remote conference room.

5. PlanetFiber high speed internet from the source to room unit (FTTx), providing service in skyscraper buildings, such as Centric, Quinn, Supalai Condominiums.

2. Market and competition

2.1 Competitive Strategy

The Company has been in the telecommunications and digital TV technology industry for over 20 years, as distributor, retailer and systems integrator for over 20 years. PlanetComm prides itself on providing premium products and systems and enlisting teams of professional capable in pre and after sales services. The Company's principles for developing a competitive differentiation strategy are as follows

1. 3 NEW Innovation

1.1 New Products & Technology

To boost competitiveness and position the Company as a leader in telecommunications and digital TV markets in the AEC, the Company puts a strong emphasis on delivering innovative technologies with following policies:

- Seek new products with high performance and sophistication, both from world-class telecommunications manufacturers for which the Company is a distributor and from new vendors that engage in cutting edge R&D. The Company can thus launch novel products and technologies in the market and maintain product and utility differentiation and to comprehensively serve customer needs.

- Develop R&D Team as well as engineer's proficient in integrated systems to customize solutions according to customer specifications and cater to different markets.

1.2 New Service Solution

To meet ever-changing customer demands. The on-going development of new services, such as mobile satellite communications systems and on-demand teleconference system, are part of the Company's sales strategy to enhance customer value added (CVA), for example, PlanetFiber 1Gbps high speed internet through fiber optic from the source to room unit, PlanetCloud, SaaS.

1.3 New Business Model

Create strong partnership with manufacturers, service providers and suppliers. Business partnership foster collaborations are to provide new solutions, giving customers more options. Current examples include collaborating with THAICOM to provide Station on-the-move services and leasing the DVB-T2 broadcasting system used by MCOT Public Co., Ltd.

2. Competency

2.1 Staff

To encourage all levels of employees to undergo training in new technologies and products, operating skills and work ethics. Therefore, the Company arranges for skilled technicians of both domestic and overseas manufacturers, as well as academia and specialist to hold exercises in the followings;

- Vendor's Certificate, via training sessions held by vendors for engineers in its technology and products. Most engineers at the Company have received vendor certificate for meeting their standards.

- General Skills Training, via continual training courses held by specialists' lecturers on various topics, such as teamwork and the 5S methods. Employees are encouraged to cultivate positive attitudes and improve their skills and efficiency, and team working.

- English Language Training, via regular training course in preparation for the AEC markets.

- Factory Training, via on-site courses overseas. Employees can broaden their horizons and gain deeper insight into the Company's distributed products and services.

2.2 Facilities

To maintain the capacity to deliver quality services in a timely efficient manner. Therefore, the Company has ensured the availability of the following:

- Workplace, which consists of 4,000 square meters partitioned into 8 conference rooms, an equipment testing room, the RF Repair Center and a Satellite vehicle repair shop for most efficiency to meet customer needs.

- Spare Units: The Company keeps well-stocked. This includes courtesy equipment used in after sales support to repair or replace damaged or defective products. Spare units and parts are also used for both demonstrations and troubleshooting, allowing customers to make confident telecommunications investments.

- RF Repair Center which has more than 30 million Baht in test equipment and electronic components. The Center is staffed by three exceptional engineers who have been factory-trained and certified by RF manufacturer and Company Partner CODAN. PlanetComm is the only certified CODAN Service Center in Thailand. However, the Center is also capable of performing repair services on RF equipment by other manufacturers, such as Comtech EF Data, Comtech EF Data, Xicom, CPI, and Advantech.

2.3 Professional Services

Held to strong 9001 standards of professionalism and customer care since 2001. ISO 9001 standards ensure that the Company's management maintains international quality and is subject to ongoing.

3. Trusted Provider

The Company has considerable advantages due to its principles of innovation and competency and has built a strong reputation. Many leading organizations and manufacturers trust the Company to provide quality and cost effective services related to the design and integration of telecommunications and broadcasting and digital TV system. This trust also comes from the Company's emphasis on social responsibility, as follows

3.1 Proven Experiences

- The Company has been a provider of telecommunications services since 1994. The Company has been entrusted with the comprehensive services, from consultation and design to integration and customization of telecommunications and broadcasting and digital TV systems. Its domestic client base includes leading organizations in both public and private sectors, communications service providers, Ministry of Finance (Thailand), OTT Public Co., Ltd. and TV Stations for Channel 3, 5, 7, 9, 11 and TPBS. SEAN clients include Telekom Malaysia Berhad, Camintel SA., Department for Civil Aviation (Myanmar) and more.

3.2 Vendor Recognition

From leading manufacturer that can attest to the Company's business capacity and quality control. The Company as an authorized distributor of products and services by world-class vendors such as CISCO, Thales, GE, Comtech EF Data, CODAN, Viasat, Thomson, Net Insight, and Sony. The Company and its employees have received awards and certificates from these vendors in recognition of technical and marketing achievements which can verify the quality of its products and services.

3.3 Corporate Social Responsibility: CSR

which continues to guide business operations. The Company aims at becoming a national asset with sustainable growth. Therefore, it places priority on participation in social and community activities. The Company's CSR policy can be divided into three main parts: educational, environmental and community support. Past CSR works involved cleaning Sai Kaew Beach, Koh Samed, Rayong, giving desk calendars for Braille production and financial support given to the Foundation for the Blind in Thailand under The Royal Patronage of H.M. the Queen.

2.2 Distribution Channel and Target Customers

The Company distributes its products and services using two methods as follows;

(1) Distribution of products and services directly to customers

Sale Department contacts customers directly to discuss products and services. Sales personnel are divided into five teams by target sector, due to different business methods and characteristics. The department is responsible for customer care and offering a variety of services, as well as customizing services to fulfill client specifications. The Company's customers include both public and private organizations categorized as follows;

1. Broadcasting Sectors are consisting of terrestrial, satellite, cable and internet protocol TV (IPTV) operators as well as related business. These operators broadcast video and audio signals to the general public locally. Examples include Bangkok Broadcasting & TV Co., Ltd (Channel 7), Royal Thai Army Radio and Television Station (Channel 5), True Visions Cable PLC., MCOT PCL, BEC Multimedia Co., Ltd (Channel 3), The One Enterprise Co., Ltd (GMM One) and Triple V Broadcast Co., Ltd. (Thairath TV).

2. Telecommunications Service Provider Sectors are consisting of service providers of information networks, mobile phone networks and internet networks. Example includes True Corporation PLC, Total Access Communications PLC (DTAC) and Thaicom PLC.

3. Commercial Sectors are consisting of businesses that require implementation of intra-network systems for company information, communications and applications. Examples include Toyota Motor Thailand Co., Ltd., CP All Public Company Limited, Nissan Motor (Thailand) Co., Ltd. and PTT Public Company Limited.

4. Public Sectors are consisting of public agencies and state enterprises that require to develop intra-organizational information and communications technology infrastructure systems. State procurement methods mostly involve procedures similar to those under government regulations, e.g. request for tender (RFT), e-Auction, etc. Public entities that engage telecommunications services include the Royal Thai Police Headquarters, Court of Justice, Ministry of Finance, Royal Thai Armed Forces Headquarters, Chulalongkorn University, Mahidol University, Kasetsart University, Metropolitan Electricity Authority and Provincial Electricity Authority.

5. International Sectors are consisting of agencies and organizations from foreign nations, particularly in ASEAN region such as Vietnam, Malaysia, Cambodia and Myanmar. Examples include Telekom Malaysia Berhad, Camintel S.A., Scope Tel Sdn.Bhd, and the Department of Civil Aviation (Myanmar).

(2) Distribution of Products and Services via Business Partners

The majority of the Company's business partners are also in the ICT industry, purchasing the Company's products and services in addition to their own, for sales and tenders. These partners include Samart Telcoms PCL., Loxley Wireless PLC, SVOIA PLC and Supreme Distribution (Thailand) Co., Ltd.

Revenue from sales and services by distribution channel and target sector for 2013-2015

| | 2013 | | 2014 | | 2015 | |
|---|---------------|---------------|---------------|---------------|-----------------|---------------|
| | Mil. Bt. | % | Mil. Bt. | % | Mil. Bt. | % |
| Distribution directly to customers | 515.71 | 69.28 | 801.13 | 84.21 | 965.36 | 94.27 |
| • Broadcasting Sectors | 91.95 | 12.35 | 127.15 | 13.37 | 94.16 | 9.24 |
| • Telecommunications service provider Sectors | 38.26 | 5.14 | 62.52 | 6.57 | 270.81 | 26.57 |
| • Commercial Sectors | 72.76 | 9.77 | 391.79 | 41.18 | 214.38 | 21.03 |
| • Public Sectors | 288.91 | 38.81 | 203.01 | 21.34 | 379.83 | 37.27 |
| • International Sectors | 23.82 | 3.20 | 16.66 | 1.75 | 6.19 | 0.61 |
| Distribution via Business Partners | 228.71 | 30.72 | 150.20 | 15.79 | 53.86 | 5.28 |
| Total | 744.42 | 100.00 | 951.33 | 100.00 | 1,019.22 | 100.00 |

History of business achievements by client organizations, project/product and revenue from 2013-2015

| Year of delivery | Customer Name | Project/Product | Revenue (Mil. Bt.) |
|---|--|---|--------------------|
| Telecommunications Products | | | |
| 2015 | Signal Department, Royal Thai Army | Upgrade New HD MCU and VTC | 22.44 |
| 2015 | Signal Department, Royal Thai Army | Border Surveillance | 39.07 |
| 2015 | Aeronautical Radio of Thailand Ltd. | Telephony Earth Station | 103.18 |
| 2015 | Thaicom Public Company Limited | Fixed Remote Station & Dynamic Bandwidth VSAT Network | 23.49 |
| 2014 | Court of Justice | Web Conference | 43.40 |
| 2014 | Department of Civil Aviation, Myanmar | Upgrade of Vsat System & RCAG | 24.00 |
| 2014 | Ministry of Information and Communication Technology | Graphic information system for natural disaster management and prevention | 21.50 |
| 2013 | Ministry of Finance | Components of TelePresence System | 103.00 |
| 2013 | True Internet Data Center Co., Ltd. | TelePresence System | 12.84 |
| 2013 | Royal Thai Police | Video Conference systems | 9.00 |
| Broadcasting and Digital TV Products | | | |
| 2015 | BEC- Multimedia | DSNG Project (Digital Satellite News Gathering) | 49.95 |
| 2013 | MCOT Public Co., Ltd | Satellite link controllers for MCOT Network, phase 1 | 31.37 |
| 2013 | Bangkok Broadcasting & TV Co., Ltd | New Reporting equipment and base station equipment for Fly Away van | 21.80 |
| PlanetComm Products | | | |
| 2015 | Thaicom Public Company Limited | C-Band Satellite Mobile Car | 47.36 |
| 2013 | Naval Communications and Information Technology Department | Mobile Radio Vehicle | 26.70 |

2.3 Pricing policy

The Company's pricing policy varies according to the type of product or service

- 1) Products for which the Company is an authorized distributor are priced based on product expense plus an appropriate markup percentage (cost-plus pricing), while accounting for market prices set by competitors.
- 2) Products under the PlanetComm brand are priced by accounting for the market prices of comparable products set by competitors.

2.4 State of the Industry and Competition

Industry overview

The Company's operations mainly involve distributing IT products and telecommunications equipment for leading vendors worldwide, as well as providing information system installation services to public and private sectors in order to comprehensively meet custom needs. Therefore, the Company's operations are significantly affected by changes in the IT and telecommunications equipment industries

A survey was conducted on the Thailand's telecommunications industry outlook for 2014 and 2015 forecast by Office of the National Broadcasting and Telecommunications Commission (NBCT) and Institute for Scientific and Technological Research and Services (ISTRS) , Ministry of Science and Technology and their alliances namely, ATCI, TCT, TCA. It was reported the telecommunications market value in 2014 was 12.6% growth or 499,741 million Baht, even internal and external economic slow-down and household debt. It is predicted that in 2015, the growth of telecommunications market portfolio will be closely the same at 12.3% or total market value of 561,418 million Baht. Key factor for such growth is use of internet and telecommunication by commercial sector to be competitively responsive to Cloud and Big Data application, spending by household sector for Smartphone and easily accessibility with internet use on mobile phone. However, economic and political slow-down is still key factor which make people and commercial sector be more careful of spending for consumer and investment. Consider in telecommunications market value in 2014 by sub-markets, it was found that telecommunications service market is still key factor, figured as 60.1% of telecommunications market portfolio, especially Non Voice mobile phone service valued 88,485 million Baht, figured as 45.3% growth. In 2015, it is predicted that the value will be rising up to 117,389 million Baht or 32.7% growth, while for internet service (excluding mobile phone internet, the value in 2014 was 48,663 million Baht or 14.3% growth, and would be 11.4% or 54,231 million Baht in 2015. On the contrary, voice services was lower in 2014, for example lower value trend of regular telephone service valued 16,000 million Baht or 8.6% decrease, IDD and VoIP international call valued 11,662 million Baht or 10.3% decrease or even "Voice" mobile phone valued 121,175 million Baht or 4.9 %. In 2015, it is predicted that mobile phone service will be 5.1% lower or 15,180 million Baht, IDD and VoIP international call will be 2.1% lower or 11,420 million Baht and "Voice" mobile phone will be 0.7% lower or 120,269 million Baht. This reflects that communications and information accessibility through internet become more and more important for telecommunications market.

In 2014, telecommunications equipment market value was 39.9% of total telecommunication market value. The interesting market was Smartphone, wireless telecommunications equipment. Key network was in most distinctive growth. In 2014, the value of Smartphone market was 89,000 million Baht, figured as 92.6 % growth. In 2015, it is predicted that the value of Smartphone market would be up to 108,686 million Baht or 22.1% growth. The lower growth of Smartphone market is caused by lower price trend. Presently, Smartphone valued not more than 2,000 Baht is available in the market. Accelerating 3G and 4G mobile network to cover and be responsive to demand made wireless equipment market in 2014 grown up to 13.1% or 27,337 million Baht. In 2015, it is predicted for 14% growth or valued 31,157 million Baht. Main network equipment market in 2014 was valued 63,742 million Baht or 8.9% growth, caused by investment on own network- building, instead of leasing as well as vertical integration of telecommunications service providers aimed at being capable of providing network and router. It is estimated that in 2015, the growth of main network market will be close to 2014 at 9.1% or 69,534 million Baht

Telecommunications trends in 2015 remained deriving from mobilized demand of household users and commercial sector, based on market and technology trend situations. Even digital economic policy by government, it was only for stimulating attentiveness. It is expected that if this policy is clearly defined, it will affect Thailand's telecommunications and economy since 2016 onwards. Expansion of wired and wireless networks being responsive to digital use by people will be considerable, together with entering to AEC era brings to more demand on international communication, led to more supporting network. However, negative key factor is continual economic slow-down and political circumstance in Thailand which is key risk factor influential to market, led to lower telecommunications market value than expected

Source: Institute for Scientific and Technological Research and Services (ISTS)

Spending for ICT by AEC countries

The most spending for ICT by AEC countries was on Telecom Service, followed by Hardware, IT Service and Package software respectively. In 2015, the country with highest sending on Telecom Service was Indonesia of 14,222 million USD, followed by Malaysia of 11,163 and 10,132 million USD respectively. It is predicted that in 2016, each of AEC country would have more expenditure in Telecom Service. However, in 2016, it is predicted that Hardware, IT Service and Package software market in each country tends to be a little bit growing, comparable with 2015.

(USD Million)

| | Indonesia | | Malaysia | | Philippines | | Singapore | | Thailand | | Vietnam | |
|-------------------|-----------|--------|----------|--------|-------------|--------|-----------|--------|----------|--------|---------|--------|
| | 2558 | 2559 | 2558 | 2559 | 2558 | 2559 | 2558 | 2559 | 2558 | 2559 | 2558 | 2559 |
| Hardware | 12,387 | 13,521 | 7,552 | 7,804 | 4,752 | 4,993 | 6,678 | 6,637 | 8,284 | 8,304 | 4,803 | 5,165 |
| Packaged software | 652 | 716 | 1,305 | 1,410 | 471 | 510 | 1,915 | 2,068 | 937 | 1,020 | 262 | 290 |
| IT Service | 1,135 | 1,386 | 2,632 | 2,816 | 1,316 | 1,531 | 4,292 | 4,448 | 2,227 | 2,471 | 359 | 414 |
| Telecom Services | 14,222 | 14,802 | 11,162 | 11,459 | 5,423 | 5,543 | 5,978 | 6,014 | 10,132 | 10,693 | 8,837 | 9,127 |
| Total ICT | 28,396 | 30,424 | 22,652 | 23,489 | 11,962 | 12,578 | 18,863 | 19,168 | 21,579 | 22,487 | 14,262 | 14,995 |

Source: Asia Pacific IT Spending Outlook, IDC 2015

Spending for Public Cloud Services by ASEAN countries

In 2015, the most expenditure by ASEAN region for Public Cloud Services is Infrastructure-as-a-Service (IaaS), followed by Software-as-a-Service (SaaS) and Platform-as-a-Service (PaaS) respectively. The country with highest expenditure on Public Cloud Service IaaS is Singapore, followed by Thailand, Indonesia, Malaysia, Philippines and Vietnam respectively. The country with highest expenditure on SaaS is Singapore, followed by Malaysia. The country with highest expenditure on PaaS service is Singapore, followed by Malaysia. In 2016, it is predicted that there will be a continual growth on Public Cloud services

(USD Million)

| | Indonesia | | Malaysia | | Philippines | | Singapore | | Thailand | | Vietnam | |
|------------------------------------|-----------|------|----------|------|-------------|------|-----------|------|----------|------|---------|------|
| | 2558 | 2559 | 2558 | 2559 | 2558 | 2559 | 2558 | 2559 | 2558 | 2559 | 2558 | 2559 |
| Infrastructure as a Service (IaaS) | 46 | 60 | 42 | 53 | 32 | 44 | 218 | 272 | 51 | 61 | 14 | 19 |
| Platform as a Service (PaaS) | 3 | 4 | 10 | 12 | 12 | 2 | 30 | 44 | 4 | 5 | 1 | 1 |
| Software as a Service (SaaS) | 26 | 32 | 71 | 25 | 78 | 30 | 126 | 140 | 36 | 42 | 9 | 11 |
| Total ICT | 74 | 96 | 123 | 58 | 144 | 76 | 76 | 456 | 91 | 108 | 24 | 30 |

Source : Asia Pacific IT Spending Outlook, IDC 2015

Note : 2016 forecast

Market Value of Computer Service

A survey of market value of computer service in 2014 was divided into seven groups, namely 1) System Integration 2) Network Supporting Services 3) Software Maintenance Services 4) Hardware Maintenance Services 5) Data Center and Managed Service 6) IT consulting และ 7) IT Outsourcing. Total value in 2014 was 46,202 million Baht. It is prospected that in 2015, total value will be increased up to 51,953 million Baht or 12.4% growth

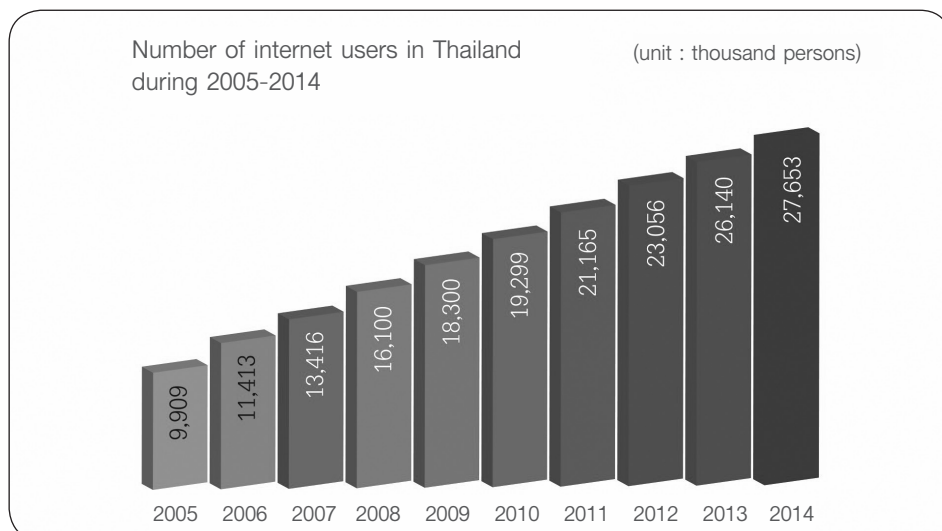
| | 2557 (2014) | 2558 (2015) | อัตราการ เพิ่ม/ลด |
|---|----------------|----------------|----------------------|
| บริการออกแบบหารวมระบบวงจร (System Integration) | 13,987 | 15,644 | 11.8% |
| บริการด้านเครือข่าย (Network Supporting Servicest) | 9,573 | 11,219 | 17.2% |
| บริการดูแลบำรุงรักษาซอฟต์แวร์ (Software Mointenonce Services) | 4,563 | 4,885 | 7.1% |
| บริการดูแลบำรุงรักษาคอมพิวเตอร์และการซ่อมบำรุง (Hardware Maintenance Services) | 3,150 | 2,825 | -10.3% |
| Data Center and Managed Services | 4,654 | 5,731 | 23.1% |
| บริการให้คำปรึกษาด้าน IT (IT Consltng) | 5,324 | 6,198 | 16.4% |
| IT Outsourcing | 4,951 | 5,452 | 10.1% |
| รวม | 46,202 | 51,954 | 12.4% |

Source : Policy Research Division, Institute for scientific and Technological Research and Services (ISTRS)

Number of internet users

In Thailand, there is a continual growth of number of internet users. In 2014, total number of internet users was 27.65 million persons, due to 3G services provided and infrastructure improvement for better accessibility as well as much lower costs of equipment.

A survey by Electronic Transactions Development Agency reported that most internet users are 15-34 years old age, spending highest time for internet up to 54.2 hour /week and most popular activity through mobile device is social network, followed by searching and electronic reading respectively.

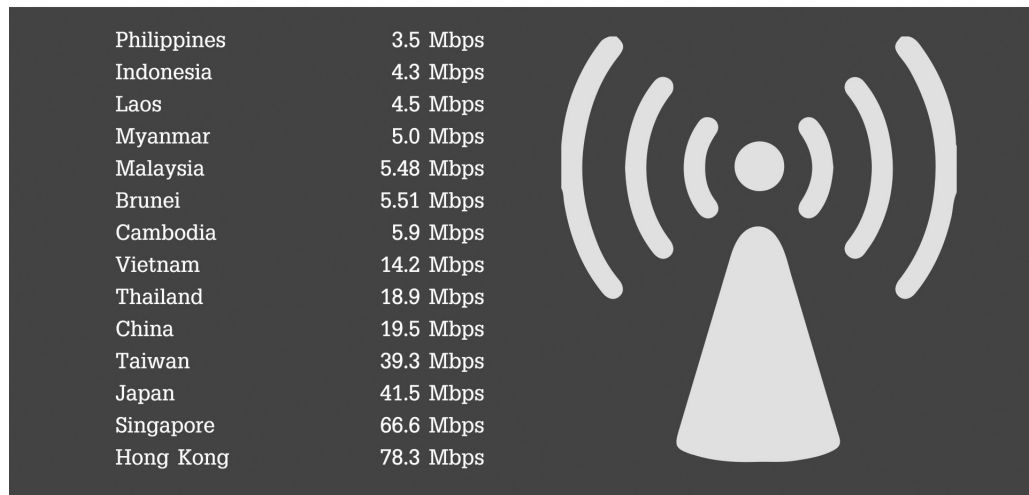


Source : Telecommunications Research and Industrial Development Institute (TRIDI)

According to test on broadband internet speed and statistical data collection worldwide in Asia Pacific by Ookla, it was reported that the country with highest internet speed in Asia in 2015 is Hong Kong with 78.3 Mbps speed, followed by Singapore, Japan and Taiwan with speed of 66.6 Mbps, 41.5 Mbps and 39.3 Mbps respectively. Thailand is ranked no.6 of Asia with average speed of 18.9 Mbps.

Country with highest internet speed in Asian in 2015

Internet speed in Asia



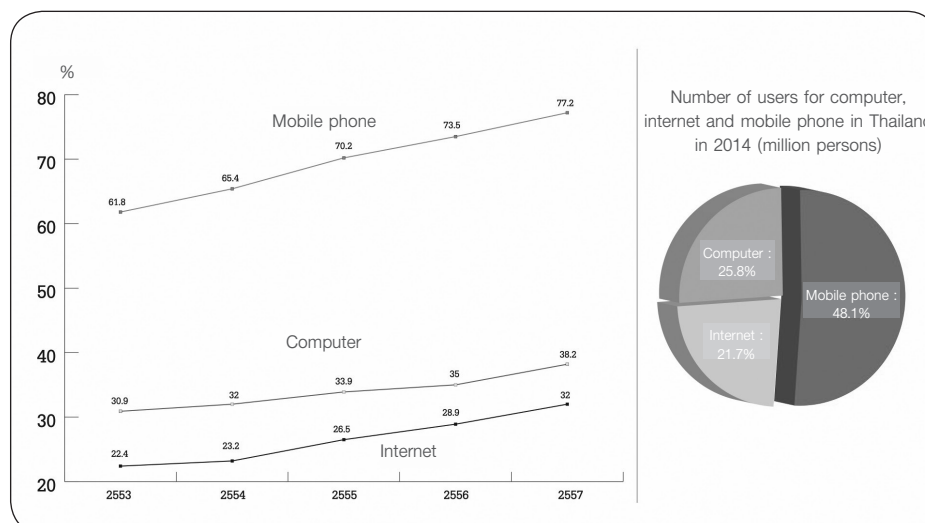
Source : tech.thaivisa

Cisco predicts that in 2019, the number of internet user will be increased for 515 of total number of world's population of 7.6 billion persons (currently 39% of total number of world's populations of 7.2 billion persons), while info graphic for internet use will b about 3 times increase, as well as 3 times increase of M2M network connection from 3.3 million connection in 2014 to 10.5 million network connection by 2019. Connection for medical and pubic health purpose will be faster than currently, up to 8.6 times as maximum, figured as 54% average growth per year.

Thai Household's Use of Information Technology and Telecommunications in 2014

A survey in 2014 by the National Statistical Office showed that among Thai citizen of over 6 years of age totaling 62.3 million persons, during 2010-2014, there was a continual growth on number of users for computer, internet and mobile phone. In 2010, computer users were figured as 30.9% or 19.1 million persons. The number of users was increased in 2014, figured as 38.2% or 23.8 million persons. The number of Internet users in 2010 was 22.4% or 13.8 million persons, and rising in 2014, figured as 34.9% or 21.7 million persons and number of mobile phone users was rising from 61.8% or 38.2 million persons to 77.2% or 48.1 million persons in 2014.

Number of users for computer, internet and mobile phone in Thailand during 2012-2014



Source : The National Statistical Office

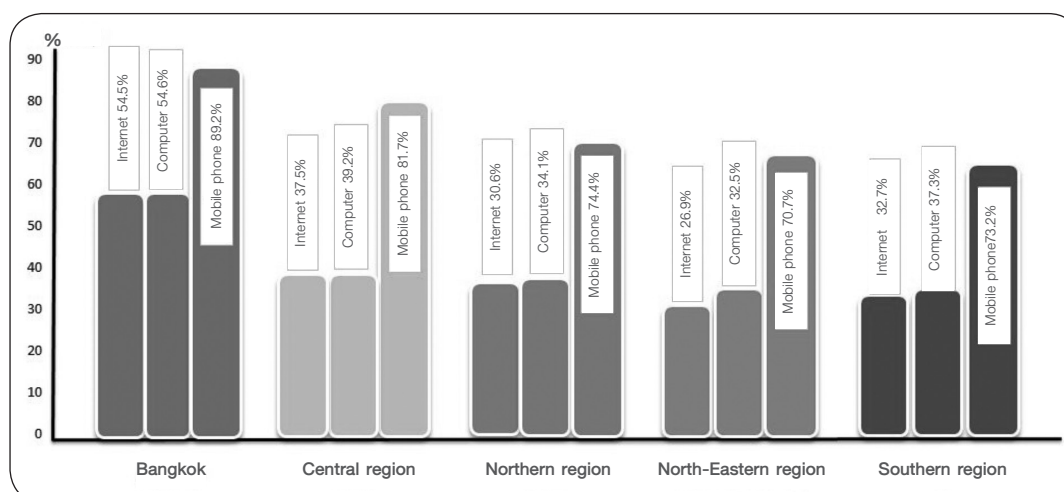
Number of users for computer, internet and mobile phone nationwide is as follows;

- **Computer** : Most computer users are in Bangkok, figured as 54.6% or 4.4 million persons, followed by 39.2% or 7 million persons in Central Region, 37.3% or 3.1 million persons in Southern Region, 34.1% or 3.7 million persons in Northern Region and 32.5% or 5.7 million persons in North-Eastern Region respectively.

- **Internet**: Same as computer users, most internet users are in Bangkok, figured as 54.5% or 4.4 million persons, 37.5% or 6.7 million persons in Central Region, 32.7% or 2.7 million persons in Southern Region, 30.6% or 3.3 million persons in Northern Region and 26.9% or 4.7 million persons in North-Eastern Region respectively, followed by wireless mobile network connection figured as 8.9% and Analogue modem ISDN connection, figured as 3.4% only

- **Mobile phone**: Most mobile phone users are in Bangkok, figured as 89.2% or 7.1 million persons, followed by 81.7% or 14.5 million persons in Central Region, 74.4% or 8 million persons in Northern Region, 73.2 % or 6.1 million persons in Southern Region and 70.7% or 12.3 million persons in North-Eastern Region.

Number of users for computer, internet and mobile phone by region in 2014



Source : The National Statistical Office

Technology Outlook

Technologies related to the telecommunications market in 2015 appeared to focus on improvements to high-speed bandwidth capacity and logistical efficiency. Interesting technologies with possible impacts on the telecommunications market included

- Computing Everywhere through Smartphone.
- The Internet of Thing (IoT) tends to be more implemented for business purpose, for example, intelligent home.
- In 2015, 3D Printing cost will be lower and then more implemented for industries.
- Advanced, Pervasive and Invisible Analytics System will be significantly used for massive data analysis from IoT, Social Media and Wearable equipment.
- Context-Rick Systems used for developing alarming system and incidents prediction.
- Smart Machines applicable for self-learning and development, for example, automated robot responsively speaking to human.
- Cloud/Client Architecture to be more responsive to mobile operation, for example, Application and Storage.
- Software Defined Infrastructure and Applications; developing for more flexible Application and Infrastructure to be responsive for application through Cloud system.
- Development for efficient Web-Scale IT , such as Facebook or Google
- Risk-Based Security and Self-Protection

Competition in Telecommunications Technology Industry

Service providers and the public sector have placed high priority on the development of national telecommunications systems, to bring Thailand's telecommunications infrastructure up to international standards and expanded coverage to remote areas. Therefore, the Ministry of Information and Communication Technology (MICT) has launched the Smart Thailand Project, in accordance with the National Broadband Policy and the Information and Communications Technology Framework for 2011-2020 (ICT 2020). The project is a two-pronged initiative consisting of Smart Network, to develop broadband interne infrastructure, and Smart Government, to promote electronic services by public agencies through Smart Network. Private organizations have also been encouraged to apply information and communication technology to their business operations. The policy has drawn a tremendous amount of investment capital from both public and private sectors, with high investment and continual sustainable growth.

The high investment capital from both public and private sectors has attracted other business operators, intensifying competition. Most new players belong to industries associated with telecommunications and can be divided into three groups, namely 1) wireless networks 2) wired networks and 3) multimedia systems.

At present, many telecommunications-related operators are listed on the Stock Exchange of Thailand, such as Advance Information Technology PLC (AIT), MFEC PLC (MFEC), Samart Telecoms PLC (SAMTEL) and Loxley PLC (LOXLEY), each of which specializes in a different telecommunications system.

The company is an authorized distributor that supplies a full range of products from leading vendors worldwide, such as CISCO, CODAN, Raytheon, Thales and Cambium. Therefore, the Company can deliver comprehensive solutions integrating all three systems and with emphasis on integrating wireless network and multimedia systems. Our R&D team is capable of designing, planning and implementing customized solutions, based on sophisticated technologies for satellite each station. Consequently, it has become a trusted provider of hybrid communications complemented by after-sales services to strengthen customer satisfaction and build long-term business relationships.

Broadcasting and Digital TV Industry

Digital broadcasting refers to a system that compresses and encodes analog video and audio signals into digital data for broadcasting to view via such satellite, cable and terrestrial platforms. Technological advancements in digital TV broadcasting have greatly enhanced image and sound quality. Digital broadcasting can also transmit greater amount of data than analog system, allowing for more TV channels. Many countries have switched from analogue to digital broadcasting. Different broadcasting standards have been implemented, such as digital video broadcasting-satellite (DVB-S), digital video broadcasting - cable (DVB-C) and digital video broadcasting - terrestrial (DVB-T). The advantages of digital TV have popped broadcasting regulators in Thailand and other ASEAN countries to adopt the DVB-T standard which was subsequently developed into present day DVB-T2.

As for Thailand, The National Broadcasting and Telecommunications Commission (NBTC) has planned to fully convert from analog to digital broadcasting within 2016.

The NBTC has also increased Thailand's free TV channels from 6 (Channel 3, 5, 7, 9, NBT and Thai PBS) to 48 channels, divided as follows;

1. 24 Commercial Channels to be auctioned as follows;
 - 7 high definition (HD) channels
 - 7 (Standard Definition (SD) channels for general programming
 - 7 SD channels for news programming
 - 3 SD channels for children's programming
2. 12 Community Channels
3. 12 Public Channels

Initially, 3 channels were allocated to the existing public-sector operators, e.g. The Royal Thai Army Radio and Television Station (Channel 5), Public Relations Department (Channel 11) and Thai Public Broadcasting Services (Thai PBS), for simulcast with the analog platform. Another channel was granted to Thai PBS for public broadcast of commercial-free children's programs, according to the memorandum of understanding (MOU) between NBTC and Thai PBS. The other 8 channels are open to tender by private-sector operators. Proposed tenders would be considered based on the program's attributes and suitability, or a so-called "beauty contest" criteria. The public channels include:

| | | | |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 5 Education, Science, Technology | 6. Region, Arts, Culture, Vocation, Agriculture | 7. Health, Hygiene, Sport, Living Quality | 8. State Security State Agencies |
| 9 Safety Public | 10. Government, Parliament | 11. Democratic System | 12. Disabled, Under Privileged, Children, Youth |

The structure of digital TV platform differs from the analog platform, where the later requires each station to have its own broadcast tower and transmission process. Providers of digital broadcasting services are divided into three groups as follows;

1. Facility Provider which render infrastructure or facilitates for radio or television broadcast services. Services cover land, building, structures, towers, cable system, antenna and conduit. On July 15, 2013, the NBTC issued a 15-year license for broadcasting facility services to Thai PBS.

2. Network or Multiplex (MUX) providers, which render networking system of equipment related to signal transmission or content broadcasting from stations to receivers via cable, fiber optics, electromagnetic spectrum or other conductors. On June 17, 2013, the NBTC issues four out of six 15 years licenses for DVB-T2 network service to the Royal Thai Army Radio and Television Station (Channel 5), the Public Relations Department (Channel 11), Thai PBS and MCOT PLC. On September 30, 2013, the NBTC approved an additional 15-year license for DVB-T2 network service to Channel 5.

The NBTC has specified that all DVB-T2 network providers must have a minimum coverage as follows;

- 50% of households within 1 year of license issue date.
- 80% of households within 2 years of license issue date.
- 90% of households within 3 years of license issue date.
- 95% of households within 4 years of license issue date.

3. TV Service Provider which broadcast news or other programming via network providers. Currently, the NBTC has arranged for the auction of 24 commercial channels. Bidding documents were sold from September 10-12, 2013. 33 firms bought bidding documents for the 49 channels as follows

- HD Channels , general content (12)
- SD Channels, general content (17)
- News and documentary content (12) and
- Children, youth and family content (8)

The NBTC set the auction schedule as follows

- October 28-29, 2013: Tender submission. Name of the bidders to be announced within 45 days of the last submission.
- Early December 2013: Announcement of bidder list.
- Mid-December 2013: Auction commencement, where the date, place and order of auction category to be announced 15 days prior to the auction date.

On January 6, 2014, NBTC officially confirmed the result of digital TV auction, which was completed on December 26-27, 2013 with 17 auction winners for 24 channels at a total value of 50,862 million Baht. NBTC stipulated that DVB-T2 stations must be implemented and ready for broadcasting in the first year of operation across 11 provinces, i.e. Bangkok, Nakhon Ratchasima, Chiang Mai and Songkhla by April 1, 2014 : Ubon Ratchathani, Surat Thani and Rayong by May 1, 2014 and Singburi, Khon Kaen and Udon Thani by June 1, 2014.

The transition from analog to digital broadcasting is expected to stimulate an enormous demand for ICT products. Network and facility providers have to improve their infrastructure, e.g. camera systems and high-speed video transmission, to support the digital platform. Similarly, consumers have to upgrade their devices to access digital content. At present, consumers can either purchase a television that supports the DVB-T2-platform or a set-top box, which is a DVB receiver used for decoding digital signals for analog televisions. TV service providers will also have to invest in new digital content production equipment. According to Kasikorn Research Center's journal (volume 19, no.243; dated December 24, 2013), it was expected that the transition to digital TV should cause large growth in television-related businesses. These businesses in relation to the Company can be summarized as follows;

| | |
|--|---|
| Network and network integration services | There are currently four DVB-T2 network providers who received licenses to lease services to digital TV operations. These providers planned to expand their coverage nationwide within three years, with investments totaling more than 7.4 billion Baht |
| Content production and related services | The upcoming digital TV system was expected to drive content production to grow in leaps and bounds in 2014. With over 24 channels, airtime will multiply and increase the demand for TV programs. Digital TV operators need a great deal of programs to occupy available airtime, creating opportunities for both new and small content producers. The situation also benefits other businesses associated with television production, such as studio rental, production equipment, costume and special effected businesses. The Kasikorn Research Center expected the value of the television production market in 2014 to reach 32.69-33.26 billion Baht, a growth of 14-16% from 28.780 billion Baht in 2013. |
| Television and set-top box manufacturing and distribution businesses | Digital TV viewers need a digital receiver, either in the form of a TV set with built-in DVB-T2 tuner or a set-top box. At present, the NBTC has certified product standards and permitted the sale of new versions of DVB-T2 televisions and set-top boxes |

Competition in the Broadcasting and Digital TV Industry

NBTC's clear policy on the transition from analog to digital broadcasting will bring about a structural overhaul of the country's radio and TV broadcasting infrastructure. This will encourage a large amount of investment in digital broadcasting technologies. Broadcasting and digital TV technologies can be classified into four groups as follows

1. Content Production System
2. Content Distribution System
3. Content Transmission System
4. Content Reception Equipment

Presently, several operators are competing in the broadcasting and digital TV technology market. However, each player tends to engage in products and/or services limited to only one type of technology, while, investment in the infrastructure of broadcasting and digital TV systems in Thailand calls for the integration of various types of technologies into one multi-system network. This issue becomes a major obstacle for most specialist operators with expertise in just one area of technology instead of integrated solutions.

In order to become a comprehensive ICT provider, the Company has a full array of products for upstream to downstream broadcasting. Our products and technologies are involved in content production, distribution, transmission and reception. The Company procures technology from leading manufacturers and vendors worldwide, while pursuing R&D under the PlanetComm brand. Brand distributed by the Company can be grouped by their role in content broadcasting as follows;

| Content Production | Content Distribution | Content Transmission | Content Reception |
|--|---|---|--|
| <ul style="list-style-type: none"> • Sony/Camera • Cobham/Radio • Evertz/Video Switcher • TVU/3G Video Broadcasting • PlanetComm/ Mobile Vechile/OB Van | <ul style="list-style-type: none"> • Net Insight/Fiber Mux • Evertz/Network Transmission • Thomson/Video Encoder | <ul style="list-style-type: none"> • Tredress/DVB-T2 Transmitter • Thomson/DVB-T2 Transmitter • GD Satcom/ Satellite Antenna • Xicom/BUC • Comtech EFData/ Satellite Modem | <ul style="list-style-type: none"> • PlanetComm (Set Top Box) |

The Company views the tradition from analog to digital TV broadcasting will open up opportunities for further growth. The Company has the advantage of both full-range products and personnel with extensive experience and expertise in designing and integrating related technologies for customized solutions that suit customer specifications. Above all, PlanetComm has the capacity to test and troubleshoot each technology, thus ensuring its customers that its solutions are both efficient and reliable. Excellence in terms of products, personnel and test equipment are competitive elements in the Company's broadcasting and digital TV services

3. Product Procurement

The Company selects and procures quality products from appropriate sources. Most products have been authorized for distribution by manufacturers due to the Company's expertise in product features. Regarding products for which it is not an authorized distributor, the Company acquires them through manufacturers on the Approved Vendor List. The List includes vendors that have been pre-screened by the Company for quality and services. Details are as follows;

(1) Products related to telecommunications systems

• Wireless Networks

| Product Group | Type | Brand-Vendor |
|----------------------------|---|--|
| Satellite Communications | Satellite modem Up/Down converter Satellite transceiver Satellite antenna Very small aperture terminal system | CODAN - CPI International, Inc. Comtech - Comtech EF Data Corporation Viasat - ViaSat, Inc. Cobham - Sea Tel Inc GD Satcom - SATCOM technologies Thinkom - ThinKom Solution, Inc. |
| Terrestrial Communications | Wireless broadband system | Cambium – Various vendors |
| | Wi-Fi Communications system | CISCO – Various vendors |
| Radio Communications | Digital radio communications system | CODAN - Codan limited |
| | Network radio communications system | Raytheon - JPS Communication, Inc. |
| | SCADA system | GE MDS - General electric International, Inc. |

• Wired Networks

| Product Group | Type | Brand-Vendor |
|---------------------|---|---|
| Data Network | Router | CISCO –various vendors |
| | Switch | GE - General electric International, Inc. |
| | Converter | PATTON - Patton Electronics Company |
| Fiber Optic Network | Fiber-based signal transfer equipment | Calix - Calix, Inc. |
| | Fiber optic cables and passive components | TE - TYCO Electronics (Thailand) Limited |
| Security Network | Data protection system | Thales - Thales Transport & Security (Hong Kong) Ltd. |

- **Multimedia System**

| Product Group | Type | Brand-Vendor |
|-------------------------------------|--|---|
| TelePresence and Video Conferencing | TelePresence video conferencing system and feature systems | CISCO - Cisco International Ltd. |
| Unified Collaboration | IP telephony | CISCO - Cisco International Ltd. |
| | Mobile conference system | |
| | Audio and video conferencing system | |
| Audio Conferencing | Audio conferencing system and passive components | PolyCom - Polycom Asia Pacific Pte Ltd. Clearone - ClearOne Communications, Inc. |
| Teleconferencing Accessories | 3D visualize | Wolfvision - WolfVision GmbH |
| | HD camera | Vaddio - Vaddio Holdings, LLC |
| | Visual display for mobile device | Mersive - Mersive Technologies, Inc. |
| | Conference microphone system | ClockAudio - ClockAudio Inc. |

(2) Products related to broadcasting and digital TV systems

| Product Group | Type | Brand-Vendor |
|---------------------------------------|--------------------------------------|---|
| Content production | Professional studio camera system | Sony – Sony Corporation |
| | Wireless professional camera system | Cobham - Cobham Plc. |
| | Video switcher system | Evertz – Evertz Inc. |
| | | Sony – Sony Corporation |
| | Media Asset Management System | Evertz - Evertz Microsystems Ltd. |
| | 3G Broadcasting System | TVU - TVU Networks Corp. |
| Content Distribution and Transmission | Video over fiber network system | Net Insight - Net Insight AB |
| | Television headend system | Thomson - Thomson Video Networks Asia Pacific Pte. Ltd. |
| | | Envivio - Envivio Inc. |
| | Television transmitter system | Tredess - Tredess 2010 S.L. |
| | Network design and planning software | LS Telcom - LS telcom AG |
| | RF component | Kathrein - Kathrein Indochina Co., Ltd. |
| | | Jampro - Jampro Antennas, INC. |

Authorized distributor agreements granted to the Company generally carry a term of 1-2 years, which is normal practice for distributor agreements in the IT industry. However, the Company has a good relationship with manufacturers and vendors based on long-standing business. Therefore, the Company strongly believes that it will continue to be the distributor for these manufacturers. Good business relationships benefit the Company in terms of technical assistance, special discounts, timely delivery, prevention of product shortage, etc. The Company purchases products from both local and overseas manufacturers and vendors

Amount and proportion of products purchased by the Company from domestic and overseas sources

| Source | 2013 | | 2014 | | 2015 | |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Mil. Bt. | % | Mil. Bt. | % | Mil. Bt. | % |
| Domestic | 205.77 | 42.10 | 395.52 | 51.68 | 454.24 | 51.16 |
| Overseas | 282.97 | 57.90 | 369.76 | 48.32 | 433.69 | 48.84 |
| Total | 488.73 | 100.00 | 765.28 | 100.00 | 887.93 | 100.00 |

Risk Factors

1. Risks from Technological Changes

Operating in telecommunications and digital TV sectors means that we are subject to rapid and on-going technological changes, which can affect our performance in terms of inventory, overhead and opportunities to secure tenders for supplies and services.

Therefore, the Company is always prepared for such technological changes. With over 30 years of experience in telecommunications and information technologies, our executives fully understand the IT industries. As a dealer for world-class manufacturers, we stay up to speed with new technologies and market trends. Our R&D team also stays abreast of technical developments. We encourage all related field employees, especially those in the Engineering, Sales and Marketing Departments, to constantly undergo training in new technologies and products. The Company only retains products with constant inventory turnover. Part of the Company's competitive edge is our practice of holding audio conferences and telepresence video conferences with clients to respond quickly and adapt to the ever-changing demands. To reduce the risk of products becoming obsolete or depreciating, we place supply orders when the Company has been awarded contract for the project only.

2. Risks from Dependency on Major Distributors

Our business involves buying products from manufacturers or other distributors and selling them to our clients. We are business partners with Cisco System International B.V. (henceforth "Cisco"), a world-renowned manufacturer of high quality, durable IT and telecommunication devices. Our purchases from Cisco in 2014 and 2015, constituted 15.31% and 12.2% of our total purchases during those respective periods. There is the risk in case that Cisco changes its business policy by being distributor by own without appointing others as its distributor.

However, this risk is remote because Cisco has clearly expressed intentions to expand business through their partners and distributors, which help the manufacturer reduce overhead and reach more customers. The Company has also maintained good relations with Cisco for a decade, during which have improved our operations in compliance with CISCO standards. The Company was appointed as a Master Authorized Technology Partner for Cisco's Telepresence Systems in Thailand in 2012, and received the Top Congeniality Collaboration Partner Award and Premier Certified Partner under the Cisco Channel Partner Program in 2013. However, to minimize risk on excessive dependence on manufacturer, the company defined its policy to maintain its partnership with other distributors as well.

3. Risk from Dependency on Staff

IT and telecommunications industries require people who have profound knowledge and expertise in design, installation, operation, marketing and customized consultation services. This competency is expected of engineers with proficiency certificates from CICO, CODAN, etc. Loss of qualified staff can adversely affect our business.

Therefore, the Company focuses on human resources development. Our engineers have certificates from CISCO (82 pieces) and CODAN (3 pieces) and have worked with us for over a decade, we encourage all of our employees to learn more about our products and technologies to improve their performance. We offer training to allow our employees to be granted for CISCO and CODAN certificates and certificate by other distributors in the same industry.

4. Risks of Failure to meet Project Deadlines

The Company provides IT service under contracts that generally require 3 to 6 months to fulfill, depending on their size and complexity. Failure to deliver product within the project deadline will result in paying penalties which reduce revenue. However, to minimize such risk, we set the Project Management Office plans to be in charge of adjusting work schedules to meet the deadline and systematic delivery to ensure the Company meets its deadlines.

5. Risks from Exchange Rates

Importing products for sales in Thailand means they are purchased in foreign currencies, mostly US dollar and sold in Thai Baht. Therefore, the Company incurs certain risks from exchange rate fluctuation. In 2014 and 2015, products were purchased in foreign currencies equivalent to 369.76 million Baht and 433.69 million Baht, respectively. Foreign purchases accounted for 48.32% and 48.84% of our total purchasing in those periods respectively.

To minimize risks from exchange rate fluctuation, the Company incorporates these currencies into the production, project cost calculation and forward contracts. In 2014, the Company gained from currency exchange for 1.26 million Baht. In 2015, the Company lost from currency exchange rate for 10.10 million Baht affected by currencies fluctuation and global economy.

6. Risks from Fluctuating Contract Revenue

The Company largely depends on revenue from contracts with government agencies for supplies and services. Contract revenue accounted for 29.95%, 38.81%, 21.34% and 31.21% in 2012, 2013, 2014 and 2015 respectively. Government agencies approved their budgets in the third and forth quarter, which plays a factor in tenders for those periods. This can affect the Company's operation results on quarterly basis. However, their budgets are now evenly distributed throughout the year, which translates to evenly distribute public contract revenue, led to more consistent revenue of the Company.

7. Risks from Dependency on Executives

Established by Mr. Prapat Rathlertkarn and Mr. Trevor Thompson, who have been in industry for more than 30 years and currently assume important management persons, the Company heavily relies on them. While PlanetComm is exposed to a certain level of key person risk, Mr. Rathlertkarn and Mr. Thompson have a vested interest in maintaining the value of their assets in the Company and ensuring its growth and prosperity. Meanwhile, PlanetComm continues to hire more professional to expand management.

Management Structure

The Company management structure consists of the Board of Directors and four committees, including (1) Audit Committee, (2) Nomination, Remuneration and Corporate Governance Committee, (3) Risk Management Committee and (4) Executive Committee. The Directors, Audit Committee members, Executive Committee members and the Company's management have qualifications as stipulated under Section 68 of the Limited Public Company Act, B.E. 2535 and applicable SEC's announcements. The details are as follows.

1. Board of Directors

As of December 31, 2015, the Company's Board of Directors consisted of eight Directors as follows

| Name-Surname | Title | Note |
|--|---|---|
| Mr. Sanpat Sapon | Chairman | |
| Mr. Prapat Rathlertkarn | Deputy Chairman | |
| Mr. Trevor Thompson | Director | |
| Dr. Katiya Greigarn | Independent Director & Audit Committee Chairman | |
| Mr. Somphong Outrakul | Independent Director & Audit Committee Member | |
| Mrs. Sutharak Soonthornpusit | Independent Director & Audit Committee Member | |
| Mr. Pramote Bhongse-tong ⁽¹⁾ | Director | Appointed by the resolution of Board of Directors No. 3/2015 dated May 12, 2015 |
| Mr. Somkid Wangcherdchuwong ⁽²⁾ | Independent Director | Appointed by the resolution of Board of Directors No. 3/2015 dated May 12, 2015 |

Notes:

- (1) Mrs. Ratana Suwan, Mr. Sathit Rathlertkarn and Mr. Somchai Sakulwichitsintu resigned from Board of Directors on May 11, 2015
- (2) Mr. Pramote Bhongse-tong was appointed Board of Directors as per the resolution of Board of Directors No.3/2015 on May 12, 2015 in replacement of Mrs.Ratana Suwan
- (3) Mr.Somkid Wangcherdchuwong was appointed Board of Directors as per the resolution of Board of Directors No. 3/2015 on May 12, 2015 in replacement of Mr. Somchai Sakulwichitsintu

Miss Wathara Arun is the company secretary

Authorized Directors

The Company's authorized persons are (1) Mr. Prapat Rathlertkarn and Mr. Trevor Thompson jointly affix their signatures and the Company seal or (2) Mr. Prapat Rathlertkarn or Mr. Trevor Thompson jointly affixes their signatures with Mr. Sanpat Sapon as two persons and the Company seal.

Scope of powers and duties of Directors

1. To operate and manage the Company's business according to applicable laws, the Company's objectives, Articles of Association and resolutions of shareholders' meeting , together with, make all efforts to protect the Company's interests.

2. To have the balance sheet and profit and loss statement prepared and audited at the end of the Company's accounting period, for presentation at the shareholders' meeting for review and endorsement.

3. To set targets, adopt guidelines and policies, make operation plans and allocate budgets, as well as oversee the management and administration of executives or persons assigned to such tasks to ensure compliance with the Company's policies.

4. To review, scrutinize and approve policies, orientations, strategies and operation plans proposed by management.

5. To set the management structure, appoint Managing Director , form Executive Committee and other Committee and designate the scope of their powers and duties

The Executive Committee, the Managing Director and other Committees so appointed shall not have powers or duties to consider and approve any transactions that potentially cause conflict of interest with the Company or any of its affiliated companies (if any), otherwise approved in accordance with the Company's policies and criteria set forth by the Board of Directors.

6. To authorize as they see fit one or many Directors to perform any acts on their behalf with defined powers for a specific period, and to also revise or revoke such authorization at any time

Such authorization shall not be for having powers or duties to consider or approve any connected transactions in conflict with the Company or its affiliated company (if any) in accordance with Notification of the Capital Market Supervisory Board or the Securities and Exchange Commission, otherwise approved in accordance with the Company's policies and criteria set forth by the Board of Directors.

Roles and Duties of Chairman

1. To act as leader of the Company's Board of Directors to supervise and oversee the management and operation of the Company's Executive Committee and other Committees to achieved the set objectives.

2. To act as chairman of the Company's Board of Directors and shareholders' meeting

3. To give award in case of draw votes by the Company's Board of Directors'

2. Audit Committee

As of December 31, 2015, the Company's Audit Committee was comprised of three members;

| Name-Surname | Title |
|---------------------------------|--------------------------|
| 1. Dr. Katiya Greigarn | Audit Committee Chairman |
| 2. Mr. Somphong Ouitrakul* | Committee Member |
| 3. Mrs. Sutharak Soonthornpusit | Committee Member |

Notes : * Having previously handled 3M (Thailand) Co., Ltd. The account, Mr. Somphong Ouitrakul is qualified to audit our accounts to ensure its reliability. See enclosed profiles of executives and directors
Ms. Wanwimol Jongsureeyapas is the Secretary of the Audit Committee.

Scope of powers and duties of Audit Committee

1. To audit the Company's account to ensure that financial reports contain complete and correct information.
2. To audit the Company's internal control and internal audit to ensure they are appropriate and efficient, to ensure the independence of internal audit personnel, to engage, transfer and disengage internal audit chiefs or any persons related to the internal audit.
3. To audit the Company with regard to securities and stock exchange laws and regulations and laws applicable to business operations
4. To consider, recruit and appoint an independent auditor of the Company and set remuneration, to convene a meeting with the auditor at least once a year without management present as well as to approve and terminate hire for external auditor
5. To examine connected transactions, to act in the best interests of the Company to ensure compliance with laws and the regulations of the stock exchange.
6. To issue the annual audit report signed by the Audit Committee Chairman for disclosure in the Company's annual report. The annual audit report must at least contain observations and recommendations on the following
 - (a) the correctness, completeness and reliability of the Company's financial statements
 - (b) the adequacy of the Company's internal control
 - (c) the Compliance with securities and stock exchange laws and regulations, or laws applicable to the Company's operations
 - (d) the qualifications of the auditor
 - (e) the connected transactions that may cause a conflict of interest
 - (f) the number of meetings attended by each Audit Committee Member
 - (g) the findings from duties performed as Audit Committee according to the Charter)
 - (h) the information to be given to shareholders and investors as required by the Audit Committee as set forth by the Board of Directors
7. To perform other acts assigned by the Board of Directors, subject to the approval of the Audit Committee

3. Nomination, Remuneration and Corporate Governance Committee

As of December 31, 2015, the Nomination, Remuneration and Corporate Governance Committee were comprised of four members;

| Name-Surname | Title |
|---|--------------------|
| 1. Mr. Pramote Bhongse-tong ⁽¹⁾ | Committee Chairman |
| 2. Mr. Somphong Ouitrakul | Committee Member |
| 3. Mrs. Sutharak Soonthornpusit | Committee Member |
| 4. Mr. Somkid Wangcherdchuwong ⁽²⁾ | Committee Member |

Notes: Mr. Sanpat Sopon and Dr. Katiya Greigarn resigned the Nomination, Remuneration and Corporate Governance Committee on June 18, 2015

(1) The Company's Board of Directors' meeting no.4/2015 on June 18, 2015 resolved to appoint Mr. Pramote Bhongse-tong Chairman of Nomination, Remuneration and Corporate Governance Committee, in replacement of Mr. Sanpat Sopon, effectively from June 19, 2015

(2) The Company's Board of Directors' meeting no.6/2015 on August 13, 2015 resolved to appoint Mr. Somkid Wangcherdchuwong Nomination, Remuneration and Corporate Governance Committee member, effectively from August 14, 2015

Scope of powers and duties of Nomination, Remuneration and Corporate Governance Committee

1. Nomination

(1) To deliberate on the structure and number of members on the Board of Directors and Committee(s) and the professional background and expertise of each director or Committee member in relation to the nature of the Company's business and industries

(2) To deliberate on the qualifications of a candidate for independent director according to the Company requirements and SEC regulations

(3) To set forth the criteria and procedures for recruitment and engagement of directors, and publish them in the Company's annual report and website. For example, the extension of directorships ;the engagement of new directors ;the nominations by shareholder or incumbent directors; and the recruitment of new directors via employment agencies or directory of professional directors

(4) To establish a development plan for incumbent and new directors to understand their roles, the Company's businesses and developments

(5) To make succession plan to ensure uninterrupted operations. This involves grooming people for CEO, CTO, and other high-level executives who may be nearing retirement or will otherwise no longer be able to perform their duties

2. Remuneration

(1) To establish rates of remuneration and other fringe benefits for directors in a clear and transparent manner and present them for approval by the Board of Directors or the shareholders' meeting

(2) To ensure that directors receive remuneration proportionate to their duties and responsibilities

(3) To lay guidelines on director performance assessment for consideration of annual rewards

(4) To disclose in the Company's annual report the policies on remuneration and all types of payments

(5) To propose the rates of remuneration for directors and Committee members to the Board of Directors and the shareholders' meeting for approval

(6) To review proposals on the management of remuneration policies and other fringe benefits for employees and payment schedules and submit recommendations to the Board of Directors

3. Corporate Governance

(1) To adopt corporate governance policies and submit them to the Board of Directors for approval; to follow up on practices to ensure compliance with said policies; to review said policies on a continual basis to ensure relevance

(2) To monitor the Company's practices and ensure compliance with the corporate governance principles of the regulatory agencies such as SEC and SET

(3) To assess the annual performance of the Chairman, Directors and Committee members

(4) To self-assess their performance on a continual basis and report to the Board of Directors.

(5) To perform acts as required by laws, rules, notifications, regulations or orders of related authorities

4. Risk Management Committee

As of December 31, 2015, the Risk Management Committee was comprised of three members

| Name-Surname | Title |
|---|--------------------|
| 1. Mr. Somphong Ouitrakul ⁽¹⁾ | Committee Chairman |
| 2. Mrs. Sutharak Soonthornpusit | Committee Member |
| 3. Mr. Somkid Wangcherdchuwong ⁽²⁾ | Committee Member |

Notes: Mr. Sanpat Sapon as Risk Management Committee Chairman and Dr. Katiya Greigarn as Risk Management Committee member resigned the Risk Management Committee on June 18, 2015

(1)The Company's Board of Directors' Meeting No. 4/2015 on June 18, 2015 resolved to appoint Mr. Somphong Ouitrakul as Risk Management Committee Chairman in replacement of Mr. Sanpat Sapon, effectively from June 19, 2015

(2) The Company's Board of Directors' meeting no.4/2015 on August 18, 2015 resolved to appoint Mr. Somkid Wangcherdchuwong as Risk Management Committee, effectively from June 19, 2015

Scope of powers and duties of Risk Management Committee

1. To set a clear agenda; to state, analyze and examine major risk factors; and to adopt strategies for managing risks

2. To establish the Company's risk management measures for all departments

3. To communicate such measures to all employees and ensure their compliance

4. To arrange for systematic and constant assessment / analysis of possible losses and damages in all stages of business operations

5. To constantly improve risk management for the entire organization in line with international standards

5. Executive Committee

As of January 18, 2016, the Executive Committee was comprised of six members

| Name-Surname | Title |
|---|-------------------------------|
| 1. Mr. Prapat Rathlertkarn | Committee Chairman |
| 2. Mr. Trevor Thompson | Committee Deputy Chairman |
| 3. Mr. Satit Rathlertkarn | Committee Member |
| 4. Mr. Prawich Rungdecharak | Committee Member |
| 5. Mr. Rungroj Jatuworaporn | Committee Member |
| 6. Miss Wanapha Weeracharoen | Committee Member |
| 7. Mr. Veerasak Arthornchaikul | Committee Member |
| 8. Mr. Phairoj Pornpathananagoon | Committee Member |
| 9. Mrs. Thachporn Rattanamora | Committee Member |
| 10. Mrs. Ratana Suwan ⁽³⁾ | Committee Member (retirement) |
| 11. Mr. Aneak Pongsabutra ⁽¹⁾ | Committee Member (resigned) |
| 12. Mr. Somchai Sakulwichitsintu ⁽²⁾ | Committee Member (resigned) |

Notes :

- (1) Mr. Aneak Pongsabutra resigned the company, effectively since April 1, 2015
- (2) Mr. Somchai Sakulwichitsintu resigned the company, effectively since October 16, 2015
- (3) Mrs. Ratana Suwan retired the company, effectively since December 31, 2015

Scope of Powers and Duties of Executive Committee

1. To propose targets, policies, annual budgets, business plans and strategies to the Board of Directors for approval
2. To monitor the Company's operations and ensure compliance with the policies, plans and budgets as approved by the Board of Directors
3. To consider and approve the Company's regular activities in line with the Board-approved budget
4. To present organization structure and management to the Board of Directors for approval
5. To appoint or hire consultants for Company management to ensure efficiency
6. To determine the Company's profits or losses and propose interim dividend payments to the Board of Directors for approval
7. To authorize person (s) to perform act (s) under its responsibilities or grant such person(s) the power for a period they see fit. The Committee reserves the right to revise or revoke such authorization or replace such person (s)
8. To perform other acts assigned by the Board of Directors

Such authorization shall not be for having powers or duties to consider or approve any connected transactions in conflict with the Company or its affiliated company (if any) in accordance with Notification of the Capital Market Supervisory Board or the Securities and Exchange Commission, otherwise approved in accordance with the Company's policies and criteria set forth by the Board of Directors.

6. Company Secretary

The Company's Board of Directors' meeting no. 5/2014 held on November 12, 2014 resolved in favor of appointing Miss Wathara Arun as the Company Secretary to succeed Mrs. Ratana Suwan in compliance with Section 89/15 of the Securities and Stock Exchange of Thailand Act, B.E. 2535, revised by the Securities and Stock Exchange of Thailand Act (No.4), B.E. 2551. The Secretary has the following duties and responsibilities:

1. To prepare and keep records of the following documents
 - (a) Registry of Directors
 - (b) Invitations to Board Meetings, minutes of Board Meetings and the Company's annual report
 - (c) Invitations to shareholders' meetings and minutes of shareholders' meetings
2. To keep records of connected transactions reported by directors and executives
3. To perform other acts as set forth by the Notifications of Capital Market Supervisory Board

7. Executives

As of January 18, 2016, the company has nine executives;

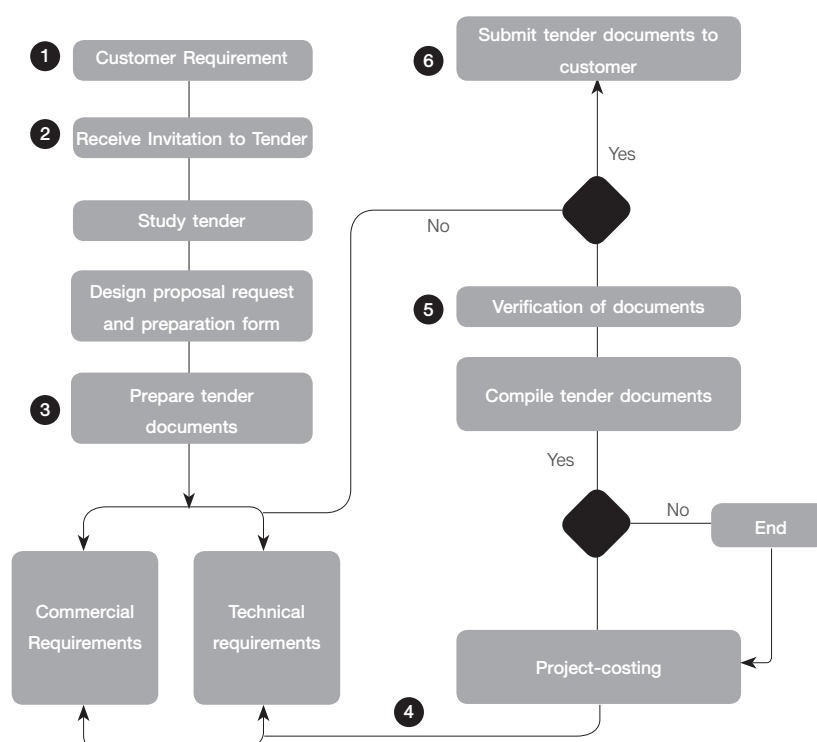
| Name-Surname | Title |
|-----------------------------------|---|
| 1. Mr. Prapat Rathlertkarn | President and Chief Executive Officer |
| 2. Mr. Trevor Thompson | President and Chief Technology Officer |
| 3. Mr. Satit Rathlertkarn | Executive Vice President of Sale Department |
| 4. Mr. Prawich Rungdecharak | Vice President of Pre-Sales |
| 5. Mr. Rungroj Jatuworaporn | Vice President of Sales |
| 6. Miss Wannapha Weeracharn | Vice President Operation |
| 7. Mr. Veerasak Athornchaikul | Vice President Marketing and Business Development |
| 8. Mr. Phairoj Pornpathananangoon | Vice President-Technical Service |
| 9. Mrs.Thachporn Rattanamora | Vice President-Finance & Account |

Scope of powers and duties of Executives

1. To oversee the Company's daily operations and managements
2. To operate and manage the business according to policies, plans and budgets approved by the Board of Directors and/or the Executive Committee
3. To adopt policies, make plans, build strategies and allocate annual budgets ; to propose them to the Executive Committee and the Board of Directors for approval
4. To consider and approve the Company's regular transactions such as sale of goods and purchase of raw materials for the amount within the scope of powers granted by the Board of Directors ; to consider and approve the purchase of property with the budget approved by the Board of Directors
5. To constantly follow up and assess the Company's operations; to prepare and submit reports on the performance, management and work progress to the Executive Committee, Audit Committee and Board of Directors
6. To consider and approve the business contracts for values within the scope of powers granted by the Board of Directors
7. To issue orders, regulations, notifications and notes with respect to Company operations in compliance with its policies, for maintaining discipline in the organization and in the interests of the Company
8. To perform other duties as assigned by the Executive Committee or the Board of Directors

The Chief Executive Officer, or authorized equivalent who may have a conflict of interest with the Company, its affiliates, subsidiaries or related companies (as set forth in the Notifications of Capital Market Supervisory Board, the SEC or other competent agencies) may not approve any connected transactions, but propose such transactions to the Board Meeting or the shareholders' meeting for approval, the exception being approval of regular transactions on an individual basis as set forth in the Notifications of the Capital Market Supervisory Board, the SEC or other competent agencies.

Have served many state agencies, the Company has set forth legitimate and efficient procedures for tender approval with government offices as follows;



1. The Company's Sales Department receives terms of reference (TOR) for tender for customer's requirements
2. The Sales Department shall study commercial and technical requirements carefully before decision for bid submission
3. The Sales Department and Sales Coordinator prepare tender documents such as lists of equipment and devices, technical specifications and other essential documents required by the customer
4. The Sales Coordinator collects the lists of equipment and devices and cost analysis. The Head of Sales Department performs a cost analysis and submit it for approval by authorized persons. Approval is granted only when authorized persons are sure that the Company potentially completes the project for the proposed contract price
5. The Sales Department and Sales Coordinator jointly examine all the bid documents to verify accuracy and submit them for written approval by authorized persons
6. The bid is then submitted on the date and time required by the customer

If the Company is awarded the contract, the Sales Department and Legal Department (in some cases) will carefully review the contract before signing. The authorized person will empower the employee in charge of the project to sign the contract

Remuneration for Directors and Executives

1. Monetary Remuneration

Directors

The company's Board of Directors approved the remuneration structure for Directors in 2013, 2014 and 2015 as follows

| Year | Remuneration (Baht/person/year) |
|------|---------------------------------|
| 2013 | Not exceeding 350,000 Baht |
| 2014 | Not exceeding 350,000 Baht |
| 2015 | Not exceeding 400,000 Baht |

| Remunerations for Executive Committee and other committees | In 2014 | | In 2015 | |
|---|--|-----------------------------------|--|-----------------------------------|
| | Monthly remuneration (Baht/person/month) | Attendance Fee (Baht/person/time) | Monthly remuneration (Baht/person/month) | Attendance Fee (Baht/person/time) |
| 1. Executive Committee | | | | |
| Committee Chairman | 20,000 | 5,000 | 20,000 | 5,000 |
| Committee | 10,000 | 5,000 | 10,000 | 5,000 |
| 2. Audit Committee | | | | |
| Committee Chairman | 15,000 | 5,000 | 15,000 | 5,000 |
| Committee | 10,000 | 5,000 | 10,000 | 5,000 |
| 3. Nomination, Remuneration and Corporate Governance Committee | | | | |
| Committee Chairman | - | - | - | 25,000 |
| Committee | - | - | - | 20,000 |
| 4. Risk Management Committee* | | | | |
| Committee Chairman | - | - | - | 25,000 |
| Committee | - | - | - | 20,000 |

Notes : * The company's Board of Directors' meeting resolved to appoint Nomination, Remuneration and Corporate Governance Committee and Risk Management Committee on November 12, 2014

From 2013 to 2015, we have paid our Directors as follows:

(Unit : Baht)

| Name-Surname | Year 2013 | Year 2014 | Year 2015 |
|---|------------------|------------------|------------------|
| 1. Mr. Sanpat Sapon | 310,000 | 270,000 | 295,000 |
| 2. Mr. Prapat Rathlertkarn | 160,000 | 150,000 | 175,000 |
| 3. Mr. Trevor Thompson | 155,000 | 145,000 | 170,000 |
| 4. Dr. Katiya Greigarn | 340,000 | 330,000 | 355,000 |
| 5. Mr. Somphong Ouitrakul | 270,000 | 275,000 | 355,000 |
| 6. Mrs. Sutharak Soonthornpusit | 280,000 | 265,000 | 325,000 |
| 7. Mr. Pramote Bhongse-tong ⁽²⁾ | - | - | 155,000 |
| 8. Mr. Somkid Wangcherdchuwong ⁽³⁾ | - | - | 145,000 |
| 9. Mr. Sathit Ratlhertkarn ⁽¹⁾ | 160,000 | 150,000 | 65,000 |
| 10. Mrs. Ratana Suwan ⁽¹⁾ | 160,000 | 145,000 | 70,000 |
| 11. Mr. Somchai Sakulwichitsintu ⁽¹⁾ | 155,000 | 150,000 | 65,000 |
| Total | 1,990,000 | 1,880,000 | 2,175,000 |

Notes

(1) Mr. Satit Rathlertkarn, Mrs. Ratana Suwan, and Mr. Somchai Sakulwichitsintu resigned the Board of Directors on May 11, 2015

(2) Mr. Pramote Bhongse-tong was appointed Board of Directors as per the resolution of Board of Directors No.3/2015 on May 12, 2015 in replacement of Mrs. Ratana Suwan

(3) Mr. Somkid Wangcherdchuwong was appointed Board of Directors as per the resolution of Board of Directors No.3/2015 on May 12, 2015 in replacement of Mr. Somchai Sakulwichitsintu

Remuneration for Executives

From 2013- 2015, we have paid our Executives remuneration of 24.15 Million Baht, 27.27 Million Baht and 24.04 Million Baht respectively, including monthly salary, bonus, contribution to provident fund

| Year | Number of Executive (Person) | Remuneration (Baht) |
|------|------------------------------|---------------------|
| 2556 | 8 | 24,153,927.70 |
| 2557 | 8 | 27,267,463.00 |
| 2558 | 7 | 24,041,539.56 |

On July 24, 2013, the company's group of major shareholders offered their personal shares of 17,290,000 shares in total to a group of employee acting as the company's Directors and employees at the rate of Baht 1 per share, equivalent to Par Value. Fair value of the company's shares on the date of share sale, assessed by the Financial Consultant was 1.99 Baht per share, details as follows

| Name of Executives | Number of Share Bought (Share) | Total purchase price (Baht) | Total fair value (Baht) | Difference (Baht) |
|--|--------------------------------|-----------------------------|-------------------------|-------------------|
| 1. Mr. Satit Rathlertkarn | 9,790,000 | 9,790,000 | 19,482,100 | 9,692,100 |
| 2. Mrs. Ratana Suwan | 5,000,000 | 5,000,000 | 9,950,000 | 4,950,000 |
| 3. Mr. Somchai Sakulwichitsintu ⁽²⁾ | 1,250,000 | 1,250,000 | 2,487,500 | 1,237,500 |
| 4. Mr. Aneak Pongsabutra (1) | 625,000 | 625,000 | 1,243,750 | 618,750 |
| 5. Mr. Prawich Rungdecharak | 625,000 | 625,000 | 1,243,750 | 618,750 |
| Total | 17,290,000 | 17,290,000 | 34,407,100 | 17,117,100 |

Notes :

(1) Mr. Aneak Pongsabutra resigned the company's employee, effectively since April 1, 2015

(2) Mr. Somchai Sakulwichitsintu resigned the company's employee, effectively since October 16, 2015

8.3.2 Other Remunerations

On April 25, 2013, the shareholders' annual general meeting resolved in favor of issuing 5 million new ordinary shares or 2% of all shares sold, for public offering and to the Company's directors and employees at the same price.

Details of shares allocated to directors and executives are as follows

| Name-Surname | Director, Executive Committee Member and Executive Vice President of Sales | Allocated share (Share) | Percentage of shares offered to directors and employee |
|--|---|-------------------------|--|
| 1. Mr. Sanpat Sapon | Chairman | 100,000 | 2.00 |
| 2. Mr. Prapat Rathlertkarn | Deputy Chairman, Executive Committee Chairman and Chief Executive Officer | 200,000 | 4.00 |
| 3. Mr. Trevor Thompson | Deputy Chairman, Executive Committee Chairman and Chief Technology Officer | 200,000 | 4.00 |
| 4. Mr. Satit Rathlertkarn | Director, Executive Committee Member and Executive Vice President of Sales | 200,000 | 4.00 |
| 5. Mrs. Ratana Suwvan | Director, Executive Committee Member and Executive Vice President of Accounts and Finance | 200,000 | 4.00 |
| 6. Mr. Somchai Sakulwichitsintu ⁽²⁾ | Director, Executive Committee Member and Vice President of Marketing and Business Development | 150,000 | 3.00 |
| 7. Mr. Somphong Outrakul | Director and Audit Committee Member | 50,000 | 1.00 |
| 8. Mrs. Sutharak Soonthornpusit | Director and Audit Committee Member | 50,000 | 1.00 |
| 9. Mr. Aneak Pongsabutra ⁽¹⁾ | Executive Committee Member and Vice President of Operations | 150,000 | 3.00 |
| 10. Mr. Prawich Rungdecharak | Executive Committee Member and Vice President of Technical Services | 150,000 | 3.00 |
| 11. Mr. Rungroj Jatuworaporn | Executive Committee Member and Vice President of Sale | 50,000 | 1.00 |

Notes :

(1) Mr. Aneak Pongsabutra resigned the company's employee, effectively since April 1, 2015

(2) Mr. Somchai Sakulwichitsintu resigned the company's employee, effectively since October 16, 2015

Staff

1. Number of employees

As of December 31, 2015, total number of the company's employees is 168 persons (excluding executives). 162 of them are full-time employees and 6 are employed on daily basis. Details are as follows

| Department | Full-Time Employee (person) | Daily Workers (person) | Total (person) |
|--|--------------------------------|---------------------------|-------------------|
| 1. Accounts and Finance Department | 11 | 1 | 12 |
| 2. Marketing and Business Development Department | 10 | - | 10 |
| 3. Sales Department | 42 | - | 42 |
| 4. Operations Department | 33 | 5 | 38 |
| 5. Technical Services Department | 58 | - | 58 |
| 6. Office of the President | 8 | - | 8 |
| Total | 162 | 6 | 168 |

2. Labor Disputes

-none-

3. Remuneration for Employees

Monetary Remuneration

From 2013-2015, the Company paid 93.57 million Baht, 100.71 million Baht and 104.42 million Baht respectively to our employees (excluding executives) in form of monthly salary, bonus, overtime payments and contributions to Workmen's Compensation Fund and other fringe benefits

Other fringe benefits

On April 25, 2013, the shareholders' annual general meeting resolved in favor of issuing 5 million new ordinary shares or 2% of all shares sold, for public offering and to the Company's directors and employees at the same price.

No employee was allocated more than 5% of all shares offered to directors and employees

4. Personnel development Policy

Personal development policy is defined aimed at developing our employees at all levels from management and department heads to supervisors and operative levels to increase our efficiency. We offer trainings as follows;

Our employees, especially engineering staff are trained by specialists in work-related fields to enhance their efficiency and potential

1. Improvement of working and management procedures, encouragement of teamwork, proper communication, time management and decision making. Our employees at all levels are trained by specialists

2. Development in line with ISO 9001:2008 implemented by all related departments, and properly keeps records of training sessions. The quality management chief conducts in-house training.

We keep records of training courses undergone by all our employees for the purpose of performance assessment and promotion consideration. We also apply the Key Performance Index (KPI) to define and measure progress toward organizational goals.

Corporate Governance

1. Corporate Governance Policy

The Company gives great importance on good corporate governance, which contributes to efficient, transparent and accountable management. Good governance strengthens the trust and confidence of shareholders, investors, stakeholders and other related parties. It is also useful for adding business value, enhancing competitiveness, as well as promoting sustainable growth in the long term. The Board of Directors meeting No.6/2013 on July 16, 2013 resolved to enact the Good Corporate Governance Policy as outlined by the Stock Exchange of Thailand. The policy consists of five sections as follows

Section 1 : Rights of Shareholders

The Company recognizes and values the basic rights of the shareholders, namely the right to buy, sell or transfer shares, the right to share in corporate profit, the right to obtain adequate information on the Company, the right to attend shareholder meetings, and the right to cast votes related to the appointment or removal of directors as well as appointing external auditors. Shareholders also have voting rights regarding decisions that affect the Company such as dividend allocation, establishing or amending the Articles and Memorandum of Association, capital increase or decrease, etc.

Therefore, the Company has made arrangements to encourage and facilitate shareholder rights.

1. Submit the notice of shareholder meeting at least seven days in advance, with details on the date, time, place, agenda items and complete supporting information related to items for consideration
2. The Company offers a shareholder that is unable to attend the meeting an opportunity to appoint a Company's independent director or any person to attend on his/her behalf, by submitting a proxy form with the meeting notice
3. Shareholders are given full opportunity to freely ask questions or make comments and recommendations
4. After the meeting, the Company will prepare the minutes of meeting, in which correct and complete information is disclosed for shareholder verification

Having become a public limited company and listing on the Stock Exchange of Thailand, the Company includes the opinions of the Board of Directors in the meeting notice and send the said notice to shareholders in advance for a period specified by the SEC or SET's electronic channel, the Company's website and newspaper advertisement pursuant to the Limited Public Companies Act. As a policy, all directors, especially sub-committee, chairpersons must attend the meeting in order to give explanations to or answer questions from the shareholders.

Section 2 The Equitable Treatment of Shareholders

It is company policy to protect the rights of all shareholders in an equal and fair manner, whether they be executive, non-executive, Thai, foreign, major or minor. After the initial public offering on the SET, the Company has allowed any shareholder unable to attend the meeting an option of appointing a Company's independent director or any person to attend and vote on his/her behalf. Minor shareholders can also nominate candidates for director positions well in advance

The meeting is conducted according to the Company's Articles of Association and in the order of a predetermined agenda. Full details and supporting information of each agenda item are provided for shareholders well in advance. No items can be added to the meeting agenda without prior notice to the shareholders unless absolutely necessary, especially important agenda items that require time in order to make an informed decision

The Board of Directors has established a measure against insider trading by related persons, which include directors, executives, employees, staff and relatives of aforementioned persons. Penalties are imposed for disclosure or use of information for personal gain. Regardless, the Company has acquainted directors and executives with their duty to report Company's securities held by themselves, their spouses and minor children, as well as any changes thereof to the SEC as stipulated by Section 59 and penalty clauses of the Securities and Exchange Act B.E.2535

Section 3 Role of Stakeholders

With the satisfaction of all parties in mind, the Company pursues a policy that regards the rights of all stakeholders fairly and transparently as follows;

- Shareholders** : The Company endeavors to operate business with transparency in order to deliver satisfactory returns to shareholders and sustainable growth to the organization
- Employees** : The Company endeavors to treat employees equitably and fairly, while providing them suitable compensation, continual training and skill development for improved productivity, as well as a provident fund and other fringe benefits such as bonus, health insurance, life insurance, etc. In 2015, the average number of hour for employee's trainings is 18 per year
- Suppliers** : The Company endeavors to abide by trading conditions and honor the terms of contracts in good faith
- Creditors** : The Company endeavors to strictly comply with financial conditions and agreements.
- Customers** : The Company endeavors to be attentive and responsible to customers by such means as equitable services, high-quality products and services, and the protection of customer confidentiality. Various business units and staff are assigned to respond quickly to clients with customer care
- Competitors** : The Company endeavors to engage in fair competition, maintain acceptable standards of competition and refrain from unethical practices against competitors.
- Communities and Society** : The Company encourages corporate social responsibility at all times. In 2011, it donated tele communications equipment to the Ministry of Information and Communication Technology for use in government relief efforts for flood victims in Thailand. The Company and its employees also carried out various charitable activities, e.g. .blood donations, donations to the disabled and underprivileged. It also participated in the reforestation campaign by the Federation of Thai Industries. Details are shown under Corporate Social Responsibility.

The Company also complies with guidelines of Human Rights of Universal Declaration of Human Rights of United Nations which are the standard rights practices to the Company's employees or other related parties as well as no violation against intellectual properties or copyrights.

Section 4 Disclosure and Transparency

The Board of Directors gives importance to the equitable access and disclosure of accurate, complete and transparent information. This encompasses financial and non-financial information as stated by SEC and SET regulations and material information that affects the value of the Company's securities, which in turn influences decision-making by investors and stakeholders. After the IPO and listing on the SET, the Company will disclose its information to the shareholders and the general public through SET channels and the Company's website.

In 2014 and 2015, the Company's directors and executives held the following number of shares

| Name of Directors and Executives | Title | Total no. of shares held (Share) | | Remark (s) |
|----------------------------------|--|----------------------------------|-------------------------|--|
| | | As of December 31, 2014 | As of December 31, 2015 | |
| 1. Mr. Sanpat Sapon | Chairman of the Board of Directors | 0 | 0 | |
| 2. Mr. Prapat Rathlertkarn | Deputy Chairman of Board of Directors, Chairman of Executive Committee | 78,950,000 | 78,950,000 | including related persons |
| 3. Mr. Trevor Thompson | Director, Vice Chairman of Executive Committee | 78,950,000 | 78,950,000 | including related persons |
| 4. Dr. Katiya Greigarn | Independent Committee and Audit Committee Chairman | 0 | 0 | |
| 5. Mr. Somphong Ouitrakul | Independent Committee, Audit Committee, Risk Management Committee Chairman and Nomination, Remuneration & Corporate Governance Committee | 50,000 | 50,000 | |
| 6. Mrs. Sutharak Soonthornpusit | Independent Committee, Audit Committee, Risk Management Committee and Nomination, Remuneration & Corporate Governance Committee | 50,000 | 50,000 | |
| 7. Mr. Pramote Bhongse-tong | Independent Committee, Nomination, Remuneration & Corporate Governance Committee Chairman | 0 | 0 | Being appointed Board of Directors as per the Board of Directors' Meeting No.3/2015 on May 12, 2015 in replacement of Mrs. Ratana Suwan |
| 8. Mr. Somkid Wangcherdchuwong | Independent Committee, Risk Management Committee, Nomination, Remuneration & Corporate Governance Committee | 0 | 0 | Being appointed Board of Directors as per the Board of Directors' Meeting No.3/2015 on May 12, 2015 in replacement of Mr. Somchai Sakulwichitsintu |

| Name of Directors and Executives | Title | Total no. of shares held (Share) | | Remark |
|--------------------------------------|---|----------------------------------|-------------------------|--|
| | | As of December 31, 2014 | As of December 31, 2015 | |
| 9. Mr. Satit Rathlertkarn | Executive Committee Member and Executive Vice President of Sale | 10,210,000 | 10,375,000 | Additional purchase in 2015, reported to SEC |
| 10. Mrs. Ratana Suwan ⁽²⁾ | Executive Committee Member and Executive Vice President of Accounts and Finance | 5,150,000 | 5,130,000 | Offered in 2015 and reported to SEC |
| 11. Mr. Somchai Sakulwichitsintu | Executive Committee Member and Vice President of Marketing and Business Development | 1,400,000 | - | Resigned from the Board of Directors on May 11, 2015 and resigned from the Company's employee, effectively from October 16, 2015 |
| 12. Mr. Prawich Rungdecharak | Executive Committee Member and Vice President of Pre-Sales | 775,000 | 775,000 | |
| 13. Mr. Rungroj Jaturaworaporn | Executive Committee Member and Vice President of Sale | 50,000 | 50,000 | |
| 14. Mr. Aneak Ponsabutra | Executive Committee Member and Vice President of Operation | 691,000 | - | Resigned from the Company's employee, effectively from April 1, 2015 |
| 15. Miss Wanapha Weeracharoen | Executive Committee Member and Vice President of Operation | | | Appointed and be effective from August 14, 2015 |
| 16. Mr. Veerasak Arthornchaikul | Executive Committee Member and Vice President of Marketing and Business Development | | 10,000 | Appointed and be effective from October 1, 2015 |
| 17. Mr. Phairoj Pomphananangoon | Executive Committee Member and Vice President-Technical Service | - | - | Appointed and be effective Since January 18, 2016 |
| 18. Mrs.Thachporn Rattanamora | Executive Committee Member and Vice President-Finance & Account | - | - | Appointed and be effective Since January 18, 2016 |

The Board of Directors recognizes its responsibility to provide accurate and complete financial reports that have been proved in accordance with generally accepted accounting practices. Appropriate accounting policies are applied and regularly practiced, while adequate information is disclosed in financial statements. Furthermore, the Board has adopted an effective internal control system in order to ensure accounting records as accurate and sufficient to protect company assets, as well as identify system vulnerabilities for corruption or material irregularities. The Company has appointed an Audit Committee, comprised of non-executive directors responsible for examining financial reports, related transactions and the internal control system. The Audit Committee reports directly to the Board of Directors.

The Company has yet to attach a unit responsible for investor relations, due to a small number of activities. However, Mr. Prapat Rathlertkarn and Mrs. Ratana Suwan have been assigned to act as investor contacts to provide company information in an accurate and complete manner to shareholders, and analysts and relevant agencies

Section 5 Responsibilities of the Board of Directors

1. Structure of the Board of Directors

The Company 's Board of Directors comprises of qualified persons who possess knowledge, competency and executive experiences in various organizations, thus enabling them to utilize such backgrounds and expertise in developing and setting corporate policies and business direction effectively for the utmost benefits of the Company and its shareholders . The Board of Directors plays a vital role in formulating policies and business concept, along with supervising, examining and monitoring performance of the Management, and also assessing to ensure that the Company's operating results are achieved as planned.

Independent directors account for more than a third of Board members. At present, the Board of Directors consists of eight members of which there are two executive directors and six non-executive directors. The Board has also appointed sub-committee to assist in overseeing the Company's operations as follows

1.1 Executive Committee is consisting of eight members to determine business direction and strategies. The committee is tasked with accomplishing the goals set by the Board, as well as smooth and flow management

1.2 Audit Committee consisting of three non-executive directors with the rights and duties as specified in the Authorities and Responsibilities of the Audit Committee. The Committee performs specific tasks and proposes relevant matters to the Board for consideration and acknowledgement. At least one member must have a sufficient background in accounting to oversee the credibility of the Company's financial statements

1.3 Nomination, Remuneration ad Corporate Governance Committee (henceforth, "Nomination Committee") consists of four non-executive directors, with the Chairman of the Board also serving as Chairman of the Committee. The term of office for each member is the same as his/her term on the Board of Directors. The Nomination Committee has authorities and responsibilities as stated under 8.2.3

1.4 Risk Management Committee has members nominated and appointed by the Board from among the Company's directors and executives or other qualified persons. The committee members elect one member as Chairman of the Risk Management Committee. The Committee is responsible for determining risk management policies and frameworks which cover strategic risks, enterprise risks, financial risks, operational risks and external factors. Its responsibilities also include monitoring, examining and assessing risk management performance, overseeing the Company's compliance risk management policies as well as evaluating the risk management policies and system, system effectiveness and policy compliance. The committee reports the discharge of duty of the Board and its performance for the year to shareholders through the annual report. In addition, the Risk Management Committee appoints the executive committee in charge of (1) Identifying risk and conducting risk management review in line with Business Plan (2) Estimating relevant impacts (3) Setting preventive measures against risks (4) Monitoring results and update status of risk to the Risk Management Executive Committee and (5) Consistently and continually building innovations for risks management for staff

The Board of Directors has established a policy that the Chairman of the Board must not be the same person as the Chief Executive Officer; in order to explicit segregate responsibilities between corporate governance policy-making and day to day management. The roles of the Board of Directors are also defined separately from those of executives. The Board of Directors is responsible for setting policies and supervising the operations of executives. Meanwhile, executives are responsible for managing the Company's businesses in accordance with the set policies. Although the Chairman of the Executive Committee is also the CEO, the Company has prevented autocracy by clearly defining the scope of powers and duties in the Company's Level of Authorization (LOA)

The Company Secretary is appointed by the Board and takes responsibilities pursuant to the Securities and Exchange Act detailed under 8.2.6

2. Roles, Duties and Responsibilities of the Board of Directors

The Company's directors are to comply with the Code of Best Practices for Directors of Listed Companies enacted by the SET. Directors must understand and acquaint themselves with their entrusted roles, duties and responsibilities and relinquish their position with integrity in accordance with the laws, the Company's objectives and Articles of Association, as well as resolutions of the shareholders meeting. Therefore, the Board of Directors develop policies, business goals, corporate plans and budgets, while ensuring that management has implemented policies, plans and budgets effectively and efficiently in the best interests of the Company and its shareholders.

Policy on Conflict of Interest

The Company has laid out a policy to prevent any conflicts of interest that may arise from Company transactions. Persons with conflicts of interest are not permitted in the approval process for the transaction. The Board of Directors oversee this matter to ensure the Company's strict compliance with the laws on securities and exchange, relevant regulations and notifications, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand, requirements related to the disclosure of connected transactions and the acquisition/disposal of material assets of the Company, including the accounted standards specified by the Institute of Certified Accounts and Auditors of Thailand

Moreover, the Company has the Audit Committee, external auditors or independent specialists review and comment on product pricing and transactions. Transaction details are disclosed in notes of financial statements audited or reviewed by external auditors, the Company's annual registration statement (Form 56-1) and annual report (Form 56-2)

Internal Control System

Recognizing the importance of an internal control system at both management and operational levels, the Company has explicitly stated in writing the scope of duties and responsibilities of various roles. To maintain proper checks and balances, the Company has developed a control mechanism for the best utilization of assets and segregated duties and responsibilities for transaction approval, accounting and information records, and asset security. Additionally, it has ensured internal financial control systemizing financial reporting up the chain of responsibilities. The Internal Auditor is responsible for examining the Company's internal control system and reports directly to the Audit Committee

The Company has set clear and measurable goals. Management reviews the actual performance against projected targets on a monthly basis, through the assessment of external and internal risk factors to business operations, along with an analysis of contributory factors. The Company has also adopted measures to monitor the causes of risk factors and develop countermeasures to mitigate them. Related units have been assigned to report any progress or changes to the Board of Directors

3. Board of Directors Meeting

3.1 Board of Directors

According to the Company's policy, the Board of Directors must hold a meeting at least once every three months and convene special meetings as necessary. The agenda items of each meeting must be clearly stated and sent out along with the meeting notice at least seven days prior to the meeting date to allow sufficient time for directors to review and prepare. Minutes of the meeting are recorded and then approved by the Board. The records must also be safely stored for future examination by the Board or related parties

The Board of Directors meeting shall be composed of the number of directors of not less than half of total number of directors. At the time of casting resolution, the number of attending directors shall not be less than two-third of total number of directors

In 2015, non-executive directors including Mr. Sanpat Sopon, Dr. Katiya Greigarn, Mrs. Suttharak Soonthornpusit, Mr. Somphong Ouitrakul, Mr. Pramote Bhongse-tong and Mr. Somkid Wangcherdchuwong gathered for the unofficial meeting without administrative parties participation for general discussions for the Company management

From 2013-2015, the Company held eight, six and ten Board meetings respectively with attendance record of each director as shown below

| Name | No. of Meeting Attendance / Total No. of Meetings Y2013 | No. of Meeting Attendance / Total No. of Meetings Y2014 | No. of Meeting Attendance / Total No. of Meetings Y2015 |
|---|---|---|---|
| 1. Mr. Sanpat Sopon | 8/8 | 6/6 | 10/10 |
| 2. Mr. Prapat Rathlertkarn | 8/8 | 6/6 | 10/10 |
| 3. Mr. Trevor Thompson | 8/8 | 5/6 | 8/10 |
| 4. Dr. Katiya Greigarn | 8/8 | 6/6 | 10/10 |
| 5. Mr. Somphong Ouitrakul | 6/8 | 6/6 | 10/10 |
| 6. Mrs. Sutharak Soonthornpusit | 8/8 | 4/6 | 8/10 |
| 7. Mr. Pramote Bhongse-tong ⁽²⁾ | - | - | 7/10 |
| 8. Mr. Somkid Wangcherdchuwong ⁽³⁾ | - | - | 7/10 |
| 9. Mr. Satit Rathlertkarn ⁽¹⁾ | 8/8 | 6/6 | 2/10 |
| 10. Mrs. Ratana Suwan ⁽¹⁾ | 8/8 | 5/6 | 2/10 |
| 11. Mr. Somchai Sakulwichitsintu ⁽¹⁾ | 7/8 | 6/6 | 2/10 |

Notes:

- (1) Mr. Satit Rathlertkarn, Mrs. Ratana Suwan and Mr. Somchai Sakulwichitsintu resigned the Company's Board of Directors on May 11, 2015
- (2) Mr. Pramote Bhongse-tong was appointed the Company's Board of Directors as per resolution by the Board of Directors' meeting no. 3/2015 on May 12, 2015 in replacement of Mrs. Ratana Suwan
- (3) Mr. Somkid Wangcherdchuwong was appointed the Company's Board of Directors as per resolution by the Board of Directors' meeting no. 3/2015 on May 12, 2015 in replacement of Mr. Somchai Sakulwichitsintu

3.2 Audit Committee

From 2013 to 2015, the Audit Committee's meetings have been held on quarterly basis for four times a year. Details of attendance are as follows;

| Name | No. of Meeting Attendance / Total No. of Meetings Y2013 | No. of Meeting Attendance / Total No. of Meetings Y2014 | No. of Meeting Attendance / Total No. of Meetings Y2015 |
|--------------------------------|---|---|---|
| 1. Dr. Katiya Greigarn | 4/4 | 4/4 | 4/4 |
| 2. Mr. Somphong Ouitrakul | 3/4 | 4/4 | 4/4 |
| 3. Mrs. Sutharak Soonthonpusit | 4/4 | 3/4 | 3/4 |

3.3 Nomination, Remuneration and Corporate Governance Committee

The Company's Board of Directors Meeting No. 5/2014 on November 12, 2014 resolved to appoint the Nomination, Remuneration and Corporate Governance Committee (Nomination Committee) which shall hold the meeting at least twice a year and the committee members shall attend the meeting.

In 2015, three Nomination Committee's meetings were held. Details of attendance are as follows

| Name-Surname | Title | No. of Meeting Attendance / Total No. of Meetings Y2015 |
|---|--------------------|---|
| 1.Mr. Sanpat Sopon ⁽¹⁾ | Committee Chairman | 1/3 |
| 2. Dr. Katiya Greigarn ⁽²⁾ | Committee Chairman | 1/3 |
| 3. Mr. Pramote Bhongse-tong ⁽³⁾ | Committee Chairman | 2/3 |
| 4. Mr. Somphong Ouitrakul | Committee Member | 3/3 |
| 5. Mrs. Sutharak Soonthonpusit | Committee Member | 2/3 |
| 6. Mr. Somkid Wangcherdchuwong ⁽⁴⁾ | Committee Member | 2/3 |

Notes:

- (1) Mr. Sanpat Sopon, as the Nomination Committee Chairman resigned the Nomination Committee on June 18, 2015
- (2) Dr. Katiya Greigarn, as the Nomination Committee member resigned the Company's Nomination Committee on June 18, 2015
- (3) The Company's Board of Directors meeting no.4/2015 on June 18, 2015 resolved to appoint Mr. Pramote Bhongse-tong as the Nomination Committee Chairman, in replacement of Mr. Sanpat Sopon, effectively from June 19, 2015
- (4) The Company's Board of Directors meeting no.6/2015 on August 13, 2015 resolved to appoint Mr. Somkid Wangcherdchuwong as the Nomination Committee member, effectively from August 14, 2015

4. Remuneration of Directors and Executives

The Company retains competent directors and executives by providing sufficient remuneration comparable to that of industry peers. Factors determining remuneration include professional background, duties, scope of roles and responsibilities. Remuneration for directors must be approved by the shareholders meeting. Meanwhile, remuneration for executives is in accordance with criteria and policy specified by the Board of Directors, taking into account the duties, responsibilities and performance of each executive.

5. Development of Directors and Executives

For continual enhancement of business operations, the Board has put forth a policy to encourage and facilitate training and learning activities. For persons involved in corporate governance, directors and executives, Audit Committee members, and the Company Secretary. Management courses are provided through the Thai Institute of Directors Association (IOD)

Directors and executives, Audit Committee members and the Company Secretary have taken IOD courses as follows:

| Name – Surname | Title | Training Course Program |
|----------------------------|---|---|
| 1. Mr. Sanpat Sapon | Chairman of the Board of Directors | - Role of the Chairman Program (RCP), Class 30/2013 |
| 2. Mr. Prapat Rathlertkarn | Vice Chairman, Chairman of the Executive Committee and Chief Executive Officer | - Director Certification Program (DCP), Class 195/2014 - Director Accreditation Program (DAP), Class 94/2012 |
| 3. Mr. Trevor Thompson | Director, Vice Chairman of the Executive Committee and Chief Technology Officer | - Director Certification Program English Program (DCP), Class 207/2015 - Director Accreditation Program (DAP), Class 95/2012 |
| 4. Dr. Katiya Greigarn | Independent Director and Chairman of Audit Committee | - Director Certification Program Update (DCPU), Class5/2015 - Anti-Corruption for Executive Program (ACEP) Class 9/2014 - Audit Committee Program (AACP) Class 34/2011 - Director Certification Program (DCP), Class11/2008 - Financial Statements for Directors (FSD), Class 3/2008 - Director Accreditation Program (DAP), Class 37/2005 |
| 5. Mr. Somphong Ouitrakul | Independent Director and Audit Committee Member | - Advance Audit Committee Program (AACP) , Class 17/2014 - Director Accreditation Program (DAP), Class102/2013 |

| Name – Surname | Title | Training Course Program |
|--|--|--|
| 6. Mrs. Sutharak Soonthornpusit | Independent Director and Audit Committee Member | - Director Accreditation Program (DAP), Class 103/2013 |
| 7. Mr. Pramote Bhongse-tong | Committee Member | - Director Accreditation Program (DAP), Class 104/2013 - Director Certified Program Refresher (DCP RE), Class5/2007 - Director Certified Program (DCP), Class 0/2000 |
| 8. Mr. Somkid Wangcherdchuwong | Independent Committee Member | - Director Accreditation Program (DAP), Class/2006 |
| 9. Mr. Satit Rathlertkarn | Director, Executive Vice President of Sale | - Director Certification Program (DCP), Class 205/2015 - Director Accreditation Program (DAP), Class 104/2013 |
| 10. Mrs. Ratana Suwan | Director, Executive Vice President of Accounts and Finance | - Director Certification Program (DCP), Class 188/2014 - Director Accreditation Program (DAP), Class 94/2012 |
| 11. Mr. Somchai Sakulwichitsintu (resigned on October 16, 2015) | Director, Vice President of Marketing | - Director Accreditation Program (DAP), Class 102/2013 |
| 12. Miss Wathara Arun | Company Secretary | - Anti-Corruption the Practice Guide(ACPG, Class 22/2015 - Company Secretary Program(CSP) , Class 59/2014 |

6. Nomination of Directors and Top Executives

The nomination and appointment of directors is conducted through the shareholder meeting. Qualified persons are selected by the Nomination Committee based on their experience, knowledge, proficiency and prerequisite qualifications under the law. Subsequently, the candidate is elected by the shareholder meeting according to the criteria and procedure stipulated in the Articles of Association

6.1 Composition and Appointment of the Board of Directors

The Composition, nomination, appointment, removal or retirement of directors are specified in the Articles of Association, which is summarized as follows

1. The Board of Directors consists of at least five directors and at least half of the total number of directors must reside in the Kingdom of Thailand. The directors must possess qualifications as specified under the law.
2. Directors are elected by the shareholder meeting according to the following criteria and procedure
 - Each shareholder has a number of votes equal to the number of shares held
 - Each shareholder may allocate all his/her votes to elect one or several candidates. However, in an election for multiple directors, the shareholder must allocate his/her votes equally

3. Candidates receiving the most votes in descending order are elected to the number of positions required at a given meeting. In the event of a tie for the final position, the Chairman of the meeting will cast the awarding vote

4. Any director intending to resign from office can submit a resignation letter to the Company. The resignation is effective on the date the letter is received by the Company

5. If a directorship falls vacant for reasons other than by rotation, the Board will elect a person with suitable qualifications and legal prerequisites to fill the vacancy at the next Board of Directors meeting, unless the remaining term of the former director is less than two months. The replacement director retains office only for the remaining term of his/her predecessor. The Board of Directors' resolution represents a vote of not less than three-fourth the number of remaining directors

6. The shareholder meeting can remove any director from office before his/her retirement by rotation by a vote of not less than three-fourths the number of shareholders in attendance and entitled to vote. The vote must represent not less than one-half the number of shares held by shareholders in attendance and entitled to vote.

6.2 Composition and Appointment of Independent Directors

The Board of Directors consider a candidate's qualifications for an independent directorship according to the Public Limited Companies Act, law on securities and exchange, notifications of the Capital Market Supervisory Board, an relevant notifications, regulations and/or rules. The Board also considers a potential nominee's proficiency, work experiences and other relevant qualities. The candidate is subsequently nominated to the shareholder meeting in final voting. The number of Independent directors must be at least one-third of the Board, as well as, at least three members

Qualifications of Independent Director

1. Must hold no more than 1% of total shares with voting rights in the Company, its parent company, subsidiaries, affiliates or juristic persons with possible conflicts of interest (hence forth, the Company, its parent company, etc") including shares held by the director's affiliate

2. Has not served as executive director, employee, staff, salaried advisor, or controlling person in the company, parent company, etc. for at least two years from the date of submitting the application to the SEC.

3. Has no familial relation , either biologically or legally, to executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries. Familiar relations include, but are not limited to father, mother, spouse, sibling or in-law

4. Has neither a conflict of interest via business relations with the Company, its parent company, etc that may impede his/her independent discretion, nor served as a major shareholder, non-independent director or executive of those with business relations to the Company, its parent company, etc. for at least two years from the date of submitting the application to the SEC.

5. Has neither served as an external auditor for the Company, its parent company, etc, nor been a major shareholder, non-independent director, or managing partner of an audit firm which employs external auditors to the Company, its parent company, etc for at least two years from the date of submitting the application to the SEC

6. Has neither been a professional service provider of any kind who received an annual service fee exceeding 2 million Baht from the Company, its parent company, etc, not in the event the professional service provider is a juristic person, been a major shareholder, non-independent director, executive or managing partner of a professional service provider for at least two years from the date of submitting the application to the SEC

7. Has not served as a director appointed as a representative of the Company's directors, major shareholders or shareholders related to major shareholders.

8. Does not possess any other characteristics that render him/her incapable of giving independent opinions on the Company's operations

6.3 Composition and Appointment of the Audit Committee

The Board of Directors appoint members of the Audit Committee which consists of at least three independent Company directors qualified under securities and exchange legislation as well as the notification, regulations and/or rules of the Stock Exchange of Thailand. The independent directors that chair the Audit Committee must possess additional qualifications as follows

1. Is not a director assigned by the Board to make decisions on the business operations of the Company, its parent company, subsidiaries, same-level subsidiaries, affiliates or juristic persons with possible conflicts of interest

2. Is not a director of its parent company, subsidiaries or same-level subsidiaries that are listed companies?

3. Has sufficient knowledge and experiences to perform duties as a member of the Audit Committee. At least one member must have sufficient knowledge and experiences to review the credibility of financial statements

The term of office for each Audit Committee member is three years

7. Self-Assessment of the Board of Directors and Top executives

To be conducted annually, the self-assessment of the Board of Directors and top executives is divided into four parts, namely

1) Self-assessment of individual directors

2) Self-assessment of the Board as a whole

3 Self-assessment of sub-committee, for example, Audit Committee

4) Self-assessment of top executives

The Company uses comments and recommendations derived from the assessment to enhance the Board's performance and optimize corporate governance practices.

8. Succession of the Company's Top Executive Management

The Company's Board of Directors gives importance on succession plan to have the Company be always ready to respond in the event that some of directors become incompetent. The Board of Directors will assign the Nomination, Remuneration and Corporate Governance committee to create the succession plan. The succession plan will include development plan for Chairman, or Chief Executive Officer, Chief Technology Officer including top executive management aimed at being always ready and continual operation plan with nominating successor in case of their retirement, or incompetency for continual flow operation.

2. Control over the Use of Internal Information

1. The Company's directors, executives, employees and staff at all levels as prohibited from disclosing or exploiting confidential and/or internal information of the Company for their own or other persons' benefit, either directly or indirectly

2. The Company's directors, executives , employees and staff at all levels as well as their relations are prohibited from using internal information that may affect the value of the Company's securities for either direct or indirect trading, before said information is officially disclosed to the public, regardless of the intended purpose. Those who violate this regulation shall be subject to disciplinary actions

3. The Company has acquainted its directors and executives with their duty to report the Company's securities held by themselves or their relatives including changes thereof, to the Office of the SEC. in accordance with Section 59 and penalty provisions of the Securities and Exchange Act, B.E..2535

4. The Company's directors, executives, employees and staff, as well as their relatives are prohibited from trading the Company's securities during one month period prior to the disclosure of its financial statements to the public

3. Audit Fee

EY Corporate Services Limited has been the Company's audit office since 2012 and Ms. Tipawan Nananuwat, the external auditor for 2014. The proposed external auditor is neither a connected person nor a person with conflict of interest. With all due knowledge and independence in auditing, Ms. Tipawan Nananuwat is also an auditor approved by the Office of the Securities and Exchange Commission (SEC)

In 2013-2015, the Company paid audit fees as follows

| (Unit :Baht) | 2013 | 2014 | 2015 |
|--------------|-----------|-----------|-----------|
| Audit Fees | 1,110,000 | 1,160,000 | 1,160,000 |

Corporate Social Responsibilities : CSR

1. Corporate Social Responsibility Policy

Being enlisted and registered in Market for Alternative Investment (MAI), PCA Board of Directors are aware to comply with Sustainability Development Roadmap: SD Roadmap of Securities and Exchange Commission of Thailand (S.E.C), emphasizing on three aspects including (1) CG in Substance (2) CSR in Process and (3) Anti-Corruption in Practice

PCA adhere to our mission on “Commitment to Integrated Services with High Quality Products, Competitive Price, Just-in-Time Delivery, Pre-Sales and After-Sales Supports by Professional Engineering Team, in line with Optimization and Cost Efficiency of Technology for Customer Satisfaction”

2. CSR-in-Process

PCA have conducted CSR in form of various kinds of social supports, for example, donation and making social merits which is a part of CSR in terms of CSR after Process only. Therefore, to respond with Sustainability Development Roadmap, PCA start to develop CSR in Process in Quarter 4 of 2014 under the project named “WE CARE”, focused in 3Ps including Care People, Care PlanetComm, and Care Planet. The project is social and environmental responsibility policy, aimed at cultivating PCA staff’s conscious and awareness in their responsibility for themselves, customers, stakeholders, partners, society and environment.

3. Actions and Report Preparations

PCA “We Care” activity is based on 8 CSR principles of Securities and Exchange Commission of Thailand (S.E.C),

1. Good corporate governance
2. Anti-corruption (Detail as per Clause No.10.5, Page 2-30)
3. Respect on Human Rights
4. Fair labor practices
5. Responsibilities to consumers
6. Environmental protection
7. Community and Social Development Collaboration
8. CSR Innovation and Innovative Expansion



| PCA : We Care | | CSR in Process | CSR after Process | 8 CSR principles |
|---------------------------|---|----------------|-------------------|------------------|
| 1. Care People | | | | |
| Happy Money | Providing loaning program /annual bonus /uniform for employee | ✓ | | 3, 4 |
| Happy Soul | Happy Friday with Dharma /Annual merit-making Alms to Buddhist Monk Ceremony | ✓ | | 3, 4 |
| Happy Relax | Team Building /New Year Party / Health & Recreation Activities Clubs | ✓ | | 3, 4 |
| Happy Family | Employee's family participation in New Year Party / Granting employee's spouse or children to buy corporate group insurance | ✓ | | 3, 4 |
| Happy Brain | Annual training program / On the job training program | ✓ | | 3, 4 |
| Happy Body | Health and recreation activities clubs /corporate group insurance /annual medical check-up | ✓ | | 3, 4 |
| 2. Care PlanetComm | | | | |
| Good Place | Good Office's environment, Happy Workplace | ✓ | | 4 |
| Good Profit | Trusted provider | ✓ | | 4, 5 |
| Good Governance | Good governance policy / CSR projects / Anti -Corruption | ✓ | | 1, 2, 5 |
| Good Reputation | Trust-building for consumers | ✓ | | 5 |
| 3. Care Planet | | | | |
| Save Energy | Saving energy, energy saving light bulbs | ✓ | | 6 |
| Save Paper | Reducing use of paper and printing ink | ✓ | | 6 |
| Save Society | Donation / Opening for student trainees | | ✓ | 7 |
| Save Environment | Reducing waste and plastic bottles / wet and dry waste segregation | ✓ | | 6 |

At initial phase, PCA define goals, action plans and indicators as follows

| Item | Goal | Action Plan | Indicator |
|------|--|---|---|
| 1. | Saving energy | 1.1 Turn-off the light during lunch break 1.2 Turn-on air-conditioner at 25°C and turn it off after use 1.3 Setting safe mode on computer | - Lower electricity and electricity consumption rate fee |
| 2. | Reducing use of paper and printing ink | 2.1 Setting person authorized for color-printing order 2.2 Avoiding unnecessary printing 2.3 Recycling re-used paper | - Lower purchase of paper - Lower photocopy service |
| 3. | Reducing use of plastic bottle | 3.1 Installing more drinking water strainers 3.2 Using “PlanetComm” glass instead of bottle 3.3 Using glass instead of plastic glass | - Lower purchase of “PlanetComm” Bottle Drinking Water |

Expenditures in 2014 and 2015

| Goal | Indicator | Y.2014 (Million Baht) | Y.2015 (Million Baht) | Increase (Decrease) | |
|-------------------------|---|--------------------------|--------------------------|---------------------|----------------|
| | | | | (Million Baht) | % |
| 1. Saving energy | 1. Electricity fee and electricity consumption rate | 3.25 | 3.01 | (0.24) | (7.38%) |
| 2. Use of paper | 1. Volume of paper purchase | 0.156 | 0.177 | 0.022 | 14.10% |
| | 2. Photocopier service cost | 1.18 | 1.01 | (0.17) | (14.41%) |
| 3. Use of plastic paper | 1. Volume of “PlanetComm” bottle drinking water | .033 | .022 | (0.011) | (33.33%) |
| | Total Costs | 4.619 | 4.219 | (0.4) | (8.66%) |

Comparing expenses in 2014 and 2015, the electricity cost, photocopier service cost, paper cost and cost of purchase of Planet bottle drinking water in 2015 is lower than 2014. Only paper cost in 2015 is higher than 2014 due to more bidding projects. In overall, expense in 2015 is Baht 400,000 reduced from 2014. Therefore, PCA continue its CSR in process projects for the following years.

Administration Department always gives the Board of Directors project progress report and CSR in Process activities on quarter basis. PCA will give CSR in Process information in its annual report in accordance with rules and regulations of Securities and Exchange Commission of Thailand (S.E.C).

4. CSR-after-Process

PCA continue social activities every quarter in form of collaborative activities with other organizations and own activities

PCA own activities are divided into three types as follows

1. Environmental aspect

- Forestation : Unity-Forming Project for making merits given to the King , in collaboration of with Thai Health Center, The Thai Electric, Electronics and Telecommunications Industries Association
- Canal dredging : Charming Canal with Clear Water Project in collaboration with Toshiba Electronic Industries Co.,Ltd, and Nonthaburi Municipality
- Mangrove forestation : Global Conservation Project, Planting mangrove at Sattahip Navy Base as own activity
- Litter-gathering : PCA staffs participate in gathering litter along Samet Island

2. Youth and Disadvantage Children Aspect

- Giving computers for The Mirror Foundation for disadvantaged schools donation
- Giving electrical appliances to Home for Children with Multiple Disabilities at Ramindra
- Giving meals to Home for Children with Multiple Disabilities at Ramindra on New Year
- Giving utilities and recreations to Children Village School in Kanchanaburi
- Giving desk calendar to Foundation for The Blind in Thailand under the Royal Patronage of H.M. The Queen

3. Buddhism Nourishing Aspect

- Making merits and charity participated by all employees at Wat Kaeng Pasak, Kaeng Khoi District, Saraburi Province

5. Anti-Bribery and Anti-Corruption

PCA commit to operate its business with transparency, anti-bribery and anti-corruption which are considered as policy contained in business ethics

All of PCA Directors, Management and staff are regulated to comply with business ethics in terms of anti-bribery and anti-corruption as follows;

- No direct or indirect offer for any benefits, bribery, request for bribery or being bribed by other persons or organizations in any forms with intention to acquire some interests from PCA
- No direct or indirect unfair transaction involved with government authorities, other persons or organizations.
- No direct or indirect financial support or for interest to political party, political group or any persons relevant to politics for corporate, individual or comrade interests.

PCA have never been reported or complained about bribery and corruption.

According to PCA Board of Directors meeting no. 4/2014 dated August 13, 2014, it was resolved and acknowledged by the Board of Directors to allow the Administration Department to participate in the project of Private Sector Collective Action Coalition against Corruption and in the same year, PCA entered into the Declaration of Collaboration in Private Sector Collective Action Coalition against Corruption and accepted by the project committee. PCA plan to apply to the project committee for certification of transparent business operation by 2016 as the following processes

1. Creating self-evaluation form for anti-corruption measures
2. Being acknowledged by the company's Board of Directors and signed by Chairman , Board of Directors in the self-evaluation for anti-corruption measures
3. Reviewing by the company's Board of Directors and signing in the self-evaluation form for anti-corruption measures
4. Submitting the self-evaluation form for anti-corruption measures together with all relevant documents to the Project Committee

Now, PCA are on process of creating self-evaluation form as the following steps;

1. Corruption-Based Risk Assessment
2. Defining anti-corruption policy , setting guidelines for preventive actions, monitoring corruption and actions against complaints (Whistle Blowing) including protective actions for clue reporters
3. Internally and externally announcing enforcement of relevant policies and procedures
4. Following up and evaluating compliance with anti-corruption policy and guidelines
5. Review by the Inspecting Project Committee
6. Giving the Board of Directors the inspection result and granting for certification application.

In 2015, PCA collaborated with private and state enterprise sectors for anti-corruption as follows

| Date/Month/Year | Activities Details |
|-----------------------|--|
| September 24-25, 2015 | PCA secretary attended in the Anti-Corruption: The Practice Guide Training program held by Thai Institute of Directors to learn about Self-Evaluation Tool, corporate anti-corruption principles and systems which PCA plan to complete it by 2016 |
| October 8, 2015 | As partner, PCA sent the reply form to acknowledge and confirm business ethical practices of AIS and subsidiary companies |
| December 9, 2015 | PCA sent our partners and related entrepreneurs books of corporate business ethical practices on giving and receiving gifts for transparency and equality on PCA business operation |
| December 25, 2015 | Planet Communications Asia Public Company Limited by Chief Executive Officer entered into the signing ceremony for Memorandum of Understanding (MOU) on anti-corruption with Provincial Electricity Authorities |

In addition, upon receiving books of anti-corruption, PCA shall comply with rules and regulations of PCA's partners and related entrepreneurs.

Internal Control and Risk Management

The Board of Directors' Meeting No.2/2558, held on February 25, 2016 with the Audit Committee, evaluated the Company's internal controls through consulting management. Conclusions were drawn on five aspects of internal controls, summarized as follows

1. Organizational Control and Environmental Measures.
2. Risk Management Measure.
3. Management Control Activities.
4. Information and Communication Measure.
5. Monitoring.

The Board of Directors has considered the Company to have arranged adequate internal controls with major shareholders, directors, management and all stakeholders, as well as other company operations.

1. Internal Control Management

The Company's Audit Committee has deemed the Company's internal controls and internal audit to be adequate and effective. In terms of the Company's performance, the audit has to be in accordance with SEC announcement and SET rules and regulations. The Audit Committee met at least very quarter to consider and manage financial reporting for adequate disclosure. Connected transactions, i.e. transactions with potential conflicts of interests were considered in accordance with related laws. An independent auditor attended the Audit Committee Meetings to advise as necessary. Details are shown in Audit Committee Report as Annex No.6.

The Company has appointed P&L Internal Audit Co., Ltd. to perform the Company's internal control system since 2011. The auditor reported system evaluations to the Audit Committee every quarter and the Company has always executed improvements as per auditor recommendations.

2. Internal Audit's Observation on Internal Control System

In 2015, the Internal Audit observed the Company's operations of processes including inventory management, expenditure cycle (purchase/procurement process and payments), revenue cycle (sale process/receipt of payment), human resources management, sales and marketing management, post-sales service management. The Audit Committee gave the Company advices for more checks and balances in every department to improve internal controls and develop good corporate governance. The audit showed a suitable internal control system and the Company has executed improvements based on the following issues

- (1) Operation Process of Purchase/Procurement.
- (2) Operation Process of Sales and Marketing.
- (3) Operation Process of Post-Sales Service.

From the aforementioned audit, the Internal Audit reported observations as follows

(1) For operation process of purchasing: it was recommended for purchasing process, signing on supporting documents, reviewing the pending purchase orders.

(2) For operation process of sales and marketing: it was recommended for clear inventory stock level, job description improvement and defining authorization.

(3) For operation process of post-sales service, it was recommended for improvement on correctness and accuracy of documents, for example, Job Description, post sales service contract and post sales service satisfaction.

3. Auditor's Observation on Internal Control System

For the Fiscal Year Ended on December 31, 2015, the Company's auditor EY Office Ltd has no observations or recommendations about the accounting internal control system.

Connected Transaction

1. Nature of Relationship

The Company has had connected transactions with persons that may cause a conflict of interest. These persons include shareholders and/or executives as well as related companies. This refers to companies that may have a conflict of interests or have relationship with shareholders and executives of the Company Relationships are summarized as follows.

| Person that may have a conflict of interest | Nature of Relationship |
|---|---|
| "P&T Asset" | <ul style="list-style-type: none"> The same directors include Mr. Prapat Rathlertkarn and Mr. Trevor Thompson. Operate property leasing business with the same shareholders. Mr. Prapat Rathlertkarn and Mr. Trevor Thompson (including related persons) collectively hold 63.16% of share of the Company as of December 31, 2014 and hold the 99.94% of shares in P&T Asset as of December 31, 2014. |
| Mr. Prapat Rathlertkarn* | <ul style="list-style-type: none"> Serves as vice chairman, president and chief executive officer of the Company Holds 78,950,000 shares in the Company (including holdings of related persons), accounting for 31.58% of the total paid-up shares of the Company as of December 31, 2014. |
| Mr. Trevor Thompson* | <ul style="list-style-type: none"> Serves as director, deputy chief executive officer and chief technology officer of the Company. Holds 78,950,000 shares in the Company (including holdings of related persons), accounting for 31.58% of the total paid-up shares of the Company as of December 31, 2014. |
| Mr. Sanpat Sapon | <ul style="list-style-type: none"> Serves as chairman of the Company. Not a shareholder of the Company as of December 31, 2014. |
| Mr. Pramote Hongthong | <ul style="list-style-type: none"> Serves as independent committee of the Company. Not a shareholder of the Company as of December 31, 2014. |

Note : Mr. Prapat Rathlertkarn and Mr. Trevor Thompson have entered into an agreement with the Company affirming that they would not operate any business that competes with the Company. This extends to assuming the role of a partner, major shareholder or director of any company whose business competes with the Company. All management executives have also entered into an agreement with the Company, affirming that while they are employed by the Company, they cannot operate any business that is of the same nature and compete against the Company. This includes being a partner, major shareholder or director of any company whose business competes with the Company. For at least one year, executives cannot be employed by any company that compete with the Company and will not disclose any information about the Company, including the products sold and the products for which the employee was responsible. These terms and conditions are specified in the Non-Disclosure Agreement, into which Company employees have been entered. Evidence of damages to the Company directly or indirectly due to employees such as utilizing its confidential knowledge or customer database, or bidding against the Company can result in litigation against said employee. If PlanetComm is aware of the former employee's new workplace or business, the Company will coordinate with and inform the new employer that the Company may claim damages in order to protect its business operations.

2. Details of connected transactions

Details of connected transactions are disclosed in the note number 6 of the financial statements as follows

(1) Sales and general administration

| Person who may have a conflict of interest | Nature of transaction | Transaction value (Mil. Baht) 2015 | Nature and justifications of transactions |
|--|-----------------------|------------------------------------|---|
| 1. P&T Asset Co., Ltd. | Lease | 11.41 | <p>1. Leasing of building. Total area is 3,269 square meters leased at 836,450 Baht per month. The Company leases the building from P&T Asset for office space. The lease rate is in accordance with an SEC approved independent appraiser. The 3-year lease agreement is effective from January 1, 2012 to December, 2014, after which the Company can renew the agreement for another 3 year term. The lease rate of the second agreement (January 1, 2015-December 31, 2017) will be increased by 10% (in accordance with the appraisal report dated September 30, 2011 by American Appraisal (Thailand) Company Limited approved by the SEC.)</p> <p>2. Leasing of warehouse. Total area is 430 square meter. Lease rate is 51,600 Baht per month from November 1, 2014 to October 31, 2017. The Company has the right to renew the agreement for another three years. The lease rate will be increased by 10% (in accordance with the appraisal report dated November 3, 2014 by American Appraisal (Thailand) Company Limited).</p> <p>P&T Asset agrees to extend the lease for another 3 years if the lease rate is at market rate. If the market rate is not available, the Company would engage and SEC-approved independent appraiser to appraise a new lease rate. If the new lease contract is in accordance with the rate appraised by the independent appraiser, P&T Asset agrees to extend the lease contract for another 3 years. The lease extension will be proposed to the Board of Directors. Members of the Audit Committee need to be present at all meetings to consider the approval.</p> |

| Person who may have a conflict of interest | Nature of transaction | Transaction value (Mil. Baht) 2015 | Nature and justifications of transactions |
|--|-----------------------|------------------------------------|---|
| 2. Mr. Sanpat Sopon | Advisory Fee | 1.2 | Advisory fee paid to Mr. Sanpat for his administration and management counsel. The 6-month contract from November 1, 2013 – April 30, 2014 is valued at Baht 1,200,000. The Company has extended the contract until June 30, 2015. The advisory fee of Baht 600,000 is payable every 3 months. The Audit Committee has reviewed and judged the transaction as appropriate since Mr. Sanpat possesses relevant knowledge, expertise and experience in his previous position in senior-level management of a large, world-class IT company and a director of an IT organization. His counsel in management and administration benefits the Company's business, including industry insight related to the Company's business and management. The scope includes advice, training and weekly meetings with the management |
| 3. Mr. Pramote Bhongse-tong | Advisory Fee | 0.36 | As a consultant of the project Management officer by the resolution of the Board of Directors Meeting no.6/2015 to relay system SAIR (System Assurance & Installation Review) as a mentor for the new Project Management Officer from August 17,2015 to November 17,2015 and consult fee 120,000 Baht per month. |

(2) Pledge transactions

| Persons who may have a conflict of interest | Transaction value (million Baht) | | | Nature and justifications of the transaction |
|---|-----------------------------------|-----------------------------------|------|---|
| | 2013 | 2014 | 2015 | |
| 1. Mr. Prapat Rathlertkarn | Limit 567.08 Used 209.71 | Limit 455.20 Used 119.02 | none | The pledge for the loan by Mr. Prapat has no associated compensation from the Company. The transaction is deemed appropriate and was executed because it helped the Company in securing a loan from a commercial bank for working capital |
| 2. Mr. Trevor Thompson | Limit 567.08 Used 209.71 | Limit 455.20 Used 119.02 | none | The pledge for the loan by Mr. Trevor has no associated compensation from the Company. The transaction is deemed appropriate and was executed because it helped the Company in securing a loan from a commercial bank for working capital |

| Persons who may have a conflict of interest | Transaction value (million Baht) | | | Nature and justifications of the transaction |
|---|----------------------------------|--------|---------|--|
| | 2013 | 2014 | 2015 | |
| 3. P&T Asset Co., Ltd. | Limit | Limit | Limit | The mortgage of the P&T Asset building has no associated compensation from the Company. The transaction is deemed appropriate and was executed because it helped the Company in securing a loan from a commercial bank for working capital |
| | 345.00 | 140.00 | 180,000 | |
| | Used | Used | Used | |
| | 171.19 | 63.40 | 96.22 | |

3. Measures or procedures for approving transactions

The Company defines measures to govern connected transactions executed between the Company and persons who may have a conflict of interest. The Audit Committee reviews the justifications of a transaction by considering whether they are in line with normal business transactions and by comparing with the market price for similar transactions. If the Audit Committee does not possess expertise in reviewing the transaction, the Company would appoint an independent specialist, e.g., an external auditor, a property appraiser or a law firm, to review and report on the transaction for consideration by the Audit Committee. The Committee will then submit the transaction proposal for approval by the Board of Directors or the shareholders.

In addition, the Company does not allow its executives and stakeholders that are involved either directly or indirectly to participate in approving connected transactions. The Board ensures that the Company is in compliance with the Securities and Exchange Act, as well as, rules, regulations, instructions or conditions stipulated by the Capital Market Supervisory Board and the SET. This includes regulations relating to the disclosure of transactions and acquisition or disposal of material assets owned by the Company and its subsidiaries, as well as financial reporting standards stipulated by the Federation of Accounting Professions and the Thai Certified Public Accountants. Transaction shall be disclosed in the notes to the financial statements reviewed or audited by the Company's external auditor.

4. Future connected transactions

The Company may continue to execute connected transactions considered to be part of normal businesses operations. The Company defines a clear policy on transactions where prices and terms are similar to transactions executed with unrelated persons and companies, including property leasing and loan pledges. The Audit Committee considers transactions in accordance with rules and its justifications on a quarterly basis.

The Audit Committee also reviews transactions that may not be considered normal business practice and indicates reasons for the transaction before execution. The Committee strictly follows the aforementioned measures and approval process. Nevertheless, as for future transactions that may constitute a conflict of interest, the Board would ensure that the Company is in compliance with the Securities and Exchange Act, as well as, rules, regulations, instructions, or conditions stipulated by the Capital Market Supervisory Board and the SET. This includes regulations relating to the disclosure of transactions and the acquisition or disposal of material assets owned by the Company and its subsidiaries, as well as financial reporting standards stipulated by the Federation of Accounting Professions and the Thai Certified Accountants.

Management Discussion and Analysis

1. Overview of Operating Performance

The Company provides telecommunications and digital TV technology services covering three product categories, namely (1) products which the Company is an authorized distributor related to wireless networks, wired networks and multimedia systems, as well as broadcasting and digital TV systems (2) products, which are designed, customized and integrated under the PlanetComm brand into customized solutions; and (3) full-range services encompassing consultation, design, installation, training as well as system/equipment maintenance and repair.

The Company's competitive strategies in innovations, competency and service reliability keep its products and services on par with international standards and obtain various certifications, e.g. ISO9001:2008, ISO 14001:2004, etc, as well as awards from many world-class technology providers.

Industries that affect the Company's operations include the ICT industry and digital TV industry, both of which play a vital part in the country's infrastructure through policies on the development of the 3G mobile network in 2.1 GHz frequency band, the auction of which was carried out in 2012, and the development of digital TV broadcasting to fully replace the analog system within the year 2016. These infrastructure development policies will encourage massive ICT investments, which are favorable to the Company's growth.

The Company's total revenue was 627.58 million Baht in 2012 and 751.05 million Baht in 2013, figured as 19.67%. In 2014, the Company's total revenue was 963.7 million Baht, figured as 28% growth compared to 2013. In 2015, the Company's total revenue was 1,027.73 million Baht, figured as 6.6% growth from 2014.

Although the Company's revenue relies largely on government agencies, the state budget affects our operating performance. However, the government sector presently prevent budget concentration in the third and fourth quarters by adopting an evenly-scheduled spending scheme, enabling the Company to earn more regular income. Fluctuation in the Company's revenue in the first-half of 2012 was due mainly to recovery from the great flooding at the end of 2011. As the Company plans to focus more on the digital TV market, the proportion of public sector customers will decline, and the sales of set-top boxes will cause more revenue stability.

(a) Revenue

The Company's total revenue amounted to 627.58 million Baht in 2012, 751.05 million Baht in 2013, 963.7 million Baht in 2014 and 1,027.7 million Baht in 2015 respectively. Sales and services revenue are comprised 99.17% and 0.83% respectively. The Company's revenue can be summarized as follows:

1. Revenue from sales and services

In 2012-2015, the Company earned revenue from sales and services of 619.39 million Baht, 744.42 million Baht, 951.34 million Baht and 1,019.22 million Baht respectively. In 2015, the revenue was divided into sales of distributed products, sales of PlanetComm products and service revenue of 756.73 million Baht, 184.35 million Baht, and 78.14 million Baht respectively, figured as 74.25%, 18.09% and 7.66% respectively.

| Revenue from sales and services | 2012 | | 2013 | | 2014 | | 2015 | |
|---------------------------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
| | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % |
| Revenue from distributed products | 480.87 | 77.63 | 623.40 | 83.74 | 769.44 | 80.88 | 756.73 | 74.25 |
| Revenue from PlanetComm products | 103.54 | 16.72 | 80.69 | 10.84 | 119.90 | 12.60 | 184.35 | 18.09 |
| Revenue from services | 34.99 | 5.62 | 40.32 | 5.42 | 62.00 | 6.52 | 78.14 | 7.66 |
| Total revenue from sales and services | 619.39 | 100.00 | 744.42 | 100.00 | 951.34 | 100.00 | 1,019.22 | 100.00 |

Revenue from distributed products

The Company's revenue from 2012=2015 distributed products totaled 480.87 million Baht, 623.40 million Baht, 769.44million Baht and 756.73 million Baht, figured as 77.63%, 83.74%, 80.88% and 74.25 % respectively of the total sales and services revenue. The products distributed by the Company are divided into two main groups, namely (a) products related to telecommunications systems and (b) products related to broadcasting and digital TV systems which can be summarized as follows

| Revenue from distributed products | 2012 | | 2013 | | 2014 | | 2015 | |
|---|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
| | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % |
| (a) Telecommunications systems | 447.43 | 93.05 | 529.99 | 85.02 | 613.26 | 79.70 | 679.55 | 89.80 |
| (b) Broadcasting and digital TV systems | 33.44 | 6.95 | 93.41 | 14.98 | 156.18 | 20.30 | 77.18 | 10.20 |
| Total revenue from distributed products | 480.87 | 100.00 | 623.40 | 100.00 | 769.44 | 100.00 | 756.73 | 100.00 |

(a) Revenue from products related to telecommunications systems

In 2012-2015, the Company recorded revenue from distributed products related to telecommunications systems at 447.43 million Baht, 529.99 million Baht, 613.26 million Baht and 679.55 million Baht respectively, equal to 93.05%, 85.02%, 79.70% and 89.80% respectively.

In 2013, revenue from telecommunications products rose from the previous year by 18.45% as a result of economic recovery as well as the delivery of the TelePresence system project to the Ministry of Finance, valued at 103 million Baht.

In 2014, the Company had revenue from distributed telecommunications products of 613.26 million Baht or 79.70% of total sales of distributed products, increasing from the same period last year by 15.71%. The increase comes from networking products and security network equipment.

In 2015, the Company had revenue from distributed telecommunications products of 679.55 million Baht or figured as 89.80% of total sales of distributed products, increasing from the same period last year by 10.81%. The increase comes from mega-project on TES (Telephony Earth Station) development and installation valued 103.18 million Baht.

(b)Revenue from products related to broadcasting and digital TV systems

In 2012-2015, revenue from broadcasting and digital TV products distributed by the Company amounted to 33.44 million baht, 93.41 million Baht, 156.18 million Baht, and 77.18 million Baht respectively, equal to 6.95%, 14.98%, 20.30% and 10.20% respectively.

In 2013, the revenue from broadcasting and digital TV products distributed by the Company jumped by 179.35% as a result of after-flood economic recovery and digital TV expansion that enabled the Company to deliver more large scale projects ,e.g. the installation of satellite broadcasting link control system for MCOT PLC.

In 2014, the revenue from broadcasting and digital TV products distributed by the Company amounted to 156.18 million Baht or 20.30% of total revenue from distributed products, representing a year –on-year increase of 67.20% due to additional digital equipment installation services rendered to television service providers.

In 2015, the revenue from broadcasting and digital TV products distributed by the Company dropped to 77.18 million Baht or 10.20% of total revenue from distributed products, representing a year –on-year increase of 50.58% as the transformation from analog to digital TV broadcasting cannot meet the government expectation and a slow-down of investment on TV channels made lower revenue from this field.

Revenue from PlanetComm Products

In 2012-2015, the Company's PlanetComm's products revenue totaled 103.54, 80.69, 119.90 and 184.35 million Baht respectively, accounting for 16.72%, 10.84 %, 12.60% and 18.09% of total sales and services revenue respectively.

In 2013, the Company had PlanetComm products revenue of 80.69 million Baht or 10.84% of total sale and service revenue. This represents a decrease of 22.06% from last year, which benefited from radio jammer projects delivered to the Naval Communications and Information Technology Department.

In 2014 and 2015, PlanetComm products revenue amounted to 119.90, and 184.35 million Baht respectively or 12.60% and 18.09 % of total sales and services revenue. However, the transition from analog to digital TV broadcasting will afford a great opportunity of the Company to grow. The sales of set-top boxes to general consumers will contribute to higher revenue from PlanetComm products.

The average revenue from PlanetComm products over 2012-2015 was about 14.65% of total sales and services revenue. However, the transition from analog to digital TV broadcasting will afford a great opportunity for the Company to grow. The sales of set-top boxes to general consumers will contribute to higher revenue from PlanetComm products.

Revenue from services

The Company's services revenue comes mostly from maintenance and repair services. In 2012-2015, the Company had services revenue of 34.99 million Baht, 40.32 million Baht, 62 million Baht, and 78.14 million Baht respectively, accounted for 5.62%, 5.42%, 6.52% and 7.66% of total sales and services revenue respectively.

In 2015, the Company recorded services revenue of 78.14 million Baht or 7.66% of total sales and services revenue, whereas the maintenance service revenue, the repair service revenue and other revenues totaled 70.12 million Baht, 6.54 million Baht and 1.47 million Baht respectively.

2. Other revenue

In 2012-2015, the Company had other revenue of 8.19 million Baht, 6.63 million Baht, 12.36 million Baht and 8.51 million Baht respectively. In 2012, key components of other revenue included exchange income at 4.05 million Baht, equipment rentals at 1.26 million Baht and interest income at 1.04 million Baht. In 2013, other revenue was comprise of co-op marketing fund from vendors at 2.63 million Baht , equipment rentals at 1.65 million Baht and assets sales of 0.69 million Baht. For 2014, the Company's other revenue totaled 12.36 million Baht, mainly composed of the co-op marketing fund valued at 4.51 million Baht , exchange income at 1.26 million Baht , assets sales at 1.26 million Baht, equipment rental at 1.83 million Baht and interest income at 0.88 million Baht.

In 2015, the Company's other revenue was 8.51 million Baht. Key components of other revenue include equipment rentals at 5.63 million Baht, marketing fund at 2.08 million Baht, interest income at 0.54 million Baht and assets sales at 0.26 million Baht.

Special expenses from share-based payments

On July 24, 2013, the Company's major shareholders sold their private-owned shares to the Company's executives. 17,290,000 Shares were sold at 1 Baht per share or par value. According to the Thai Reporting Standard No.2, the Company had to record the difference between the selling price and the fair value of said shares on the transaction date as expenses from share-based payments. The difference amounted to 17.12 million Baht which was recorded as additional expenses as follows

| Share-based payment by type | Value (Mil. Baht) |
|-----------------------------|-------------------|
| Sales cost | 0.62 |
| Sales expense | 10.93 |
| Administrative expense | 5.57 |
| Total | 17.12 |

As such expenses are only estimates against the fair value; they did not affect the Company's cash flow. However, the figures were recorded as capital surplus on share-based payment in the statement of changes in shareholders' equity 17.12 million Baht.

The fair value of the Company's shares on the transaction date was equal to 1.99 Baht per share. The figure was calculated by a financial advisor based on the price –to-book-value ratio approach (P/BV). The approach multiplies the Company's book value under the interim financial statement for six months ending June 30, 2013, or the latest statement prior to the transaction date, by the ratio of similar prices per book values of listed peer companies and adjusting according to liquidity risk.

(b) Costs and expenses

Main expenses of the Company consist of sales and services costs, sales and administrative expense and interest expense. Here, "cost" is defined as the initial capital to acquire assets, whereas "expense" refers to business overhead. In 2012-2015, the Company's total costs and expenses amounted to 551.00 million Baht, 685.50 million Baht, 902.39 million Baht and 958.90 million Baht respectively, as per the following details.

1. The Cost of Sales and Service and Gross Profit Margin (GPM)

The costs of sales and service are regarded as main expenses of the Company. In 2012, the cost of sales and service 404.10 million Baht, 504.54 million Baht in 2013, 702.61 million Baht in 2014 and 746.20 million Baht in 2015, accounting for 65.24%, 67.78%, 73.86% and 73.21% of total sale and service revenue, respectively. The cost of sales and services can be divided into the cost of distributed products, PlanetComm products and services are as follows;

| Costs of Sales and service | 2012 | | 2013 | | 2014 | | 2015 | |
|---|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | Mil. Baht | GPM (%) | Mil. Baht | GPM (%) | Mil. Baht | GPM (%) | Mil. Baht | GPM (%) |
| <u>Cost of Products distributed</u> | | | | | | | | |
| - Telecommunications | 302.69 | 32.35 | 364.38 | 31.25 | 458.18 | 25.29 | 523.49 | 22.97 |
| - Broadcasting and digital TV | 25.10 | 24.95 | 69.34 | 25.77 | 126.83 | 18.79 | 61.95 | 19.73 |
| Total cost of products distributed | 327.78 | 31.83 | 433.72 | 30.43 | 585.01 | 23.97 | 585.44 | 22.64 |
| Cost of Products by PlanetComm | 65.42 | 36.81 | 61.13 | 24.25 | 96.06 | 19.88 | 149.16 | 19.09 |
| Services costs | 10.90 | 68.86 | 9.69 | 75.96 | 21.54 | 65.26 | 11.60 | 85.15 |
| Total Cost of sales and services | 404.10 | 34.77 | 504.54 | 32.22 | 702.61 | 26.14 | 746.20 | 26.79 |

Cost of Products distributed by the Company

The cost of products distributed by the Company in 2012-2015 amounted to 327.78 million Baht, 433.72 million Baht, 585.01 million Baht and 585.44 million Baht respectively. The cost of distributed products can be divided into two groups, namely (a) products related to telecommunications systems and (b) products related to broadcasting and digital TV systems.

(a) Products related to telecommunications systems

In 2012-2015, the cost of telecommunications products distributed by the Company was 302.69 million Baht, 364.39 million Baht, 458.18 million Baht and 523.49 million Baht respectively, figured as a GPM of 32.35%, 25.29% and 22.97% respectively.

In 2012, the GPM of telecommunications products increased to 32.35% as the Company was appointed as Cisco's TelePresence Video Master Authorized Technology Provider, the highest rank of Cisco distributor. The Company also delivered large telepresence projects. In 2013, the GPM of telecommunications products was almost equal to the typical GPM of the distributed products.

In 2014 and 2015, the cost of sales of distributed telecommunications products totaled 458.18 million Baht and 523.49 million Baht respectively, figured as a GPM of 25.29% and 22.97%. The figure shrank from 2014 because Cisco-interfaced projects made up only a small portion of telecommunications projects delivered in 2014. On the other hand, satellite and networking projects that carried higher costs had increased in sales volume, causing the GPM to drop from the previous year.

(b) Products related to broadcasting and digital TV systems

In 2012-2015, the cost of broadcasting and digital TV products distributed by the Company was 25.10 million Baht, 69.34 million Baht, 126.83 million Baht and 61.95 million Baht respectively or a GPM of 24.95%, 25.77%, 18.79% and 19.73 respectively. The GPM of this product group was relatively volatile since the Company had just begun marketing this line of product so negotiation power is minimal.

In 2012, the Company deferred the customer base expansion scheme and placed greater priority on profitability, increasing GPM of broadcasting and digital TV products to 24.95%. In 2013, the GPM of broadcasting and digital TV products had flat growth from the year before.

In 2015, the cost of broadcasting and digital TV products distributed by the Company totaled 61.95 million Baht or a GPM of 19.73 %. Compared to in 2014, which the Company's GMP was 18.79%, the Company's GPM increased due to more efficient management and installation control to meet on-time schedule.

Products under PlanetComm brand

The cost of PlanetComm products in 2012-2105 was 65.42 million Baht, 61.13 million Baht, 96.60 million Baht and 149.16 million Baht respectively, representing a GPM of 36.81%, 24.25%, 19.88% and 19.09% respectively. In 2012, the GPM of PlanetComm products improved significantly due to radio jammers deliveries (co-developed with NECTEQ) to the Naval Communications and Information Technology Department.

As for 2015, the cost of PlanetComm products was at 149.16 million Baht or a GPM of 19.09%. The 2015 GPM of PlanetComm products were close to 2014 which a GPM was 19.88%. The Company remained selling Set Top Box which yields are lower than other products in the same category, because of intense competition.

Services cost

In 2012-2015, the Company's service cost was 10.90 million Baht, 9.69 million Baht, 21.54 million Baht and 11.60 million Baht respectively. These costs include the salaries of services and technical units, and warranties and maintenance paid to manufacturers or vendor, at 31.15% in 2012, 24.04% in 2013, 34.74% in 2014 and 14.85% in 2015 of services costs respectively. In 2012-2015, the Company's GPM from services was 68.85%, 75.96%, 65.26% and 85.15% respectively.

In 2015, the services cost of the Company totaled 11.60 million Baht, where salaries for post-sales services accounted for 3.3 million Baht, and warranties and maintenance costs accounted for 8.30 million Baht, figured as 28.45% and 71.55% of services costs which the Company recorded its GPM from services of 85.15%.

2. Sales expense

The Company recorded sales expense in 2012 of 48.25 million Baht, 64.88 million Baht in 2013, 79.81 million Baht in 2014 and 77.00 million Baht in 2015, equal to 7.69%, 8.64%, 8.28% and 7.49% of total revenue respectively. The average sales expense in 2013-2015 included 75% sales representative expense, 20% marketing expense and 5% sales representative traveling expense.

In 2013, the Company's sales expense include sales representative expense, special expense from share-based payments, marketing expense and traveling expense at the rate of 51.19%, 16.85%, 25.42% and 6.55% of total sales expense respectively. Excluding share-based expense, the sales expense in 2013 was equal to 53.95 million Baht, or 7.18% of total revenue which was close to 2012.

In 2015, the sales expense totaled 77.01 million Baht, comprised of sales representative expense, marketing expense and traveling expense at 67.38%, 26.18% and 6.44 % of total sales expenses respectively. In 2015, the sales expenses was figured as 7.49 % of total revenue, while the sales expense in 2014 was 79.81 million Baht, or equal to 8.28% of total revenue. This reflected the decrease of sales of 2.8 million Baht due to lower cost of advertisement.

3. Administrative expense

The Company's administrative expense was 91.18 million Baht in 2012 and 107.60 million Baht in 2013, representing 14.53% and 14.33% of total revenue respectively. The average administrative expense in 2012-2013 consisted of personnel expense for 42 %, depreciation for 20%, operation expense for 22% and rentals for 14%.

In 2014, the Company's administrative expense was 111.86 million Baht, consisting of 41.06% personnel expense, 17.23% depreciation cost, 31.17% operating expense, and 10.54% rental cost. The administrative expense in 2014 was 11.61% of total revenue, decreasing from end of 2013 due to more efficient expenses administration.

In 2015, the Company's administrative expense was 125.58 million Baht, consisting of 36.65% personnel expense, 16.52% depreciation cost, 34.40% operating expense, and 12.43% rental cost. The administrative expense in 2015, figured as 12.22% of total revenue increased from 2014 for 13.72 million Baht, caused by the expenses set by bad debt and foreign exchange rate loss of US dollar. Although, fluctuation of currency exchange rate is uncontrollable, many instruments are implemented for risks management, for example, Forward Futures Options for most efficiently revenue and cost management.

4. Financial expense

In 2012-2015, the Company incurred financial expense of 7.48 million Baht, 8.49 million Baht, 8.12 million Baht and 10.11 million Baht respectively. Interest expense mostly incurred from use of L/I, P/N and LC/TR loans, which were current loans for domestic and international purchase orders. In 2012 and 2013, the Company borrowed 176.90 million Baht, 119.71 million Baht, 103.07 million Baht and 260.91 million Baht respectively in short-terms period from financial institutions.

In 2015, the Company borrowed a short-terms period from financial institution for 157.84 million Baht, compared to the year 2014. The Company's financial expenses for 10.11 million Baht, which was 1.98 million Baht more than in the year of 2014, due to more spending overdraft and short-terms loan from financial institutions for ordering goods and investing on equipment for services expansion.

(c) Net Profit and Net Profit Margin (NPM)

In 2012-2015, the Company earned a net profit of 57.84 million Baht, 48.82 million Baht, 48.45 million Baht and 53.39 million Baht respectively with NPM of 9.22%, 6.50%, 5.03% and 5.20% respectively. In 2013, expense form share-based payments were 17.12 million Baht. Excluding special expense, 2013 NPM was 8.78% and 2014 NPM was 5.03% as the GMP that would reduce to 33.22% in 2013 and 26.14% in 2014 as mentioned earlier.

In 2015, the Company's NPM increased from 2014 due to increase of GMP from 28.14% in 2014 to 26.79 in 2015.

Return on equity

The return on equity ratio was 31.85% in 2012, 23.35% in 2013, 14.51% in 2014 and 11.31% in 2015. In 2012, the Company paid dividends to shareholders totaling 175.00 million Baht or a payout ratio of 302.58%. In 2013, the company paid interim dividend to shareholders totaling 43.75 million Baht or a payout of 89.61%. In 2015, the Company paid dividend to shareholders totaling 30 million Baht or a payout of 56.19%.

2. Financial Position

(a) Assets

In 2012-2015, the Company's total year-end assets amounted to 545.00 million Baht, 434.71 million Baht, 700.75 million Baht and 932.52 million Baht respectively. Key assets include trade receivables and other account receivables, leftover inventory, land, plant and equipment. In 2013, the ratio of key assets to total assets was 48.39%, 23.45% and 10.78% respectively. In 2014, the key assets to total asset ratios were 43.27%, 23.47% and 8.02% respectively. In 2015, the key assets to total assets ratio were 47.04%, 26.99% and 9.51% respectively. Details of the Company's key assets are as follows

Trade receivables

Not including allowance for doubtful accounts, the Company had trade receivables before doubtful accounts deduction amounted 307.91 million Baht at year end 2012, 209.69 million Baht at year end 2013, 297.39 million Baht at year end 2014 and 347.02 million Baht at year end 2015, figured as 56.50%, 48.24%, 42.44% and 37.21 % of total assets respectively. The Company has a policy to grant a credit terms from 30-60 days to general customers. At year end of 2012-2015, the Company recorded an average collection period of 135.07 days, 125.15 days, 98.53 days and 98.38 days respectively.

| Outstanding period | As of December 31, 2012 | | As of December 31, 2013 | | As of December 31, 2014 | | As of December 31, 2015 | |
|---------------------------------|-------------------------|--------|-------------------------|--------|-------------------------|--------|-------------------------|--------|
| | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % |
| Net overdue | 79.82 | 25.92 | 107.95 | 51.48 | 135.27 | 45.49 | 156.36 | 45.06 |
| Overdue | | | | | | | | |
| Below 3 months | 178.37 | 57.93 | 73.00 | 34.81 | 96.27 | 32.37 | 89.68 | 25.84 |
| 3 - 6 months | 37.21 | 12.08 | 0.39 | 0.19 | 20.60 | 6.93 | 66.40 | 19.13 |
| 6 - 12 months | 7.59 | 2.47 | 28.35 | 13.52 | 45.25 | 15.22 | 33.81 | 9.14 |
| Over 12 months | 4.92 | 1.60 | | | - | - | 0.77 | 0.22 |
| Total trade receivable | 307.91 | 100.00 | 209.69 | 100.00 | 297.39 | 100.00 | 347.02 | 100.00 |
| Allowance for Doubtful Accounts | (0.14) | | - | | (1.85) | | (4.51) | |
| Net trade receivables | 307.76 | | 209.69 | | 295.54 | | 342.51 | |

The above table indicates that paid or not yet overdue receivables of the Company as of 2012-2015 years ends accounted for 25.92%, 51.48%, 45.49% and 45.06% respectively of total trade receivables, before allowances for doubtful accounts. During these year-end periods, receivables that were below 3 month overdue accounted for 57.93 %, 34.81 %, 32.37% and 25.84% respectively of total trade receivables, before allowance for doubtful accounts; those that were to 3 to 6 month overdue accounted for 12.08%, 0.19%, 6.93% and 19.13% respectively of total trade receivables, before allowance for doubtful accounts . Significant increase of – to 6 month overdue at year end 2014 and 2015 was delivery of plenty of mega projects during year ended periods. Additionally, the due date of some projects did not match the customers' payment periods, resulting in delayed payments. Some customers were government authorities with longer approval and payment procedures than private companies. Likewise, receivables that were 6 to 12 months overdue at the year end 2013 those significantly due to the delivery of more projects to the public sector. This caused the average collection period to lengthen to 136.67 days in 2012 and 125.55 days in 2013. However, all receivables that were 6-12 accounts in its financial statements for the fiscal year ended December 31, 2013. As of 2014 year-end, the Company recorded higher trade receivables due to more projects sold and delivered that has not been settled. A delivered project worth 45.25 million Baht that was 6-12 months overdue belonged to one government agency and was accounts because its debtors defaulted on payments. The Company has filed a lawsuit against one debtor.

Regarding its allowance for doubtful account policy, the Company estimates potential loss incurred from each debtor based on creditability, organizational stability, payment history, aging profile and the prevailing economic circumstances. Debtors are divided into two main types as follows

1. Government agencies and state enterprises for which no allowances were made.
2. Private organizations, for which the Company will consider allowance based on the period in default. The allowance is estimated as a percentage of the debt value in default as follows;

| No. of days in Default | Rate of Reserve |
|------------------------|--------------------------------|
| > 180 days | 20% of total debts in default |
| > 240 days | 40% of total debts in default |
| > 365 days | 100% of total debts in default |

Inventory

At 2012-2015 year-ends, the Company had inventory, before allowance for impairment of 114.68 million Baht, 108.07million Baht, 171.61 million Baht and 269.03 million Baht respectively mostly with finished goods accounting for 42.89%, 58.24%, 81.32% and 93.52% respectively. The Company must retain sufficient stock of certain goods based on customer demand, e.g. audio conference system, telepresence systems, etc. There were lard projects to be delivered at the end of 2013, causing goods-in-process to account for 25.02% of total inventory. Meanwhile, goods-in-process at the end of 2014 accounted for 14.27% of total inventory. Goods-in-transit for the same period, i.e. goods being transported from manufacturers to the Company, accounted for 4.18% of total inventory at 2014 years end. In 2015, total finished goods increased from 2014 for 112.03 million Baht, which includes Set Top Box and remote conference system.

| | As of December 31, 2012 | | As of December 31, 2013 | | As of December 31, 2014 | | As of December 31, 2015 | |
|------------------------------------|----------------------------|--------|----------------------------|--------|----------------------------|--------|----------------------------|--------|
| | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % | Mil. Baht | % |
| Finished goods | 49.19 | 42.89 | 62.94 | 58.24 | 139.56 | 81.32 | 251.59 | 93.52 |
| Goods-in-process | 64.44 | 56.19 | 27.04 | 25.02 | 24.49 | 14.27 | 13.98 | 5.20 |
| Spare parts and supplies | - | - | 0.11 | 0.11 | 0.40 | 0.23 | 0.13 | 0.05 |
| Goods- in- transit | 1.05 | 0.92 | 17.97 | 16.63 | 7.17 | 4.18 | 3.33 | 1.24 |
| Total inventory | 114.68 | 100.00 | 108.07 | 100.00 | 171.62 | 100.00 | 269.03 | 100.00 |
| Less: Cost to net receivable value | (3.10) | | (6.12) | | (7.18) | | (17.34) | |
| Net inventory | 111.58 | | 101.95 | | 164.44 | | 251.69 | |

In estimating allowance for impairment, the Management assesses potential losses incurred from deteriorated, obsolete, slow-moving or degraded inventories based on aging analysis and market trends. The Company reserved for allowance 6.12 million Baht at the end of 2013 and 7.18 million Baht at the end of 2014. The policy on allowance for impairment of inventory is as follows:

| Age of Inventory | Rate of Reserve for Impairment of inventory | Value of Inventory as of 31 Dec 2015 (Mil. Baht) | Value of Allowance for Impairment of inventory as of 31 Dec 2015 (Mil. Baht) |
|----------------------|--|--|---|
| 1-2 years | 10% | 59.70 | 5.97 |
| 2-3 years | 20% | 5.83 | 1.17 |
| 3-4 years | 30% | 6.34 | 1.90 |
| 4-5 years | 40% | 2.60 | 1.04 |
| 5 years and over* | 100% | 10.47 | 7.32 |

Notes* In case of inventories that are not impaired or obsolete, 50% reserve shall be made for inventories aged 5-10 years, and 100% for those aged more than 10 years

In accordance with policy, the Company allowed 10.15 million Baht for impairment at 2015 year-end.

Land, plant and equipment

The Company's land, plant and equipment totaled 43.39 million Baht at the year end 2012, 46.87 million Baht at the year end 2013, 56.20 million Baht at the year end 2014 and 88.72 million Baht at the year end 2015, figured as 7.96 %, 10.78%, 8.02% and 9.51 % respectively. In 2012, the Company invested an additional 6.26 million Baht in testing of equipment, 2.56 million Baht in office equipment. It also wrote off the net book values of office and test equipment at 0.84 million Baht and 0.54 million Baht respectively, in a physical count of fixed assets after office relocation. In 2013, the Company invested 11.78 million Baht in test equipment, 3.79 million Baht in vehicles and 3.19 million Baht in office equipment. As for 2014, it invested 5.83 million Baht in test equipment, 16.72 million Baht in vehicles and 5.25 million Baht in office equipment. In 2015, the Company invested in test equipment for 24.96 million Baht, network equipment for 14.32 million Baht, office equipment for 5.5 million Baht and vehicle for 1.20 million Baht.

(b) Liquidity

Cash flow

In 2012-2015, the Company recorded cash flows from operations of (80.47) million Baht, 146.91 million Baht, (112.97) million Baht and (74.40) million Baht respectively. The cash flow from operations in 2013 increased from the same period of previous year due to more debt collection in 2013 year end, lower accounts receivables 98.72 million Baht from previous year. In 2014, inventory dropped and cash flow from operations decreased from 2013 because of increase in inventory balance by 63.54 million Baht and trade receivables by 94.72 million Baht. In 2015, cash flow from operations increased 38.57 million Baht, trade receivable of 27.60 million Baht, and advanced receivable for goods and services of 9.05 million Baht.

The cash flow generated from (used in) the Company's investing activities in 2012-2015, was equal to (7.00) million Baht, (16.34) million Baht, (47.69) million Baht and (45.92) million Baht respectively. In 2012-2015, investment in test equipment, network equipment and office equipment were 8.82 million Baht, 15.37 million Baht, 13.30 million Baht and 44.82 million Baht respectively. The cash flow generated from (used in) the Company's investing activities in 2012, was increased in terms of loans from financial institute for 83.09 million Baht, resulting in cash flow (used in) from the Company's financing activities in 2012 was at 77.94 million Baht. In 2013, the Company's cash flow generated (used in) from financing activities was (135.60) million Baht, due to payment of dividends to shareholders at 218.75 million Baht, payment of interest expense, and repayment of loans with financial institutions, while receiving capital gains of 150.00 million Baht. As for 2014, the Company had a cash flow generated from (used in) financing activities of 178.38 million Baht because it received capital gain of 202.70 million Baht and rapid some short-term loans with commercial banks. In 2015, cash flow (used in) from financing activities was equal to 118.26 million Baht because cash flow from short-terms loan from financial institution and use of credit limit from short-terms loans from commercial banks and dividend payment of 30 million Baht.

| (Unit : Million Baht) | 2012 | 2013 | 2014 | 2015 |
|--|-------------|-------------|-------------|-------------|
| Cash generated from (used in) operating activities | (80.47) | 146.91 | (112.97) | (74.40) |
| Cash generated from (used in) investing activities | (7.00) | (16.34) | (47.69) | (45.92) |
| Cash generated from (used in) financing activities | 77.94 | (135.60) | 178.38 | 118.26 |
| Net increase (decrease) in cash and cash equivalents | (9.53) | (5.03) | 17.71 | (2.06) |

Liquidity ratios

In 2012-2015 year end, the Company recorded a current ratio of 1.46, 1.64, 2.73, and 1.86 respectively and a quick ratio of 1.01, 1.03, 1.59, and 1.24 respectively. The difference between the quick and the current ratios was quite substantial due to a high proportion of inventory to current assets, which accounted for 24.59 %, 30.25 %, 29.76% and 33.18% respectively.

The Company's cash cycle was 148.4 days in 2012, 148.22 in 2013, 126.40 days in 2014 and 150.47 days in 2015. The cash flow in 2014 decreased caused by lower average collection periods from 125.15 days in 2013 to 98.53 days and the average sales period shortened from last year's 76.18 days in 2013 to 69.19 days in 2014, while the payment period shrank to 41.32 days.

For 2015, the cash cycle was 150.47 days, increasing from 2014 caused by more average goods sale period from 69.19 days to 101.77 days, while collection period remained same

| | | 2012 | 2013 | 2014 | 2015 |
|---------------------------|--------|--------|--------|-------|--------|
| Current ratio | (time) | 1.46 | 1.64 | 2.73 | 1.86 |
| Quick ratio | (time) | 1.01 | 1.03 | 1.59 | 1.24 |
| Average collection period | (days) | 135.07 | 125.15 | 98.53 | 98.38 |
| Average sales period | (days) | 71.57 | 76.18 | 69.19 | 101.77 |
| Payment period | (days) | 58.20 | 53.11 | 41.32 | 49.69 |
| Cash Cycle | (days) | 148.44 | 148.22 | 126.4 | 150.47 |

(c) Source of fund

Liabilities

At 2012-2015 year end, the Company had total liabilities of 334.50 million Baht, 227.03 million Baht, 240.44 million Baht and 448.82 million Baht respectively. In 2015, the total liabilities jumped significantly due to spending short-term loan from commercial banks and financial institutions for purchase of goods for sale and equipment for operation.

However, when considering the Company's liabilities structure, most of its liabilities were current liabilities used in business operations, which was 925.85% of total liabilities in 2012 year end, 90.53% of total liabilities in 2013 year end, 84.03% of total liabilities in 2014 year end, and 91.08% of total liabilities in 2015 year end. The most current liabilities included loans from financial institutions, which mostly are overdraft and LC/TR and trade receivable of 58.13%, 26.62% of total liabilities in 2015 year end respectively.

Shareholder's equity

In 2012-2013, shareholder's equities in the Company amounted to 210.50 million Baht and 207.69 million Baht respectively, declining from 2012 year end for 2.81 million Baht. This was attributed to an approval at the Annual General Meeting of Shareholders on April 25, 2013 to pay the dividend to the Company's shareholders at 70 baht per share. Made on May 23, 2013, the payment was equal to a dividend payout ratio of 302.58% of yearly operating performance. Additionally, the Meeting approved the capital gains and issuance of 150.00 million ordinary shares to be offered to existing shareholders, the subscription of which was fully paid on June 27, 2013. Subsequently on November 12, 2013, the Company's Board of Directors Meeting approved the interim dividend payment for the 9th month operating performance of 2013 to shareholders. Meanwhile, the Company's retained earnings increased by 48.82 million Baht. In addition, the Company recorded a capital surplus on share-based payment of 17.12 million Baht, as its major shareholders had sold their shares to the Company's executives. According to the Thai Financial Reporting Standard No.2, the Company had to measure and record the difference between the selling price and the fair value of company shares as capital surplus from share-based payments.

In 2014 year end, the shareholder's equity was 460.30 million Baht, increased from 252.62 million Baht in 2013 year end because the Company offered 75 million capital gains ordinary shares from June 16-18, 2014. 70 million shares were offered to the general public and another 5 million Baht to the Company's directors and employees, with a par value of 1 Baht at the price of 2.80 Baht per share. Accordingly, capital of th Company increased due to sale of 75 million Baht ordinary shares, with a capital surplus after offering related expenses of 129.16 million Baht. The Company recorded an increase of 48.45 million Baht in retained earning for thhe year's operating performance.

In 2015, the shareholder's equity was 483.70 million Baht, as 23.39 million Baht increased from 2014 because the Company gained more profits of 53.39 million Baht from its operating performance and paid dividend of 30 million Baht.

Suitability of capital structure

The ratio of total liabilities to equity was equal to 1.59 times of 2012 year end, 1.09 times of 2013 year end, which was declining from 2012 due to the decrease in current liabilities. The ratio at the end of 2014 was 0.52 times, declining from 2013, due to higher shareholders' equity by 2015 year end, equal to 0.93 times increase from 2014 due to more current liabilities, in terms of short-terms loan from banks, financial institutes, and trade payables.

Management's Responsibility for the Financial Statements

The Management gives importance on conducting the company's duties and responsibilities in line with good governance policy, preparation of accurate and complete information for financial statements and financial information technology in the annual report. The company's Financial Statements are prepared in accordance with generally accepted accounting principles. The company selects to implement appropriate accounting policies and consistently complies with them with careful judgment. Efficient internal control system is implemented to ensure credibility of financial statements, good security system for assets protection, good preventive system against corruption and misconduct. Some related items potentially causing conflict of interests all are commercial real lists based on generally reasonable and optimal business transactions and legal compliances which the inspecting committee has reported the company's Board of Directors, operation results including their comments given and shown in the company's annual report.

The company's Board of Directors considers that the company's internal control system is satisfactory level and provides reasonable confidence in credibility of the company's financial statements as at December 31, 2015. The company's auditor performs his/her audit, based on generally accepted accounting principles with his/her opinion given for accurate financial statements significantly in accordance with generally accepted accounting principles.



(Mr. Sanpat Sopon)
Chairman, Board of Directors



(Mr. Prapat Rathlertkarn)
President & Chief Executive Officer

Signed on February 25, 2016

Audit Committee Report

The Audit Committee of Planet Communications Asia (Public) Co., Ltd. consists of three qualified Independent Directors expertise and experienced in accounting and financing. The Audit Committee's responsibilities are assigned by the Company's Board of Directors, in line with notifications by The Securities and Exchange Commission and rules and regulations by Stock Exchange of Thailand. Name of the Audit Committee includes;

- | | |
|---------------------------------|--------------------------|
| 1. Dr. Katiya Greigarn | Audit Committee Chairman |
| 2. Mr. Somphong Ouitrakul | Audit Committee |
| 3. Mrs. Sutharak Soonthornpusit | Audit Committee |

In 2015, there were four times of Audit Committee's meeting with attendance. The Audit Committee's report was made on quarterly basis. Discussions and reviews made by the Audit Committee, Executives, Internal Auditor and related Auditors are concluded as follows;

1. Financial Statements and Non-Financial Statements Review

The Audit Committee, Executives, Internal Auditor and related Auditors collectively reviewed quarterly and annual 2015 financial statements of Planet Communications Asia (Public) Co., Ltd., without presence by Administrative Department. The purpose of this review was to discuss about independence of responsibilities, auditor's opinions, inquiry to auditor about accuracy of financial statements, significant adjustment of financial statements which affect its financial statements in terms of properness of accounting entries and scope of audit. Disclosure of accurate, complete information and independence of auditor ensures that the financial statements is prepared in accordance with generally accepted accounting principles and related rules and regulations, accurate and reliable accounting system and financial statements including adequate and in-time disclosure for the benefit of investors and financial statements users. The Audit Committee reviewed operating performances of each department and compares its action plan and operating performance by inquiring issues, giving opinion, determining solutions to ensure proper and transparent operations.

2. Review on Risk Management Assessment

The Audit Committee reviewed to ensure that Company's risk management assessment is in compliance with its risk management policy and follow up progress of key risk management by determining risk factors. Potential effects on risk management make the Company reliable on its systematic risk management assessment and make the system comprehensive for all employees for the Company's value-added business.

3. Corporate Governance Review

The Audit Committee reviewed the Company's compliance with code of ethics and corporate governance. It was concluded that the Company's directors and employees strictly complied with its corporate rules and regulations. The Company's Board of Directors enhanced its staff at all levels to be consistently and continuously adhered to code of ethics and moral, in line with the principles by the Stock Exchange of Thailand for transparency and ethics, led to confidence by its shareholders, investors, customers, partners and all related parties.

4. Internal Control System Review

The Audit Committee reviewed internal control system to assess adequacy and properness of internal control system in accordance with internal control standards and guidelines stipulated by The Securities and Exchange Commission and the Stock Exchange of Thailand as well as review on audit result as per the approved audit plan and audit

report. The Company's executives continuously monitored actions as per its recommendations, comments and the Audit Committee's opinions shown in the audit report including internal control improvements to be in accordance with changing situations. The result of internal control review showed no significant weakness or defections. It was determined by the Audit Committee that the Company's implemented internal control system and risk management system is adequate and proper. Internal control system was also assessed by auditor. The result showed no significant weakness potential affecting the Company's financial statements.

5. Review on Related Business Laws Compliance

The Audit Committee reviewed the Company's compliance with laws on securities, rules and regulations by the Stock Exchange of Thailand and The Securities and Exchange Commission and other relevant laws on business. The result was the Company's compliance with relevant applicable laws.

6. Review on connected transactions or transactions potentially with conflict of interest

The Audit Committee reviewed the said transaction and determined that the Company's transaction was general, reasonable trading transaction free from conflict of interest and in accordance with the rules and regulations by Stock Exchange of Thailand and The Securities and Exchange Commission.

7. Review on compliance with anti-corruption measures

The Audit Committee reviewed internal control measures, as well as compliance with anti-corruption measures. The Company was accepted for membership on the Project of Private Sector Alliance on Anti-Corruption on November 24, 2014 and on the process of being granted for membership of the said project in 2016. The Company's Internal Auditor reviewed internal control system to ensure adequate and proper compliance with anti-corruption guidelines.

8. Appointment of Auditor

Considering knowledge, experience, competency, qualification and operating performance of EY Office Ltd for the past accounting year, in the Company's Shareholder's Meeting, the Audit Committee proposed to the Company's Board of Directors to review and appoint staff of EY Office Ltd including Ms. Sumalee Reewarabandit, a holder of the certified public accountant registration no. 3970 or Ms. Wissuta Jariyathanakorn, a holder of the certified public accountant registration no. 3853 or Mr. Termpong Opanapan, as a holder of the certified public accountant registration no.4501 as the Company's auditors in 2016.



Dr. Katiya Greigarn

Chairman, Audit Committee

Planet Communications Asia Public Company Limited

Financial Statements

Independent Auditor's Report

To the Shareholders of Planet Communications Asia Public Company Limited

I have audited the accompanying financial statements of Planet Communications Asia Public Company Limited, which comprise the statement of financial position as at 31 December 2015, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Planet Communications Asia Public Company Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Thipawan Nananuwat

Certified Public Accountant (Thailand) No. 3459

EY Office Limited

Bangkok: 25 February 2016

Planet Communications Asia Public Company Limited

Statement of financial position

As at 31 December 2015

(Unit: Baht)

| | Note | As at 31 December 2015 | As at 31 December 2014 |
|-------------------------------------|------|---------------------------|---------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 7 | 16,166,604 | 18,226,807 |
| Trade and other receivables | 8 | 343,208,459 | 297,461,671 |
| Accrued income | | 95,490,097 | 5,758,913 |
| Inventories | 9 | 251,690,680 | 164,432,369 |
| Advances for purchases of goods | | 40,301,184 | 58,409,167 |
| Other current assets | | 11,627,714 | 8,256,681 |
| Total current assets | | 758,484,738 | 552,545,608 |
| Non-current assets | | | |
| Restricted bank deposits | 10 | 73,075,827 | 83,126,128 |
| Leasehold improvement and equipment | 11 | 88,718,167 | 56,196,319 |
| Deferred tax assets | 19 | 8,498,487 | 6,139,965 |
| Other non-current assets | | 3,741,948 | 2,739,867 |
| Total non-current assets | | 174,034,429 | 148,202,279 |
| Total assets | | 932,519,167 | 700,747,887 |

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

Planet Communications Asia Public Company Limited
Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

| | Note | As at 31 December 2015 | As at 31 December 2014 |
|---|------|---------------------------|---------------------------|
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Short-term loans from financial institutions | 12 | 260,910,653 | 103,076,662 |
| Trade and other payables | 13 | 119,461,973 | 83,701,178 |
| Current portion of liabilities under finance lease agreement | 14 | 2,386,181 | 2,086,456 |
| Income tax payable | | 3,407,071 | 1,272,935 |
| Advances received for goods and services | | 19,152,182 | 9,229,202 |
| Other current liabilities | | 3,465,771 | 2,674,053 |
| Total current liabilities | | 408,783,831 | 202,040,486 |
| Non-current liabilities | | | |
| Liabilities under finance lease agreement, net of current portion | 14 | 14,888,649 | 16,730,905 |
| Provision for long-term employee benefits | 15 | 25,148,335 | 21,672,526 |
| รวมหนี้สินไม่หมุนเวียน | | 40,036,984 | 38,403,431 |
| รวมหนี้สิน | | 448,820,815 | 240,443,917 |

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

Planet Communications Asia Public Company Limited

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

| | Note | As at 31 December 2015 | As at 31 December 2014 |
|---|------|---------------------------|---------------------------|
| Shareholders' equity | | | |
| Share capital | | | |
| Registered | | | |
| 250,000,000 ordinary shares of Baht 1 each | 16 | 250,000,000 | 250,000,000 |
| Issued and fully paid up | | | |
| 250,000,000 ordinary shares of Baht 1 each | 16 | 250,000,000 | 250,000,000 |
| Share premium | 16 | 129,163,346 | 129,163,346 |
| Capital surplus on share-based payment | | 17,117,100 | 17,117,100 |
| Retained earnings | | | |
| Appropriated - statutory reserve | 17 | 10,073,000 | 7,372,600 |
| Unappropriated | | 77,344,906 | 56,650,924 |
| Total shareholders' equity | | 483,698,352 | 460,303,970 |
| Total liabilities and shareholders' equity | | 932,519,167 | 700,747,887 |

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

Planet Communications Asia Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

| | Note | 2015 | 2014 |
|---|------|---------------|--------------|
| Profit or loss: | | | |
| Revenues | | | |
| Sales and service income | | 1,019,219,686 | 951,329,421 |
| Other income | | 8,512,616 | 12,358,482 |
| Total revenues | | 1,027,732,302 | 963,687,903 |
| Expenses | | | |
| Cost of sales and services | | 746,203,542 | 702,605,526 |
| Selling expenses | | 77,007,739 | 79,805,463 |
| Administrative expenses | | 125,582,833 | 111,857,322 |
| Total expenses | | 948,794,114 | 894,268,311 |
| Profit before finance cost and income tax expenses | | 78,938,188 | 69,419,592 |
| Finance cost | | (10,105,321) | (8,124,710) |
| Profit before income tax expenses | | 68,832,867 | 61,294,882 |
| Income tax expenses | 19 | (15,442,265) | (12,841,387) |
| Profit for the year | | 53,390,602 | 48,453,495 |
| Other comprehensive income: | | - | - |
| Total comprehensive income for the year | | 53,390,602 | 48,453,495 |
| Basic earnings per share | 20 | | |
| Profit for the year | | 0.21 | 0.23 |

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

Planet Communications Asia Public Company Limited
Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

| | Issued and fully paid-up share capital | Share premium | Capital surplus on share-based payment | Retained earnings | | Total |
|---|--|---------------|--|----------------------------------|----------------|--------------|
| | | | | Appropriated - statutory reserve | Unappropriated | |
| Balance as at 1 January 2014 | 175,000,000 | - | 17,117,100 | 4,942,000 | 10,628,029 | 207,687,129 |
| Total comprehensive income for the year | - | - | - | - | 48,453,495 | 48,453,495 |
| Increase shares capital (Note 16) | 75,000,000 | 129,163,346 | - | - | - | 204,163,346 |
| Transferred unappropriated retained earnings to statutory reserve (Note 17) | - | - | - | 2,430,600 | (2,430,600) | - |
| Balance as at 31 December 2014 | 250,000,000 | 129,163,346 | 17,117,100 | 7,372,600 | 56,650,924 | 460,303,970 |
| Balance as at 1 January 2015 | 250,000,000 | 129,163,346 | 17,117,100 | 7,372,600 | 56,650,924 | 460,303,970 |
| Total comprehensive income for the year | - | - | - | - | 53,390,602 | 53,390,602 |
| Transferred unappropriated retained earnings to statutory reserve (Note 17) | - | - | - | 2,700,400 | (2,700,400) | - |
| Dividends paid (Note 23) | - | - | - | - | (29,996,220) | (29,996,220) |
| Balance as at 31 December 2015 | 250,000,000 | 129,163,346 | 17,117,100 | 10,073,000 | 77,344,906 | 483,698,352 |

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

Planet Communications Asia Public Company Limited

Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

| | 2015 | 2014 |
|--|--------------|---------------|
| Cash flows from operating activities | | |
| Profit before tax | 68,832,867 | 61,294,882 |
| Adjustments to reconcile profit before tax to net cash provided by | | |
| (paid from) operating activities: | | |
| Depreciation | 24,876,618 | 19,246,008 |
| Increase in allowance for doubtful accounts | 2,658,894 | 1,847,000 |
| Reduction cost of inventories to net realisable value | 10,163,800 | 1,061,289 |
| Gain on sales of equipment | (263,284) | (2,909,021) |
| Loss from write-off equipment | 99,643 | 22,312 |
| Long-term employee benefits expenses | 4,720,689 | 4,030,290 |
| Unrealised loss on exchange rate | 1,166,329 | 1,707,848 |
| Interest income | (535,146) | (732,603) |
| Interest expenses | 6,398,372 | 4,875,870 |
| Profit from operating activities before changes in operating assets and liabilities | 118,118,782 | 90,443,875 |
| Operating assets (increase) decrease | | |
| Trade and other receivables | (49,632,268) | (88,960,989) |
| Accrued income | (89,731,184) | (5,758,913) |
| Inventories | (97,422,111) | (63,542,300) |
| Advances for purchases of goods | 18,107,983 | (44,779,647) |
| Other current assets | (2,500,083) | 2,271,602 |
| Other non-current assets | (1,002,081) | (477,591) |
| Operating liabilities increase (decrease) | | |
| Trade and other payables | 35,857,810 | 8,254,730 |
| Advances received for goods and services | 9,922,980 | 878,481 |
| Other current liabilities | 791,718 | 1,875,029 |
| Provision for long-term employee benefits | (1,244,880) | (791,900) |
| Cash flows used in operating activities | (58,733,334) | (100,587,623) |
| Cash paid for corporate income tax | (15,666,651) | (12,386,860) |
| Net cash flows used in operating activities | (74,399,985) | (112,974,483) |

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

Planet Communications Asia Public Company Limited

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

| | 2015 | 2014 |
|---|---------------------|---------------------|
| Cash flows from investing activities | | |
| Acquisition of equipment | (56,986,521) | (13,304,106) |
| (Increase) decrease in restricted bank deposits | 10,050,301 | (39,526,522) |
| Interest income | 586,138 | 804,696 |
| Proceeds from sales of equipment | 433,565 | 4,339,021 |
| Net cash flows used in investing activities | (45,916,517) | (47,686,911) |
| Cash flows from financing activities | | |
| Increase (decrease) in short-term loans from financial institutions | 156,966,520 | (18,372,819) |
| Payment of liabilities under finance lease agreements | (2,224,400) | (1,217,965) |
| Proceeds from increase in share capital | - | 202,704,183 |
| Interest expenses | (6,489,601) | (4,737,766) |
| Dividend paid | (29,996,220) | - |
| Net cash flows from financing activities | 118,256,299 | 178,375,633 |
| Net increase (decrease) in cash and cash equivalents | (2,060,203) | (17,714,239) |
| Cash and cash equivalents at beginning of year | 18,226,807 | 512,568 |
| Cash and cash equivalents at end of year | 16,166,604 | 18,226,807 |
| Supplemental cash flows information: | | |
| Non-cash transactions | | |
| Purchase of equipment under finance lease agreement | 681,869 | 16,716,399 |

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

Planet Communications Asia Public Company Limited

Notes to financial statements

For the year ended 31 December 2015

1. General information

Planet Communications Asia Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution, installation and maintenance of telecommunication equipments. The registered office of the Company is at 157 Soi Ramindra 34, Ramindra Road, Kwaeng Tarang, Khet Bangkhen, Bangkok.

2. Basis of preparation

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

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

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

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company has changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income. This revised standard does not have any impact on the financial statements as the Company has no recognise actuarial gains or losses during the current period or in the prior period’s financial statements, presented as comparative information.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenue from sales of equipment including designation and installation

Revenue from sales of equipment including designation and installation are recognised on the basis of percentage of completion. The percentage of completion is calculated by reference to actual costs incurred to the ended of period as proportion of estimated total cost of the project. Recognised revenues, that are not yet due per contracts are presented as "Accrued income" in the statement of financial position.

Rendering of maintenance services

Maintenance service revenue is recognised when services have been rendered.

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Inventories are valued at the lower of cost (under the first in-first out method) and net realisable value.

4.5 Leasehold improvement and equipment/Depreciation

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

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

| | | |
|--|---|----------------------|
| Leasehold improvement | - | 4 years (Lease term) |
| Network equipment | - | 10 years |
| Test equipment | - | 5 years |
| Furniture, fixtures and office equipment | - | 3, 5 years |
| Motor vehicles | - | 5 years |

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

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

4.6 Related party transactions

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

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

4.7 Long-term leases

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

Leases of building and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.8 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

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

Gains and losses on exchange are included in determining income.

4.9 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.10 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

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

4.11 Share-based payment

Transfer of the Company's equity instruments by its shareholders to parties (including employees) that have supplied goods or services to the Company are treated as share-based payment transactions, unless the transfer is clearly for a purpose other than payment for goods or services supplied to the Company. The Company records the excess of the fair value at transfer date over the transfer price as an expense in profit or loss, and as the capital surplus on share-based payment in the statement of changes in shareholders' equity.

4.12 Provisions

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

4.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Leasehold improvement and equipment/Depreciation

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

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

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

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

6. Related party transactions

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

(Unit: Million Baht)

| | 2015 | 2014 | Transfer Pricing Policy |
|--|------|------|---|
| Transactions with related company | | | |
| Rental expenses | 11 | 11 | Contract price which was determined by independence appraisal |
| Transactions with director | 1 | 3 | |
| Service expenses | | | Contract price |

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

| | 2015 | 2014 |
|------------------------------|---------------|---------------|
| Short-term employee benefits | 28,519 | 31,947 |
| Post-employment benefits | 1,774 | 1,448 |
| Other long-term benefits | 26 | 41 |
| Total | 30,319 | 33,436 |

Guarantees provided by directors (Note 12)

As at 31 December 2015, there was no guarantee provided by the Company's directors.

As at 31 December 2014, the Company's directors guaranteed the Company's credit facilities and short-term loans from banks. No fees are charged for these guarantees.

7. Cash and cash equivalents

(Unit: Thousand Baht)

| | 2015 | 2014 |
|---------------|---------------|---------------|
| Cash | 120 | 94 |
| Bank deposits | 16,047 | 18,133 |
| Total | 16,167 | 18,227 |

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interests between 0.04 and 1.00 percent per annum (2014: between 0.1 and 1.1 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

| | 2015 | 2014 |
|--|----------------|----------------|
| <u>Trade receivables - unrelated parties</u> | | |
| Age on the basis of due dates | | |
| Not yet due | 156,359 | 135,269 |
| Past due | | |
| Up to 3 months | 89,683 | 96,268 |
| Over 3 - 6 months | 66,401 | 20,604 |
| Over 6 - 12 months | 33,809 | 45,248 |
| Over 12 months | 769 | - |
| Total | 347,021 | 297,389 |
| Less: Allowance for doubtful accounts | (4,506) | (1,847) |
| Total trade receivables - unrelated parties, net | 342,515 | 295,542 |
| <u>Other receivables</u> | | |
| Advance to employees | 693 | 1,920 |
| Total other receivables | 693 | 1,920 |
| Total trade and other receivables - net | 343,208 | 297,462 |

9. Inventories

(Unit: Thousand Baht)

| | Cost | | Reduce cost to net realisable value | | Inventories - net | |
|--------------------------|----------------|----------------|-------------------------------------|----------------|-------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Finished goods | 251,591 | 139,558 | (17,344) | (7,180) | 234,247 | 132,378 |
| Work in process | 13,983 | 24,487 | - | - | 13,983 | 24,487 |
| Spare parts and supplies | 127 | 398 | - | - | 127 | 398 |
| Goods in transit | 3,334 | 7,169 | - | - | 3,334 | 7,169 |
| Total | 269,035 | 171,612 | (17,344) | (7,180) | 251,691 | 164,432 |

During the current year, the Company reduced cost of inventories by additional Baht 10 million (2014: Baht 1 million), to reflect the net realisable value. This was included in cost of sales.

10. Restricted bank deposits

The Company has pledged these deposits as security against bank guarantees issued by banks on behalf of the Company and as security for credit facilities obtained from banks.

11. Leasehold improvement and equipment

(Unit: Thousand Baht)

| | Leasehold improvement | Network equipment | Test equipment | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation | Total |
|----------------------------------|-----------------------|-------------------|----------------|--|----------------|---------------------------|----------|
| Cost: | | | | | | | |
| 1 January 2014 | 4,858 | - | 53,185 | 57,471 | 27,414 | - | 142,928 |
| Additions | - | 920 | 5,833 | 5,254 | 16,716 | 1,297 | 30,020 |
| Disposals | - | - | (1,272) | - | (19,695) | - | (20,967) |
| Write off | - | - | (43) | (34) | - | - | (77) |
| 31 December 2014 | 4,858 | 920 | 57,703 | 62,691 | 24,435 | 1,297 | 151,904 |
| Additions | - | 14,315 | 24,958 | 5,550 | 1,204 | 11,641 | 57,668 |
| Disposals | - | - | (432) | - | - | - | (432) |
| Write off | - | - | (443) | - | - | - | (443) |
| Transfer | - | - | (711) | 711 | - | - | - |
| 31 December 2015 | 4,858 | 15,235 | 81,075 | 68,952 | 25,639 | 12,938 | 208,697 |
| Accumulated depreciation: | | | | | | | |
| 1 January 2014 | 893 | - | 33,934 | 38,820 | 22,407 | - | 96,054 |
| Depreciation for the year | 991 | 26 | 6,314 | 9,255 | 2,660 | - | 19,246 |
| Depreciation on disposals | - | - | (1,272) | - | (18,265) | - | (19,537) |
| Depreciation on write off | - | - | (21) | (34) | - | - | (55) |
| 31 December 2014 | 1,884 | 26 | 38,955 | 48,041 | 6,802 | - | 95,708 |
| Depreciation for the year | 991 | 540 | 9,725 | 9,407 | 4,214 | - | 24,877 |
| Depreciation on disposals | - | - | (262) | - | - | - | (262) |
| Depreciation on write off | - | - | (344) | - | - | - | (344) |
| Transfer | - | - | (55) | 55 | - | - | - |
| 31 December 2015 | 2,875 | 566 | 48,019 | 57,503 | 11,016 | - | 119,979 |

(Unit: Thousand Baht)

| | Leasehold improve- ment | Network equipment | Test equipment | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation | Total |
|--|-------------------------------|----------------------|-------------------|--|-------------------|---------------------------------|--------|
| Net book value: | | | | | | | |
| 31 December 2014 | 2,974 | 894 | 18,748 | 14,650 | 17,633 | 1,297 | 56,196 |
| 31 December 2015 | 1,983 | 14,669 | 33,056 | 11,449 | 14,623 | 12,938 | 88,718 |
| Depreciation for the year | | | | | | | |
| 2014 (All amount included in selling and administrative expenses) | | | | | | | 19,246 |
| 2015 (Baht 3.1 million included in cost of sales and services, and the balance in selling and administrative expenses) | | | | | | | 24,877 |

As at 31 December 2015, the Company had motor vehicles which were acquired under finance lease agreement with net book value of Baht 14 million (2014: Baht 17 million).

As at 31 December 2015, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 78 million (2014: Baht 45 million).

12. Short-term loans from financial institutions

(Unit: Thousand Baht)

| | Interest rate (per annum) | | | |
|--|----------------------------------|--------------|---------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| Short-term loans from financial institutions | MLR -0.5% and 1.19 - 4.20% | 1.35 - 1.51% | 260,911 | 103,077 |
| Total | | | 260,911 | 103,077 |

The short-term loans from financial institutions amounting to Baht 186 million (2014: Baht 103 million) are secured by the pledge of bank deposits as mentioned in Note 10 to financial statements.

As at 31 December 2014, the Company had short-term loans from financial institutions amounting to Baht 17 million which was secured by the mortgage of land of a related company and the guarantees provided by the Company's directors as mentioned in Note 6 to financial statements.

13. Trade and other payables

(Unit: Thousand Baht)

| | 2015 | 2014 |
|------------------------------------|---------|--------|
| Trade payables - unrelated parties | 86,571 | 56,502 |
| Other payables - unrelated parties | 2,073 | 869 |
| Accrued cost | 19,541 | 11,503 |
| Accrued expenses | 11,277 | 14,827 |
| Total trade and other payables | 119,462 | 83,701 |

14. Liabilities under finance lease agreement

(Unit: Thousand Baht)

| | 2015 | 2014 |
|--|---------|---------|
| Liabilities under finance lease agreement | 21,110 | 24,134 |
| Less: Deferred interest expenses | (3,835) | (5,317) |
| Total | 17,275 | 18,817 |
| Less: Portion due within one year | (2,386) | (2,086) |
| Liabilities under finance lease agreement - net of current portion | 14,889 | 16,731 |

The Company has entered into the finance lease agreement with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on monthly basis. The term of the agreement are generally 5 years.

Future minimum lease payment required under the finance lease agreement was as follows:

(Unit: Thousand Baht)

| | As at 31 December 2015 | | |
|--|------------------------|-------------|---------|
| | Less than 1 year | 1 - 5 years | Total |
| Future minimum lease payments | 3,775 | 17,335 | 21,110 |
| Deferred interest expenses | (1,389) | (2,446) | (3,835) |
| Present value of future minimum lease payments | 2,386 | 14,889 | 17,275 |

(Unit: Thousand Baht)

| | As at 31 December 2014 | | |
|--|------------------------|-------------|---------|
| | Less than 1 year | 1 - 5 years | Total |
| Future minimum lease payments | 3,641 | 20,493 | 24,134 |
| Deferred interest expenses | (1,555) | (3,762) | (5,317) |
| Present value of future minimum lease payments | 2,086 | 16,731 | 18,817 |

15. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employee after they retire and other long-term employee benefits, was as follows:

(Unit: Thousand Baht)

| | Defined benefit plans | | Other long-term employee benefits | | Total | |
|---|-----------------------|---------------|-----------------------------------|--------------|---------------|---------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Provision for long-term employee benefits at beginning of year | 19,783 | 16,948 | 1,890 | 1,486 | 21,673 | 18,434 |
| Included in profit or loss: | | | | | | |
| Current service cost | 3,403 | 2,891 | 501 | 438 | 3,904 | 3,329 |
| Interest cost | 751 | 645 | 65 | 57 | 816 | 702 |
| Benefits paid during the year | (843) | (701) | (402) | (91) | (1,245) | (792) |
| Provision for long-term employee benefits at end of year | 23,094 | 19,783 | 2,054 | 1,890 | 25,148 | 21,673 |

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

| | 2015 | 2014 |
|---|-------|-------|
| Cost of sales and service | 871 | 762 |
| Selling and administrative expenses | 3,849 | 3,269 |
| Total expenses recognised in profit or loss | 4,720 | 4,031 |

The company expects to pay Baht 1 million of long-term employee benefits during the next year (2014: Baht 1 million).

As at 31 December 2015, the weight average duration of the liabilities for long-term employee benefit is 9.82 year (2014: 9.82 year).

Key actuarial assumptions used for the valuation are as follows:

(Unit: Thousand Baht)

| | 2015 (% per annum) | 2014 (% per annum) |
|---|-----------------------|-----------------------|
| Discount rate | 3.8 | 3.8 |
| Future salary increase rate | 7 | 7 |
| Employee turnover rate (depending on age of employee) | 7 - 15 | 7 - 15 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit: Thousand Baht)

| | Increase 1% | Decrease 1% |
|-----------------------------|-------------|-------------|
| Discount rate | (2) | 2 |
| Future salary increase rate | 3 | (2) |
| Employee turnover rate | (2) | 2 |

16. Share capital

During 16-18 June 2014, the Company made an Initial Public Offering 75 million ordinary shares with a par value of Baht 1 each, at a price of Baht 2.80 per share, with 70 million shares offered to the public and 5 million shares to the Company's directors and employees. The Company registered the increase in its issued and paid-up share capital to Baht 250 million (250 million ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on 19 June 2014, and the Stock Exchange of Thailand approved the listed of the 250 million ordinary shares with a par value of Baht 1 each as listed securities to be traded effective from 23 June 2014. The Company incurred expenses relating to the share offering totaling Baht 6 million (net of income tax of Baht 1 million), and these were presented as a deduction from the premium on ordinary shares.

17. Statutory reserve

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

18. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

| | 2015 | 2014 |
|---|-----------|----------|
| Salaries and wages and other employee benefits | 133,562 | 131,311 |
| Depreciation | 24,877 | 19,246 |
| Rental expenses from operating lease agreements | 15,616 | 11,790 |
| Purchases of goods | 606,722 | 573,917 |
| Changes in inventories of finished goods and work in progress | (101,529) | (74,059) |

19. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

| | 2015 | 2014 |
|---|---------------|---------------|
| Current income tax: | | |
| Current income tax charge | 17,800 | 12,611 |
| Effects of income tax related to the share offering (Note 16) | - | 1,459 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (2,358) | (1,229) |
| Income tax expense reported in the statement of comprehensive income | 15,442 | 12,841 |

The reconciliation between accounting profit and income tax is shown below.

(Unit: Thousand Baht)

| | 2015 | 2014 |
|---|--------|--------|
| Accounting profit before tax | 68,833 | 61,295 |
| Applicable tax rate | 20% | 20% |
| Accounting profit before tax multiplied by applicable tax rate | 13,767 | 12,259 |
| Effects of: | | |
| Non-deductible expenses | 1,765 | 826 |
| Additional expense deductions allowed | (90) | (244) |
| Total | 1,675 | 582 |
| Income tax expenses reported in the statement of comprehensive income | 15,442 | 12,841 |

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

| | Statements of financial position | |
|--|----------------------------------|---------------------------|
| | As at 31 December 2015 | As at 31 December 2014 |
| Deferred tax assets | | |
| Allowance for doubtful accounts | - | 369 |
| Allowance for diminution in value of inventories | 3,469 | 1,436 |
| Provision for long-term employee benefits | 5,029 | 4,335 |
| Total | 8,498 | 6,140 |

20. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

| | 2015 | 2014 |
|---|-------------|-------------|
| Profit for the year (Thousand Baht) | 53,391 | 48,453 |
| Weighted average number of ordinary shares (shares) | 250,000,000 | 215,273,973 |
| Earnings per share (Baht/share) | 0.21 | 0.23 |

21. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company is organised into business units based on its products and services and has 3 reportable segments as follows:

1) Planetcomm Products segment, which is sales and installation of telecommunication equipment designed and developed by the Company.

2) Non Planetcomm Products segment, which is sales and installation of telecommunication, broadcasting and digital TV equipment purchased from other companies.

3) Services segment, which is the provision of after sales services and other services relating to telecommunication systems to general customers.

No other operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company's financing activities, which give rise to finance costs and finance income, selling and administrative expenses, and income taxes are managed by no allocation to operating segments.

The following table presents revenue and profit information regarding the Company's operating segments for the year ended 31 December 2015 and 2014.

(Unit: Million Baht)

| | Planetcomm Products | | Non Planetcomm Products | | Services | | Total segments | |
|--|---------------------|------|-------------------------|------|----------|------|----------------|-------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Operating results | 184 | 120 | 757 | 769 | 78 | 62 | 1,019 | 951 |
| Segment profit | 35 | 24 | 171 | 184 | 67 | 41 | 273 | 249 |
| Unallocated income and expenses: | | | | | | | | |
| Other income | | | | | | | 8 | 12 |
| Selling expenses | | | | | | | (77) | (80) |
| Administrative expenses | | | | | | | (126) | (112) |
| Finance cost | | | | | | | (10) | (8) |
| Profit before income tax expenses | | | | | | | 68 | 61 |
| Income tax expenses | | | | | | | (15) | (13) |
| Profit for the year | | | | | | | 53 | 48 |

Geographic information

The Company operates in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Export sales and services during the year ended 31 December 2015 represented approximately 3 percent (2014: 8 percent) of total sales and services.

Major customers

In the year 2015 and 2014, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

22. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to approximately Baht 2 million (2014: Baht 2 million) were recognised as expenses.

23. Dividends

| Dividends | Approved by | Total dividends (Million Baht) | Dividend per share (Baht) |
|--------------------------|--|-----------------------------------|------------------------------|
| Final dividends for 2014 | Annual General Meeting of the Shareholder on 29 April 2015 | 30.00 | 0.12 |
| Total dividends for 2015 | | 30.00 | 0.12 |

24. Commitments and contingent liabilities

Operating lease and service commitments

The Company has entered into office rental agreements and related service agreements with a related company and other companies. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under these non-cancellable operating leases contracts and service agreements were as follows:

(Unit: Million Baht)

| | As at 31 December | |
|-----------------------------|-------------------|------|
| | 2015 | 2014 |
| Payable within: | | |
| Less than 1 year | 17 | 17 |
| In over 1 and up to 5 years | 11 | 28 |

24.2 Bank guarantees

As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 116 million (2014: Baht 102 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business to guarantee contractual performance.

25. Fair value hierarchy

As at 31 December 2015, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

| | Level 1 | Level 2 | Level 3 | Level 4 |
|--------------------------------------|---------|---------|---------|---------|
| Assets measured at fair value | | | | |
| Derivatives | | | | |
| Foreign currency forward contracts | - | 1 | - | 1 |

26. Financial instruments

26.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, restricted bank deposits, short-term loans from financial institutions, trade and other payables and liabilities under finance lease agreement. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and short-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2015, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

| | As at 31 December | | | | | | | | | | | |
|--|----------------------|-------------|------|------------------------|------|----------------------|------|-------|------|---------------|-------------|-------------|
| | Fixed interest rates | | | Floating interest rate | | Non-interest bearing | | Total | | Interest rate | | |
| | Within 1 year | 1 - 5 years | | | | | | | | | | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Financial assets | | | | | | | | | | | | |
| Cash and cash equivalents | - | - | - | - | 16 | 18 | - | - | 16 | 18 | 0.04 - 1.00 | 0.1 - 1.1 |
| Trade and other receivables | - | - | - | - | - | - | 343 | 297 | 343 | 297 | - | - |
| Restricted bank deposits | 73 | 83 | - | - | - | - | - | - | 73 | 83 | 0.37 - 1.10 | 0.37 - 2.25 |
| Total | 73 | 83 | - | - | 16 | 18 | 343 | 297 | 432 | 398 | | |
| Financial liabilities | | | | | | | | | | | | |
| Short-term loans from financial institutions | 261 | 103 | - | - | - | - | - | - | 261 | 103 | 1.19 - 6.00 | 1.35- 1.51 |
| Trade and other payables | - | - | - | - | - | - | 130 | 84 | 130 | 84 | - | - |
| Liabilities under finance lease agreement | - | - | 17 | 19 | - | - | - | - | 17 | 19 | 5.9 - 9.0 | 7.0 - 9.0 |
| Total | 261 | 103 | 17 | 19 | - | - | 130 | 84 | 408 | 206 | | |

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2015, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

| Foreign currency | Financial Assets as at 31 December | | Financial liabilities as at 31 December | | Average exchange rate as at 31 December | |
|------------------|---------------------------------------|-------------------|--|-------------------|--|---------|
| | 2015 (Million) | 2014 (Million) | 2015 (Million) | 2014 (Million) | 2015 | 2014 |
| | | | | | (Baht per 1 foreign currency unit) | |
| US dollar | 1 | - | 7 | 3 | 36.0886 | 33.1132 |

As at 31 December 2015, foreign exchange contracts outstanding are summarised below.

| Foreign currency | Bought amount (Million) | Contractual exchange rate bought (Baht per 1 foreign currency unit) | Contractual maturity date |
|------------------|----------------------------|--|---------------------------------|
| US dollar | 2 | 35.5793 - 36.0575 | 5 January 2016 - 27 May 2016 |

26.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term. Short-term loans carrying interest approximate to the market rate, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

The estimated fair value of the derivatives is as follows:

(Unit: Million Baht)

| | As at 31 December 2015 Fair value (Gain) | As at 31 December 2014 Fair value (Gain) |
|----------------------------|--|--|
| Derivatives | | |
| Forward exchange contracts | 1 | - |

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Company had considered to counterparty credit risk when determining the fair value of derivatives.

During the current period, there were no transfers within the fair value hierarchy.

27. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Company's debt-to-equity ratio was 0.9:1 (2014: 0.5:1).

28. Subsequent event

On 25 February 2016, the Board of Directors' meeting No. 2/2559 of the Company passed a solution to propose the payment of a dividend for the year 2015 of Baht 0.14 per share, or a total of Baht 35 million, to its shareholders for approval by the Annual General Meeting of the Company's shareholders on 28 April 2016.

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2016.

Shareholders and dividend payment policy

1. Number of registered capital and paidly registered capital

As at December 31, 2015, PCA's registered capital was 250.00 million Baht. The issued and paid-up share capital was 250.00 million Baht, divided as 250 million ordinary shares of 1.00 Baht par value.

2. List of top-ten principal shareholders as at December 31, 2015

| Item No. | Shareholder Name | Number of Share | Number of Share | % of Total Share |
|----------|-----------------------------------|-----------------|-----------------|------------------|
| 1 | Mr. Prapat Rathlertkarn's family | | 78,950,000 | 31.58 |
| | 1.1 Mr. Prapat Rathlertkarn | 70,200,000 | | |
| | 1.2 Mrs. Chanisa Rathlertkarn | 6,250,000 | | |
| | 1.3 Miss Patnaree Rathlertkarn | 2,500,000 | | |
| 2 | Mr. Trevor John Thompson's family | | 78,950,000 | 31.58 |
| | 2.1 Mr. Trevor John Thompson | 70,200,000 | | |
| | 2.2 Mrs. Jongjit Aneka | 6,250,000 | | |
| | 2.3 Mr. Danai Thompson | 833,334 | | |
| | 2.4 Mr. Dylan Thompson | 833,333 | | |
| | 2.5 Miss Alisa Thompson | 833,333 | | |
| 3 | Mr. Satit Rathlertkarn | | 10,375,000 | 4.15 |
| 4 | Mrs. Ratana Suwan | | 5,130,000 | 2.05 |
| 5 | Mr. Sompong Arphathananont | | 2,700,000 | 1.08 |
| 6 | Mr. Thawatchai Prasitnaraphan | | 1,565,000 | 0.63 |
| 7 | Mr. Somchai Sakulwichitsintu | | 1,400,000 | 0.56 |
| 8 | Miss Chatchaya Chinthanakunakorn | | 1,400,000 | 0.56 |
| 9 | Mr. Pornchai Chantacheevakul | | 1,175,000 | 0.47 |
| 10 | Mr. Visut Chanwawwarm | | 1,037,200 | 0.42 |

Remark

(1) Limitation for Foreigner Assets Entitlement

PCA's limitation for foreigner assets entitlement is 49% of paid capital. As at December 31, 2015, foreigner holding PCA assets is figured at 28.08% of its paid capital.

(2) Group of principal shareholders having significantly behavioral influence on defining PCA policies and business operations.

Mr. Prapat Rathlertkarn's family and Mr. Trevor John Thompson's family, Mr. Satit Rathlertkarn and Mrs. Ratana Suwan entirely holding about 69.36% shares are the Group of principal shareholders which two of eight Directors have significantly behavioral influence on defining PCA policies and business operations.

3. Issuance of other assets

- none -

4. Dividend payment policy

According to PCA policy, the dividend payment is not less than 50% of net profit after corporate income deduction. However, the dividend payment rate can be less than the stipulated rate in case that it is necessary that PCA shall spend such net profit for its business expansion.

General Information and Other Information

(1) Securities issuer

| | |
|-------------------------------|--|
| Name : | Planet Communication Asia Public Company Limited |
| Nature of business : | Provision of service of telecommunication and digital TV, covering 3 groups of products : (1) Telecommunication, TV broadcasting and digital TV systems, equipment and devices sold by the company (2) PlanetComm products (3) services |
| Head office location : | 157 Ramindra 34, Ramindra Road, Tarang, Bangkhen, Bangkok 10230, Thailand |
| Registration No : | 0105537049391 |
| Homepage : | www.planetcomm.com |
| Tel : | 02-792-2400 |
| Fax : | 02-792-2499 |

(2) Securities Registrar

| | |
|-------------------------------|--|
| Name : | Thailand Securities Depository Co., Ltd. (TSD) |
| Head office location : | 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110 |
| Homepage : | www.tsd.co.th |
| Tel : | 02-229-2800 |
| Fax : | 02-359-1259 |

(3) Auditor

| | |
|-------------------------------|--|
| Name : | EY Office Co., Ltd. |
| Head office location : | 33 Floor Lake Ratchda Office Complex 193/136-137 New Ratchadaphisek Road Klongtoey Bangkok 10110 |
| Homepage : | www.ey.com |
| Tel : | 02-264 0777, 02-661-9190 |
| Fax : | 02-264-0789-90 |

(4) Consultants

(4.1) Internal Control Consultant

Name : P&L Internal Audit Co., Ltd.
Head office location : 92/204 Ratanathibet Road, Nanthana Garden Housing Development,
Tha It Lane, Village No. 5, Bang Rak Noi subdistrict,
Muang Nonthaburi district, Nonthaburi 11000
Tel : 02-526-6100, 02-526-7811
Fax : 02-526-6100

(4.2) Legal consultant

Name : Dharmnity Public Company Limited
Head office location : 267/1 Pracharat I Road, Bang Sue subdistrict, Bang Sue district,
Bangkok 10800
Homepage : www.dharmniti.co.th
Tel : 02-587-8080
Fax : 02-585-9204

Investors could find more Company's information in form 56-1 via www.sec.or.th or www.planetcomm.com

2016 Year of Innovation

good design
ideas communication
product
area company involvement
project customer
measure work research new
good
creativity teamwork example
quality focus
organizational value projects knowledge
inform market study innovate creative
view vision development
capability life initiative strategic
success
innovation
view moving forward level future
making product
growth solution different
business good method economic
Success team achieve organizational
include research learning the best
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