

CS LOXINFO PUBLIC COMPANY LIMITED  
ANNUAL REPORT 2014

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One Stop ICT Service



For more Information: [www.sec.or.th](http://www.sec.or.th) or [www.csloxinfo.com](http://www.csloxinfo.com)



# INTRO DUCTION

Welcome everyone to 2014 Annual Report of  
CS LOXINFO Public Company Limited

## OUR ANNUAL REPORT IS DIVIDED INTO 4 MAJOR SECTIONS AS FOLLOW:

1

### Summary of the Company Overview

This section contains a summary of the financial results, business description and direction as well as synopsis of other importance matters.

2

### Importance Information of the Company

This section contains detailed information of business description of the Company and its subsidiaries, including information about potential and/or opportunities in business expansion, corporate governance, organization structure, composition of and good governance structure, roles and responsibilities of directors and key executives, risk management and various management aspects. Moreover, it consists of detailed on shareholding structure of the Group and major shareholders as well as brief biographies of directors and management.

3

### Financial Reports

This section reports the financial status of the Company in 2014, which was approved by the auditor. The financial statements consist of detailed accounting standard e.g. connected transactions, statement of directors' responsibilities in respect of the financial reports.

4

### General Information for Investors

This section contains general information for investors' reference i.e. detailed information that shareholders, investors and public may need to know e.g. registrar, auditor and share registration on the Stock Exchange of Thailand.



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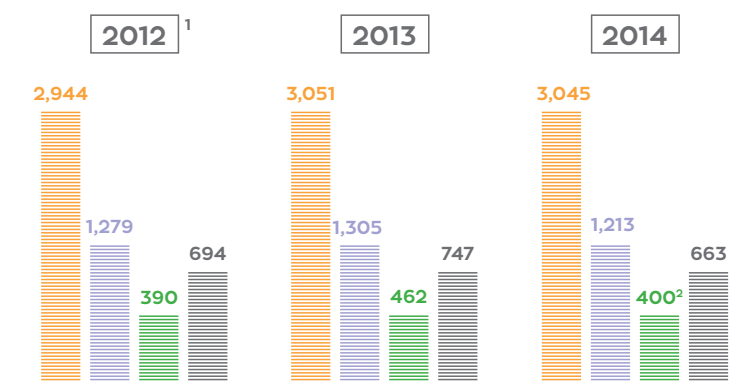
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# FINANCIAL HIGHLIGHTS & DIVIDEND PAYMENT

## Overall Business Performance of Core Products – (Consolidated Financial Statement)

Unit: Million Baht

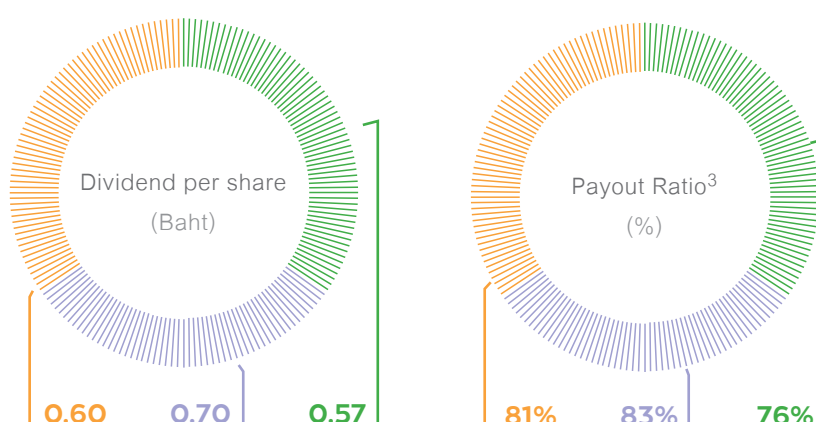


1 In 2012, including the nine months performance of Watta Classifieds Company Limited (Print Classifieds Business)

2 Presented as a normal business profits excluding the impairment loss of goodwill of YellowPages Business (If included, it would be net loss 150 million baht)



The company's dividend payment during the past three years are as follows;



3 Dividend payment ratio calculated from the Separate Financial Statement using normal profits excluding the accounting loss from the impairment of investment in YellowPages Business.





# PERFORMANCE HIGHLIGHTS

## GENERAL INFORMATION

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The Company and its subsidiaries are as follows;

CS LoxInfo Public Company Limited operates ICT business by providing distinguished internet, computer and telecommunication services to corporate customers. At the present, the major customers are medium to large business groups.

Teleinfo Media Public Company Limited operates advertising business integrating publications and websites (YellowPages). The major customers are medium to small business groups.

AD Venture Public Company Limited operates mobile content business by selecting distinguished and qualified information and entertainment for mobile phone users. The major customers are mobile phone users.

In addition, TMC and ADV have a related service, which is Outsourcing Call Center service.

The content in this annual report was divided into three segment based on our core businesses, which are ICT, YellowPages and Mobile Content. By the way, Outsourcing Call Center service that is the related service between TMC and ADV has been group together with Mobile Content and reported as Voice & Mobile Content Business segment in order to make it easy for overall business understanding.

## KEY PERFORMANCE IN 2014

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1. For corporate governance activity in 2014, CS LOXINFO is a certified company of Thailand's Private Sector Collective Action Coalition Against Corruption. Moreover, it encouraged the employees to use the control self-assessment system, which was a long-term project to improve performance quality continuously, also called 'continuous improvement'.
2. To improve our products/services to meet international standard, the company obtained ISO27001 certification in computer center service since March 2012.
3. The Company had been granted privilege by the Board of Investment of Thailand (BOI). The principal privilege is the exemption from corporate income tax for a period of 8 years from the business operations related to The CLOUD Data Center Building (January 2015 – December 2022)
4. Socio-economiv development
  - The company had cooperated with the Department of Non-Formal Education to promote a web design training for the representatives of the nearby community network.
  - The company had promoted more volunteer activities for our employees. For example, the employees had implemented "Pluk Radchapreuk Rim Thang Pluk Rom Mai Ngarm Tha-Wai Por Luang" and "Plook Pa Chai Len Project" at Klong Kon in Samutprakarn province in last year.
  - The company participated in the project entitled Emotional and Mental Restoration in Young Patient in Health Promoting Hospital in Pla Pa Subdistrict, Phu Ruea District in Loei Province.
  - The Company had also promoted the mental and emotional restoration of sick children in the Health Promoting Hospital project at Tambon Pla Pa, Poo Reua district, Loei province

## DIRECTOR RETIREMENT

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In this Annual General Meeting of Shareholders, two independent directors are completing 12 years term as specified by CG policy of the Company. As a result, the meeting needs to select new committees to compensate those who are retiring. CS Loxinfo deeply appreciated to Mr. Prathueng Srirodbang and Mr. Yen Hui Ming for their devotion for corporate governance of the company since it began to be the listed company until at the present.

# PERFORMANCE HIGHLIGHTS

## NEW PRODUCT AND SERVICE DEVELOPMENT

- At the beginning of 2014, the company had official launched high-speed internet service targeting for the customers who live in 50 condominiums at Sukhumvit and Ratchadapisek areas, which had a good response from our customers. At the present, the company has continue to expand this service in more condominiums which has a potential growth. The Company believes that this high-speed internet service will be a new core product in the future.
- Cloud computing – hardware as a service, the company can provides service as international software systems, in parallel with, the high potential employees, the company also develops software systems that has similar quality with the world-class service providers in similar price. At the present, not many people use this service, however, the company believes that there should be more people using this service in the future and it would be another major income.
- Cloud computing – software as a service, the company selected the types of software that would become popular and cooperated with its partners to provide the services. The selected software included accounting software, sale management software and software for distributors. The Company believes that this will be a new revenue streamline in long term.

## NEW INVESTMENT

- In last year, the large investment was involved in the internet services and Internet Data Center.
- Next step of investment, however, if the internet service for condominium has a good response, the company will increase the investment in this segment.
- Moreover, the company continues to seek for the new investment involved in the digital economy providing service for corporate customers and consumer customers of ADV target group. For instance, the company participates in investment in small enterprises that have online projects and have high business potential growth in order to extend the business for ADV.

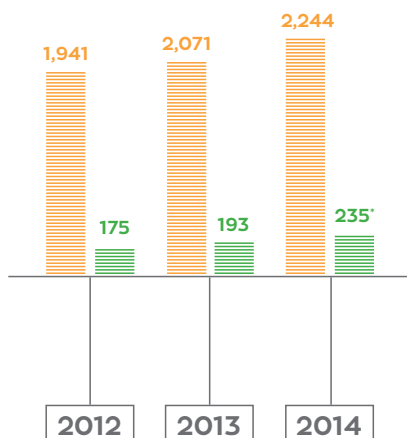
## BUSINESS DIRECTION

- ICT Business
  - Continue to improve the quality of services in major products such as lease line service, ICT solution service, Data center service and Cloud computing service.
  - Continue to develop new products/ services in Cloud computing and high-speed internet for condominium.
- YellowPages Business
  - Continue to develop products/ services for niche market and promote new online services as well as printed media.
  - Studying and improving in cost structures of products/services for maximum proficiency.
- Voice Info Services and Mobile Content Business
  - Develop new service products to respond the needs of customers.
  - Seek for the new investment opportunity in the enterprises that has an opportunity in online business growth.

# PERFORMANCE OF CORE PRODUCTS



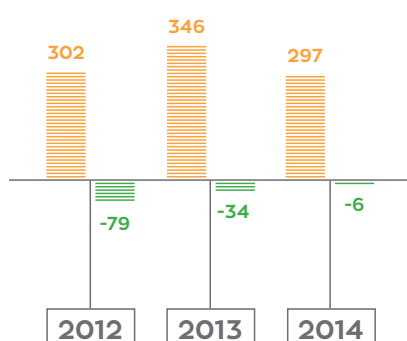
Unit: Million Baht



## ICT BUSINESS

Revenue and profit from operation grew up 8% and 22% from Y2013, respectively. This was mainly come from the continuous growth of Internet Data Center, ICT Solution and Cloud Computing.

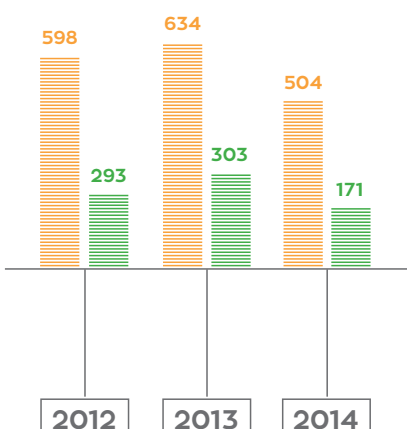
\* Excluded the impairment loss of investment in YellowPages business.



## YELLOWPAGES BUSINESS

Loss from the operation went down to be 6 million baht in Y2014, due to

- Focus on publishing the magazines in segmented market, such as "Factory Supply Guide", "Builder & Construction Guide", "Home & Car" etc.
- Stringent cost and operating expenses control



## VOICE & MOBILE CONTENT BUSINESS

Revenue and profit from operation decreased 21% and 44% from Y2013, respectively, due to

- Softening economy and lower purchasing power
- The extension of an expiration date for prepaid telephone cards

Remark : In 2012, excluding the nine months performance of Watta Classifieds Company Limited (Print Classifieds Business)

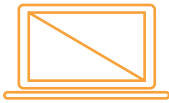


# VISION & MISSION

## OUR VISION

Long term Sustainability  
Social and Environment Responsibility  
Customer and Employee Happiness  
Reasonable Profits  
Continuous Improvement and Creativity

## OUR MISSION



### CS LOXINFO

Thailand's leading ICT Service Provider

We provide Internet, Computer and Telecommunication both software and hardware services to corporate customers thereby facilitating their business transactions. Experienced and always reliable, we focus on high quality products and services with professional flexibility to meet our customers' needs and expectations.



### ADV

A well known Mobile Content Service Provider

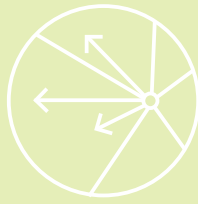
Providing infotainment contents to the mass in their quests for knowledge and pleasure have made us famous. Our strength is the ability to find the exactly right mobile contents for our customers' needs.



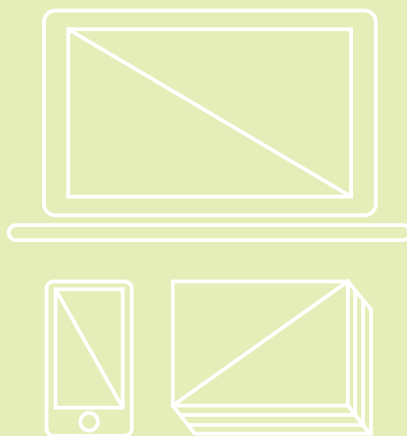
### YellowPages

Thailand's Number One Classified Directories

Our strength is providing the media platform for small and medium size of businesses. In parallel with, the value added media via online and e-commerce services.



# BUSINESS DIRECTION





## Internet Connection

Office and Branch Corporate Customer Environment



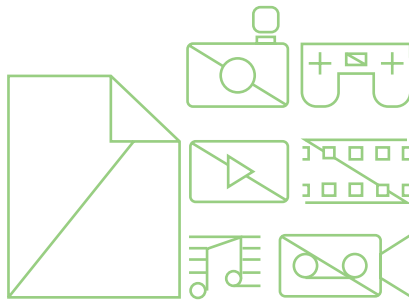
## ICT Services

Email, VPN, VOIP, CCTV  
Manage Network  
Manage System  
Manage Security  
Manage IP  
Virtual Computer  
ICT Solutions



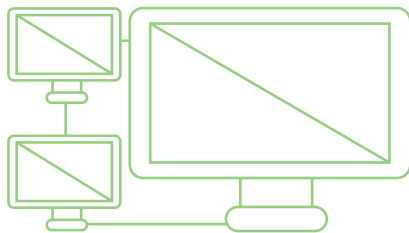
Internet Data Center      ICT Solution

International Internet      Domestic Internet

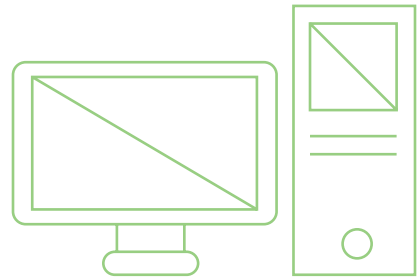


## Entertainment Content Owner

Content Owner



User



## Total Thailand Business

Business Consumer Advertising  
TMC Business Information/ Database



Mass YellowPages



1188  
Call Center



Target/ Focus Website



Mobile Phone



Computer



Telephone

## ICT

### Business Direction

- Providing distinct internet, computer and telecommunication service to corporate customers
- Being open and flexible as well as having various alliances
- Immediately responding to customers
- Being responsible for quality of product and services

## MOBILE CONTENT

### Business Direction

- Selecting and Providing distinct infotainment contents to mobile users
- Providing quality infotainment contents
- Continuously improving mobile contents

## YELLOWPAGES

### Business Direction

- Providing integrated advertising media (printed media and website) to both individual and business users
- Targeting customers and markets
- Responding to real needs


# SUMMARY OF BUSINESS OVERVIEW

## CS LOXINFO PUBLIC COMPANY LIMITED

CS LoxInfo Public Company Limited has 3 business segments as followed :

Business	Business Entity	Revenue Contribution (%)	Profit Contribution (%)	Shareholding (%)
1. ICT Services	CS LoxInfo Plc.	74%	59%	Parent Company
2. YellowPages Advertising	Teleinfo Media Plc.	10%	-2%	100
3. Mobile Phone Contents Services	AD Venture Plc.	16%	43%	100

## ICT SERVICES BUSINESS

Brand	CS LOXINFO	Logo	
Positioning	High Quality ICT service provider (Internet, Computer and Telecommunication)	Website	www.csloxinfo.com
		Target Market	Corporate Segment
Main Products	Internet Services, Computer Center Services, Corporate IT and Internet Solutions		
Products	IT network management, computer system management, telecommunications through internet network and cloud computing under the concept of Internet, Computer and Telecommunication.		
Business Direction	Focusing on ICT Service & Solution together with Internet Data Center and Cloud Computing Service		

The company operates its business under “CS LOXINFO” brand focusing on corporate client segment, positioning itself as a high quality internet service provider with nationwide coverage that comes with wide ranges of services for total solutions from simple internet connectivity to sophisticated network management i.e. IT network sharing for head office, branches, and manufactory. We also serve clients with services for computer system set-up, cloud computing service, teleconferencing services and etc.

CS LoxInfo offers a total solution to corporate clients who anticipate to use ICT technology to maximize its business performance i.e. email system management, computer system security management, internet communication services through telephone or teleconference, WiFi or CCTV monitoring systems. Our services include hardware sales and services for computer

system, virtual computer system or cloud computing system.



Moreover, the company supplies a computer center for corporate clients who seek computer facilities, computer system or cloud computing devices for rent to serve their business client users and internal users. Our computer center will link telecommunication network with large scale internet network enabling users to access internet whenever and wherever possible.

To respond to our client’s business requirements, we offer Disaster Recovery Center where internet and computer resources are available for corporate clients as an alternative office workspace during an emergency.

Our professional engineers are 24/7 available to provide our clients consulting and supports concerning internet, Internet Data Center and IT services.



## YELLOWPAGES ADVERTISING BUSINESS

<b>Brand</b>	Thailand YellowPages	<b>Logo</b>	 
<b>Website</b>	www.yellowpages.co.th	<b>Positioning</b>	No. 1 business directory
<b>Target Market</b>	Small and Medium Sized Business Segment	<b>Main Products</b>	Thailand YellowPages
<b>Products</b>	Thailand YellowPages in Thai and English version, Regional YellowPages, Factory Supply Guide, Builder and Construction Guide, 1188 Call Center and www.yellowpages.co.th		
<b>Business Direction</b>	To integrate printed, telephone, mobile and internet media advertising together. To develop new product and services, Online Catalog and Business Assistant Services to be a new platform focusing on supporting SME business in Thailand and AEC.		

Teleinfo Media Public Company Limited (TMC) is the market leader in printed The YellowPages directory which has been distributing across Thailand over 30 years. YellowPages is a telephone directory of products and services covering more than 3,000 business categories; which includes more than 600,000 business listings. Target advertisers are medium sized companies who prefer highly cost-effective advertising.

TMC offers numbers of print media options to respond to each customer's needs and requirements i.e. "Thailand YellowPages" which is largest telephone directory, "Regional YellowPages" covering Thailand's 5 regions, "Factory Supply Guide" – the aggregated industrial product and service guide book, "Builder and Construction Guide" – the complied product and service for construction contractors. TMC continues developing our products and services niche markets.

Furthermore, TMC offers a wide variety of advertising media to serve both users and advertisers, the integrated services include call center service (1188) and Yellow Pages in addition to print ads, mobile and internet advertising. To add even more advertising value to classified ads in Yellow Pages, TMC offers various choices of advertising media to advertisers to help expand its client base.

Moreover, TMC has generated value content to service for online users and be able to offer the various patterns and styles of advertising accordingly.



Followings are examples of new website launched:

www.aroj.com

www.yellowthai.com

www.xetasale.com

## CONTENTS SERVICE PROVIDER BUSINESS

<b>Brand</b>	"SHINEE" and "AD Venture"	<b>Logo</b>	 
<b>Positioning</b>	Market leader, Expert in products and services selection offering quick and convenient services	<b>Website</b>	www.shinee.com
		<b>Target Market</b>	Mobile phone users
<b>Products &amp; Services</b>	Information, news, music, ringtones, image gallery, VDO gallery, Java Games, horoscopes and application for smartphone		

AD Venture Plc. (AD Venture) is a market leader in mobile content service industry using SHINEE and AD Venture as names in the contracts. We offer complete and variety of services for mobile phone users, providing direct download and monthly subscription, and offer Audiotext service to serve landline telephone users.

AD Venture has long experience in the business of mobile content services in Thailand, it offers well-selected contents of entertainment and information that satisfy user requirement for all along. The company has built good relationship with content

providers in Thailand and abroad enabling variety choices of contents i.e.

- Music and ringtones from various music houses from in-country and overseas
- Mobile theme, Wall Paper, Screen Saver from in-country and overseas
- Games i.e. Football game, Tennis game, and Car Racing game
- News and entertainment updates
- Horoscopes
- Smartphone application for education, game and utility

# MESSAGE FROM CHAIRMAN

## OF THE BOARD OF DIRECTORS AND CHAIRMAN OF THE EXECUTIVE COMMITTEE

Dear Shareholders,

As chairpersons of the company We would like to reaffirm our commitment for continuing development of our group of companies which covers technology, human resources, management, governance as well as corporate social responsibility for appropriate and timely assistance to neighboring as well as distant communities.

Apart from socio-economic development, we have encouraged communities' concerns and responsibility for environmental protection to ensure sustainable human security for global population. We are ready to put all our efforts for the benefit of our shareholders and to remain a worthy organization making relevant contributions to society and our country.

A consolidated report on our business operations in 2014 showed less profit compared to that in 2013 as advertising as well as infotainment businesses were directly affected by economic decline and decrease in purchasing power. In addition we have had to recognize goodwill impairment of our business investment for Yellow Pages in the third quarter of 2014.

By recognizing that loss from impairment of the above investment, the Company showed cumulative loss in statement of financial position of Baht 172 million on 30 September 2014. An EGM was therefore convened on

December 2014 to consider and approve the transfer of our legal reserve as well as premium of ordinary shares to compensate for the Company's retained loss with the result that we would be able to continue dividend payments for our shareholders from the fourth quarter of 2014.

As a respectable public listed company, we are committed to remain a leading player in the fields of information technology and telecommunication. Very acceptable returns on investment to shareholders have been maintained and will confer benefits to society and country as a whole.

For the year 2015, more than ever, the Board of Directors will put strong emphasis on transparency, accountability and good governance in all our operations. As a respected public listed company, fulfilling all criterions, CS LOXINFO became a certified member of the Coalition for Anti-Corruption on 4 July 2014. This significant collaboration involves civil society, the press and well known international organizations.

We are convinced that long term and sustainable development of our businesses can be achieved by the anti-corruption policy which forbids all forms of corruption, direct or indirect. Equitable business approaches and treatments will be ensured for all our clients, whether government

agencies or private sectors.

Clear Code of Conduct covers non participation in political activities, refusal of briberies in any form or under any conditions. 'Tone at the Top' on this important policy has been made clear by management using the following measures:

- Bribery and corruption risk assessment measures and regular evaluation to ensure they remain at acceptable and manageable levels.
- Adequate system of internal control for anti-bribery and anti-corruption as well as balanced and mutual auditing between accounting and data storage.
- Staff training for proper understanding of anti-corruption measures and subsequent punitive measures for violation.
- Written request for cooperation from clients and trading partners to conform with trade ethics and anti-corruption policy for transparent business conducts and corporate governance.
- Install communication channels for staff, related parties including outsiders to disclose wrong doings and ensure that all disclosures will be fairly investigated and informants will be protected.

As for our products management and services delivery, all three companies in the group remain firmly on track for customers' needs, benefits and satisfaction. All this will result in long term benefits to shareholders. Important specifics are:

- 1 For ICT (Internet, Computer, and Telecommunications) sales and services operated by CS LOXINFO Plc,

Comprehensive ICT solution and services will be appropriately synergized, to keep up with customers' needs which are demanding more and more integration of all three elements of the service.

- 2 For business advertising operated by Teleinfo Plc, the year 2015 will see more and more publications and their distributions aimed at specific groups of traders and customers. Printed directories will be complemented 'online' to ensure value enhancement for advertisers.

- 3 For INFOTAINMENT or information and entertainment services via mobile phones operated by AD Venture Co. Ltd, we shall be putting strong emphasis on development of products and more varied services together with specific marketing to encourage group of clients in need of information and entertainment using SMS. New products and services will be developed using Applications for smart phones.

On behalf of our directors, we would like to take this opportunity to express our most sincere appreciation for encouragement and support received from clients, shareholders, trade partners and business allies. Hard work, dedication, and professionalism of management and staff at all levels have been most important for the Company's readiness and ability to overcome challenges and obstacles confronting us year by year. Despite all those, we have been able to benefit from promising opportunities which have come our way in 2014.

Our best wishes for wealth, health and harmony in life to you all.



**Professor Wongkulpat Snidvongs na Ayudyha**

Chairman of the Board of Directors  
CS LoxInfo Public Company Limited



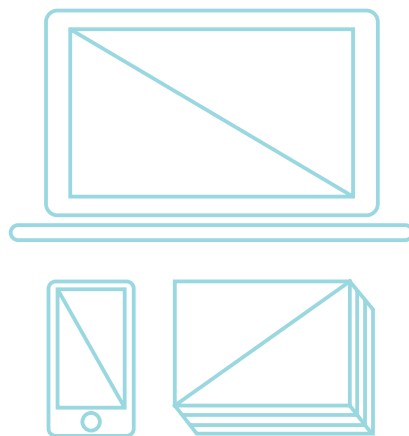
**Mrs. Suphajee Suthumpan**

Chairman of the Executive Committee  
CS LoxInfo Public Company Limited



# BUSINESS OVERVIEW

## AND REVENUE STRUCTURE RATIO



# CS LOXINFO PUBLIC COMPANY LIMITED

CS LOXINFO is the leading Internet, Computer and Telecommunication service provider (ICT Service Provider) in Thailand. Not only its strengths of being the leading corporate Internet services and datacenter provider, but also strong engineering teams working with local and international partners to provide ready-to-deploy services and flexible ICT solutions which meet customers' needs, as well as smooth and reliable after sales-service.



## THE MAJOR SERVICES OF CS LOXINFO

### 1 CORPORATE INTERNET SERVICE PROVIDER

CS LOXINFO has been well known as a high-quality corporate-focused Internet Service Providers. The Company continually developing and promoting its sales and marketing and also expand its customer base and services by;

- Increasing revenue from the existing customers due to their expanding Internet usage demand and trending technologies such as Social Networking, Cloud Computing, Big Data and Mobility become more popular.
- Increasing sales amount by offering back-up Internet circuits to existing customers so they could benefit from better reliable Internet access, Even in case of crisis or outages.
- Increasing sales amount from the existing customers by consolidating Internet gateways and networking between the headquarter and the branches for more effective management.
- New sales from new corporate Internet customers switching to CSLOXINFO for better quality Internet services.
- New sales from new customers switching from another SME broadband to CS LOXINFO for better performance and stability to meet their expanding application demands.

The Strengths of the Company for being the leader of ICT service provider

- CS LOXINFO has self-managed International Internet Gateway (IIG) designed to meet performance and stability requirements for corporate internet users, and

also connections through many carrier providers to diverse Internet destinations to guarantee low latency access throughout the Internet.

- CS LOXINFO has self-managed National International Exchange (NIX) which has large redundant peering circuits to all other national internet exchanges and ISPs guaranteeing smooth and uninterrupted Internet access among Thai providers.
- CS LOXINFO is carrier-neutral and open to all domestic leased circuit and network providers so customers has their full connection options to meet their performance, technology, coverage and budget requirement.
- CSLOXINFO has professional engineering teams, with more than 20 years of experience, who work closely with our customers to deliver tailor-made solutions from design, implementation and optimisation.
- CS LOXINFO offers an engineering and after-sale services, which has been certified ISO 9001 and ISO 27001 standards, which is available 24x7 for smooth internet services.

CS LOXINFO regularly conducts outsourced customer satisfaction surveys towards the services and employees, so the results are accurately reflects customer experiences, which is an important source for continuous improvement.

### 2 INTERNET DATA CENTER : IDC

CS LOXINFO is providing a full-facility state-of-the-art Internet Data Center (IDC) in Thailand. The datacenter provides facilities for keeping and maintaining servers and equipment to support increasing business demands, for example;

- For private cloud needs, a customer can relocate servers from a head office to private cloud located in the datacenter for efficient and secured connectivity among branches.
- The datacenter can serve hosting services for servers needed Internet connection such as Web server, E-mail server, and other on-line services with fast accessibility for users.
- When relocating back-office servers to the datacenter's controlled environment, a customer can continue using the servers without concerns of power outage or disaster. It helps to reduce cost of investing the customer's own datacenter.
- CS LOXINFO can set up the IDC as a disaster recovery site where corporate customers can locate backup IT system with physical servers or private/public cloud for business continuity. Moreover, CS LOXINFO provides temporary office space rentals with readiness of IT infrastructures and office facilities for key staff to continue business operations.

So far, CS LOXINFO has expanded customer groups as they continually have increasing demands of Internet usage and to reduce risks of disasters. The Company has its strengths in responding to the customers' needs, as follows;

- CS LOXINFO has been certified ISO 9001 and ISO 27001 (ICT Security Standard) for its professional services and datacenter management.
- The datacenter is located in Bangkok downtown area which has convenient transportation and low risk of flood, the main datacenter is on the 4th floor and the electric power system is on the 9th floor.
- CS LOXINFO has direct connections to the self-managed National Internet Exchange and International Internet Gateway which have large-capacity network connections to support customer's demand.
- CS LOXINFO is carrier-neutral and allows customers to lease network circuits from any media providers. With short provisioning time as many media providers has their network node installed in our meet-me-room, such as Symphony, UIH, True, TOT, CAT Telecom, etc.
- CS LOXINFO maintains their industry-standard security, electrical and environmental control systems

which guarantee safe and efficient condition for continuous and smooth operations.

- CS LOXINFO offers special services to meet customer's need such as data back-up service, security service, disaster recovery site and cloud computing. These services have growth potential because they help customers reduce their upfront investment on server and network hardware and also the cost of maintenance.

Currently, CS LOXINFO has 3 locations in Bangkok where they operate data centers. The locations are Cyber World Tower on Ratchadapisek Road, CAT Tower in Bang Rak, and "The Cloud Building" our brand new location on Ratchada-Raminthra Road. The Cloud Building is a new purpose-built data center on our own property which has been ready for service since 2014. CS LOXINFO continuously expands our Internet Data Centers complying with international standards to meets customers' needs.

### 3 ICT SERVICES FOR CORPORATE CUSTOMERS

CS LOXINFO provides one-stop ICT services covering all areas, including Internet, computer and telecommunication services, which could help organizations, strengthen their potential in business competitiveness from consulting, design, implementation, to after sale-service.

The typical ICT service providers can be considered a turnkey provider or a solution integrator. The turnkey provider is usually an overseas vendor who offers turnkey solution. The service from the turnkey provider is typically expensive and large-scale which is suitable for large organizations. And the solution integrator tends to be a smaller enterprise, with particular skills and also depends much on individual personnel skills, therefore the service from the solution integrator is tends to be limited.

CS LOXINFO has the potential to fills the gap of these customers from small to large enterprises with our more than 20 years of experiences, engineer's team with diverse skill, along with standard-based project managements to support customers need and one-stop services of Internet and datacenter services. CS LOXINFO has good relationships with various strategic international and domestic partners which strengthen our capability to select the proper solution matching with customer's particular need.

## EXAMPLES OF CS LOXINFO ICT SERVICES ARE AS FOLLOWS;

### Network Infrastructure

Examples of Services	Strengths	Alliances
Cabling in an office or factory etc.	Conducting a survey and designing a suitable cabling system. Selecting standard equipment with a quality-controlled system so that the customer can maintain the equipment themselves.	Panduit, Systimax, Amp
WiFi system for hotel, factory and event venue.	Designing WiFi system suitable for number of users, demands, and service areas with appropriate functions, equipment, brands and number of access points.	Aruba, Ruckus, Cisco, HP
Network Infrastructure & Security for an organization	Having a consulting expert which understands customers' needs and finds appropriate solutions for each customer.	Cisco, HP, Fortinet, Juniper, PaloAlto, Sophos, Checkpoint
Network Performance Enhancement	Selecting optimal solution that is suitable for the purpose of use and budget requirement to optimize the cost and increase the network efficiency.	Riverbed, Silver Peak, Sangfor

### Cloud & Computer Infrastructure

Examples of Services	Strengths	Alliances
Virtualization	Having an expert team who helps customer consolidate servers to reduce cost, to be easy to maintain and to save energy.	VMware, Microsoft, Citrix
Server & Storage	Having various option and is customer-focused without being attached to any particular brands.	HP, IBM, Dell, Cisco, EMC, NetApp
Server Rooms / Datacenter	Server Rooms / Datacenter Optimized design for particular area, functions, and selecting standard equipment with a quality controlled system.	APC, Emerson Panduit, Systimax, Amp-Schneider
DR Site / Backup Site	Having an expert team. Flexible solutions with Infrastructure support for back-up site, particularly the Internet, cloud computing and information service center.	Veeam, VMware, Symantec, CA ARCserve

### Business Communication

Examples of Services	Strengths	Alliances
CCTV	Conducting area survey and designing CCTV installation plan, with various camera brands and standard camera control software.	Axis, Bosch, Panasonic, Sony, Samsung
Video Conference	Design to support the connection needs, domestic or international, with standard based equipment and peripherals, and Internet Quality-of-Service (QoS) management.	Polycom, Cisco, Avaya, Lifesize, Sony

On the last fiscal year, the Company has earned the trust from corporate customers especially the Internet subscriber base in providing more integrated solutions which respond to the customers' needs as follows;

- Having an engineering team with expertise in Internet, computer and telecommunication equipment, and has long experiences in managing large-scale Internetworking and other related networks.
- Being customer-focused, open to all alliances and do not attached or biased to any particular brands when selecting a product to match the customer's needs.
- Having complete ICT infrastructure such as domestic and international Internet exchanges, Internet Data Center and Cloud Computing system.
- Having a 24x7 after-sale service team and technical supports. And also regional teams at branch offices in major cities such as Chonburi, Phuket and Chiangmai.

Besides offering the products and services that serve the needs of each customer, CS LOXINFO also focused on sustainable development of products and services for society and environment.

#### **1 CS LOXINFO DELIVERS PRODUCTS AND SERVICES THAT ARE BENEFICIAL TO THE SOCIETY**

- The Company's Internet service, Internet Data Center and ICT services could help organizations reduces paper usage, trashes and pollution.
- The Company's Internet service, Internet Data Center and ICT could help Thai organizations increase business efficiency which is beneficial to long-term country competitiveness.
- The Internet Data Center is designed with power efficiencies in mind. The facility management systems are carefully configured to be power-optimized which could significantly reduce power consumption which is key factor of global-warming.

#### **2 CS LOXINFO PROMOTE THE ACCESS TO NECESSARY PRODUCTS AND SERVICES**

- Not being attached to any particular alliances because it could limit the customers' choices and access to appropriate products and services such as Internet service for corporate customers or the Internet Data Center. CS LOXINFO has offered the customers to select a suitable lease line service provider or lease directly. The Company offers a solution according to the customers' needs in buying the products and ICT services from any brands.
- The Company acknowledges the environmental factor and development readiness for ICT in Thailand. Therefore, the Company considers the services that are necessary and suitable for the particular customers in Thailand. And also the Company does not push latest technology to the customers without considering their needs or readiness, but encourage the customers access to the necessary technologies that worth the investment (Market Pull).

#### **3 CS LOXINFO IS FOCUSED ON AFTER-SALES SERVICE**

The Company does not only provide 24 hours service (24x7), but also publishes documents, manuals as well as adhere necessary stickers and signs to each device to assist the customers using and maintaining the devices.

#### **4 CS LOXINFO FOCUSES ON MARKET SUSTAINABLE DEVELOPMENT**

by cooperating with the alliances from educational institutes and product vendors to organize free seminar such as lectures and hands-on for the customers regularly. This is to share knowledge and increase technology understanding which helps customer in selecting the right products and technologies for their applications.



#### 5 CS LOXINFO CONSTANTLY PROMOTE PERSONNEL & PROFESSIONAL DEVELOPMENT PROGRAM

in International Standards, for example, training and encouraging employees to be certified from other organizations or vendors, or conducting company's self-certifying system which can lead to professional stability of employees as well as economic stability of employees' family. The stability of employees in profession and family economy is the basis of social stability.

#### 6 CS LOXINFO SINCERELY CONDUCTS FAIR BUSINESS

with the business partners for the sustainability of marketing development. The Company avoids exclusive marketing with particular business partner. And also reports the customer's feedback to its vendors so that they can improve the product to become more appropriate for a long-term competition.

#### 7 CS LOXINFO SUPPORT FREE AND FAIR COMPETITION

Without losing sales to undercut competitors or product bundling sale which can lead to a long-term negative effect on the market competition structure.



### INDUSTRY CONDITION AND COMPETITION

Telecommunication industry is having a strong competition. However, CS LOXINFO has continuously maintained its turnover at a good level, and reduced the dependence on telecommunication service only by:

- Being the leader of internet provider for the corporate customers and emphasizing on the quality and service rather than price competition only.
- Focusing on providing internet data service center, which is considered as a good opportunity to expand customer base since the market is expanding due to environmental factors. The integrated management is considered important factor that promotes The Company's competitiveness in various aspects. Moreover it helps reduce the price competition because there are less datacenter providers in Thai market. The Company has an advantage in sharing resources with the internet service, such as international Internet gateway and engineer teams, etc.
- Furthermore, the Company focuses on providing a complete ICT service to the existing customers. Based on the Company's strengths to always adhere to the customers' needs, and has earned a trust of customers. Along with world-class product alliances and dominate the mind of the customer's product experiences. Thus enabling the Company to provide comprehensive ICT service which emphasizes "One Stop Service" that meets the customers' needs.
- Due to environmental condition changes, the business is getting more vulnerable to natural disasters and other factors. Therefore, the Company emphasised the continuous improvement in all aspects and to be a part in helping to mitigate customers' impacts, such as infrastructures and facilities that could help customers continue their business in crisis. For example, customers affected from flood crisis can relocate their servers and staffs to the Internet Data Center (IDC) and Disaster Recovery Center (DRC) respectively.



## MARKETING STRATEGIES

Besides being the leader of internet provider who provides the Internet service that responds to customers' needs, the Company also focuses on providing ICT Service Provider (ICT) as a complete ICT services on Internet, computer and communication technologies, in which the Company is highly focused on the quality and service rather than the price competition. The main marketing strategies are:

### 1 CONTINUOUSLY PROMOTING CORPORATE IMAGE AS BEING A LEADING ICT SERVICE PROVIDER

Over a decade, CS LOXINFO has set its position as being the premium service provider who provides the products and services that meet the various needs of the corporate customers. The Company gradually increases its corporate image and communicates to the public of the positioning of the products and services. Moreover, it is the leader of a complete ICT service provider who understands customers' needs and provides a good customer service as well as a good after-sales service so customers are satisfied and usually recommends us to others.

### 2 IMPROVING THE QUALITY AND SOLUTION THAT RESPOND TO THE CUSTOMERS' NEEDS

CS LOXINFO focuses on managing both domestic and international Internet exchange for sufficient capacity and performance to match usage growth, as well as cooperating with all alliances in improving the network capability in domestic and international areas. Furthermore, the Company has collaborated with the alliances in developing solutions to satisfy the customers' needs under the ISO 9001 quality control, the ISO 27001 information security management system, and the administration and management systems which include clear indicators.

### 3 MAINTAINING GOOD RELATIONSHIP WITH CUSTOMERS

The Company focused on continually giving the highest satisfaction to customers. By does not only respond and react to the customers' diverse needs, but also provides a proactive technical service, such as consultation, publishing the primary ICT problem solving guide, and organizing regular seminar on technology knowledge to customers from all over the country as well as visiting the customers regularly and conducting customer satisfaction surveys.

### 4 COOPERATING WITH THE ALLIANCES IN ORDER TO SUPPORT VARIOUS NEEDS OF CUSTOMERS

The Company has a good relationship with alliances in Thailand and overseas. The alliances may be local or international media providers as well as world-class ICT product vendor. The Company avoids being attached to any technology or media provider as our ultimate goal is to satisfy the customers' needs for the solution that worth their investment.

### 5 DEVELOPING ICT EXPERTS

Developing ICT personnel is the most important thing, and CS LOXINFO has an advantage of having many professional engineers and experts in diverse field which practically taken care of its large-scale internetwork and its broad-based customers. In addition, the Company also conducts an internal examination for employees' career-related skills and determines clear key-performance indicators. And also the technology vendors who always work closely and supporting us for a long time.



## CUSTOMERS' CHARACTERISTIC AND TARGET GROUP

The Company's target group is mainly the corporate customers using Internet and ICT services to promote their business efficiency. These group of customers need reliable pre-sale consultant and after-sale services to ensure that they can conduct their business efficiently and smoothly. As a result, the customers focused on quality and efficiency first, rather than the price of the service and they tend to use services in a sustained manner.

Since the Company's services involve Internet services, ICT and Internet Data Center, the target groups are diverse and have various business needs, such as the business with branch offices that needs to reduce the expenses on communication links between branches, the E-Commerce

businesses that needs to co-locate their servers and equipment in the Internet Data Center, businesses that do regular overseas contact with their customers and partners, businesses that needs site-diversity backup systems to ensure business continuity, businesses that needs a cloud-computing system to optimize their expenses, businesses that need to provide wireless network access for staffs or customers, the overseas businesses that needs video conferencing system with high quality of international gateway, and also businesses that needs CCTV installed in their warehouse or offices and is accessible through the Internet from tablet, smart phones, etc.



## DISTRIBUTION AND SALES CHANNEL

Direct sales are the main sales channel of the Company. There are sales team and engineering team to gather requirements and consulting to the corporate customers. The sales teams are based in Bangkok and main regions of the country.

Apart from visiting customers by the direct sales team, CS LOXINFO also provides journals and mails to the customers and target group. The Company regularly organizes activities led by expert teams throughout the year in Bangkok and main provinces. The activities including seminars and workshops on technology and knowledge gained from the actual field experience and from alliance's experts. These activities do not only establish a long-term relationship with customers but also enabling opportunities to increase sales to the customers and target groups who participate in the activities.



## BUSINESS OPPORTUNITIES

The Company realizes the opportunity to expand business to the corporate customers who is not only invest in ICT for increasing work efficiency but also need to be able to use ICT system confidently and without worries about the problems that can affect the system, such as natural disaster. The Company continues improving products and services that respond the corporate customers' usage: especially for:

- **Complete ICT Service** including Internet, computer and telecommunication services that could serve the needs of customers with limited manpower. Despite a volatile economy, corporate customers continuously invests in ICT according to the Cloud Computing, Mobility, Big Data and Social Network trends. The Company is working closely with leading alliances to support customers' needs in all levels.
- **Internet Data Center (IDC)** is an Internet data service center that has high growing potential because Thailand currently has a small customer base and customers began to aware of natural disasters. As a result, they need to move the servers from the offices to the Internet Data Center which is much less vulnerable from disaster or the electrical problems and customers can continue their work anywhere with Internet connection. At the present, the Company is constructing the 3rd Internet Data Center which will be ready for service in 2014.
- **Cloud Computing** is a computer resource rental services including Infrastructure As A Service (Virtual Server and Cloud Storage) and Software As A Service (Online Business Software). Although this service is still in an early stage in Thailand, it has high potential growth and could become a huge market which will replace the investment in hardware and software. Besides developing its own service system, the Company collaborates with both local and international alliances to study the possibilities and service improvement to support the increasing needs in the future.

# TELEINFO MEDIA PUBLIC COMPANY LIMITED

Teleinfo Media Public Company Limited (TMC) is Thailand's leading commercial search provider and largest directory publisher. Its database consists of all types of products and services nationwide such as business listings for business to business (B2B) and business to customers (B2C), as well as public agencies and others. This database is valuable resource for the development of various products and services, under the brand "Thailand YellowPages".



## CORE BUSINESSES

### 1 THAILAND YELLOWPAGES TELEPHONE DIRECTORIES

"Thailand YellowPages" business directories comprise of:

- Thailand YellowPages – Bangkok Thai edition distributed to businesses and residents in Bangkok Metropolitan Area
- Thailand YellowPages – Bangkok English edition distributed to businesses travelers and expatriates living in Thailand
- Thailand YellowPages – Regional edition distributed to businesses and residents in 5 regions of Thailand, namely, the North, Northeast, Central, East and South.
- DVD YellowPages-combines Bangkok YellowPages, Provincial YellowPages, English YellowPages and Aroi.com, Aroi Tour-Thai which free DVD distributed at Tesco Lotus all around greater Bangkok area branches.

### 2 THAILAND YELLOWPAGES CALL CENTER

The personnel of 1188 YellowPages Call Center are fluent in Thai, English and local dialects. The service provides information on products and services, business establishments listing, shops, restaurants, tourist attractions, traveling information, government agencies, plus emergency telephone numbers and individual numbers of more than 6 million telephone numbers nationwide. Moreover, the call centre offers other additional services such as Call transfer for AIS subscribers, Thai and English SMS dictation and sending service, domestic bus booking service, and 24-hour emergency technician services.

### 3 ONLINE YELLOWPAGES AND OTHER WEB-BASED SERVICES

- [www.yellowpages.co.th](http://www.yellowpages.co.th) provides information on products and services for general consumers and businesses nationwide. The data is always up to date, accurate and complete and also provides maps.
- [www.yellowthai.com](http://www.yellowthai.com) provides business directory and valued information which 3 groups which are Home&Builder, Business and Lifestyle.
  - [Home and Builder](#) provides information and knowledge on various products and services comprises of house decoration, construction materials and home builder. Besides this, the website publishes useful articles, tips and knowledge on how to buy an old house, home decoration according to Feng Shui, and up-to-date news of real estate industry.
  - [Business](#) comprises of interesting information on business for Industry, Office and relative services which including the economic news and PR, office worker tips, Marketing knowledge and analysis.
  - [Lifestyle](#) has tons of personal lifestyle which can be applied to all that divided to 4 parts are Food&Travel, Health, Technology&IT and Car. We are generates and aggregates a lifestyle information and tips for living that everyone can make it done comfortably.
- [www.cityesthai.com](http://www.cityesthai.com) is a website providing business data including locations, telephone numbers, products and services in a specific province. It also presents local activities, provincial tradition, arts, culture and tourist attractions as well. Customers

can access to information and traveling maps of all provinces.

- [www.hunsa.com](http://www.hunsa.com) is an entertainment hub for round-the-clock updates.
- [www.anoi.com](http://www.anoi.com) and [Anoi mobile application](#) are available for iOS and Android to providing good food and restaurants information.

#### [Integrated Online Advertising Services](#)

A full range of online advertising services are provided to meet every online business needs. Services include:

- [Landing Page](#) offers attractive one-page web design with complete products or services information including business name, address, telephone numbers, products and services, location, product photos and video clips of product and service review. When users of TYPLive.com search the database with key queries or keywords, matching businesses will be listed on the search results page. By clicking those links, the system will point the users to that landing page.
- [Microsite](#) is an extension to landing page in which offer multiple pages and unique design to advertisers' listing on YellowPages website with optional to include its own domain name or typlive.com sub-domain.
- [AdSearch](#) strategically places advertisements on the website pages showing results from search engine's key queries or keywords. The advertisements will appear only to target group.
- [AdBanner](#) provides exciting and eye-catching multimedia banner advertising. Besides TYPLive.com, there are many associated websites for advertising to the right target.
- [Map Search](#) provides location search from map. Users of YellowPages Map Search can easily schedule traveling and able to get more needed information. This allows the users an easier access to business entities.
- [Priority Listing](#) reorganizes the order of search results. When users search data on [yellowpages.co.th](http://yellowpages.co.th), the top priority company will be listed first to maximize users' attention.

- [YellowPages E-mail Account Hosting](#) is a mail application supporting sellers to send and receive email from their customers. Thus, they will not miss any chance of communication that shows reliability and outstanding business identity.

- 4 [OUTSOURCING CALL CENTER SERVICE](#) is a call center system offered by professional personnel to both small and big size businesses. It provides full range of services at lower cost than such business might run the service itself.

Services can be divided into two categories.

#### [Inbound Call Centers: Services provided for incoming calls](#)

- Customer service information provides general information on products and services
- Helpdesk (general information) provides basic solutions to product problems
- Claim/Complaint Handling receives complaints
- Order taking receives orders and requisitions

#### [Outbound Call Centers: Services provided for out going calls](#)

- Tele sales provides calls to initiate sales
- Tele survey providing provides calls for market survey, make appointment, etc.
- Cross up sell by Tele sales provides calls to offer additional products and services

#### 5 [OTHER PRODUCTS AND SERVICES](#)

- [Vertical Guide Books](#) to reach more specific target users.
  - [Anoi.com Magazine](#) is the 3-months free magazine that provides information of restaurants in Bangkok and vicinity. In addition to bring the great offers for food and beverage which be distributed to the white collar whom has a car owner in greater Bangkok area.
  - [Anoi.com Provincial Magazine](#) is the 6-months free magazine that provides information of restaurants nationwide.
  - [Factory Supply Guide](#) is a yearly guide book that provides information of products and services for industrial users.

- **Builder Guide** is a yearly guide book that provides information of products and services for contractors and home builders.
- **"2Get & 2Load"** is an audiotex service available to consumers by dialing 1900 222 XXX. TMC also offers service at \*4XXX (for AIS, DTAC and TrueMove customers) to schedule an appointment to apply VISA with embassies. Some participated embassies at present are Italy, Germany and Switzerland.
- **Direct Marketing resource:** Database rental service ranging from database lease, management and maintenance of database, mailing list, telemarketing service, letter-shopping service to outsourcing call center.



## MARKETING ACTIVITIES AND COMPETITIVENESS

TMC launched the new product named "DVD YellowPages" contains all the number of business in Thailand. DVD had distributed at Big C Supercenter and Tesco Lotus in Bangkok and vicinity. TMC has also released new product in the Vertical line product which named "Machine Spare Parts and Hardware Tools" to enhance service coverage for both advertiser and users accordingly.

In part of 1188 Call Center, TMC with the corporation of Department of Correction under the Ministry of Justice successfully initiated 1188 Call Center Project with Pathumthani Female Prison.



## OPPORTUNITIES FOR BUSINESS GROWTH

With the positive and strong growth of e-commerce trend in Thailand, TMC has developed [www.XetaSale.com](http://www.XetaSale.com) to be the new e-commerce service channel by spread out the special offer deal and discount. Moreover, customer satisfaction is guaranteed. If customer does not receive the ordered merchandise or find it differs from the description, refund will be offered.

All of TMC's services intend to meet the needs of data search in every convenient channel including YellowPages directories, 1188 YellowPages Call Center, WAP site, and also mobile applications. TMC is progressively improved Thailand YellowPages to maintain its leading position of integrated source for buyers and sellers.

# AD VENTURE COMPANY GROUP

AD Venture Public Company Limited (ADV) now operates as a content aggregator. Mobile contents which consist of news and entertainment updates are provided under the name of “Shinee.com”. It also acts as a portal website providing online information under the name “Hunsa.com”.



ADV is a content provider. Its operations are divided into two main forms.

## 1 MOBILE CONTENT BUSINESS

ADV provides mobile content service under the brand “Shinee” through all mobile phone networks, namely, AIS, DTAC, True Move and Truemove H. The landline users can also access its audio information so called Audiotex service. The target group is of 15-50 year of age. Options of services are:

### 1.1 Download the services onto a mobile-phone

by entering service code through IVR system, or using SMS download, or visiting wapsite <http://wap.shinee.com>. The contents can be downloaded from the menus that linked to wap portal of any networks. After downloading, charges will be collected by the mobile phone network providers which the customers have prior registered. Services are categorized as following:

- **Shinee Ringtone:** offers 4 formats of ringtone services: Monophonic Ringtone, Polyphonic Ringtone, Truetone Ringtone, and Full Song Ringtone. These tones have been aggregated from Thai and international music companies and available for download according to customers' preference.
- **Shinee Java game:** provides games on mobile platform, which can use phone buttons to navigate directions. Choices of games such as action, adventure, and sports from all over the world are provided.
- **Shinee Wallpaper, Theme & VDO Clips** provides a variety of wallpapers from drawings, cartoons, and photographs, which can be downloaded and saved as a mobile phone screensaver. Customers can also download themes in order to change screen

background and icons on their mobile phone as well. Video clip service offers 1-3 minute video clips to be downloaded and saved for later viewing. The clips include cartoon, comedies, movies and TV series trailers.

- **Shinee News:** provides updated news selected from several news agencies. The service is available on SMS and WAP access.
- **Shinee Info Entertain:** provides news and gossips of superstars and celebrities as well as upcoming movie and music reports from well-known sources. The service is available on SMS and WAP access.
- **Shinee Horoscope:** is a horoscope service provided by famous fortunetellers available on SMS and WAP access. The customers can request for one-time service or subscription through IVR system, SMS, or WAP.
- **Smartphone Application:** is an application for Iphone, Ipad, Andriod OS Phone. Some examples are Tarot Reading Application by Theptidapayakorn (Famous Fortuneteller), Game applications for kids and adults, Tutor Application for Satit Admission, Live Chat Application which both user and fortuneteller can see each other while they are chatting, and etc.
- **Corporate Solution:** is a service for Corporate customers who want do marketing communication directly to their customers including SMS sending for voting or texting to display on Television, USSD sending to lucky draw campaign and application development for corporate to do marketing campaign directly to their target customers.

**1.2 IVR and audiotex:** The service can be accessed by dialing the number indicated in the advertisement. Customers then need to follow instructions. Services are categorized as following:



- **Audiotex Horoscope:** is a horoscope service provided by famous fortunetellers. The customers can choose between Live-Horoscope and Non-Live Horoscope.
- **Audiotex Lottery:** provides the latest result of the Government Lottery, Lottery of Bank for Agriculture and Agricultural Cooperatives, and Lottery of Government Savings Bank.
- **Audiotex Sport:** offers insight information on various Thai and international sports. Experts in the field are engaged in this IVR service.
- **Audiotex Charity:** is a charity service for helping AIDS/HIV patients staying at Wat Pra Baht Nampoo, Lopburi. The customers can make donation by calling 1900 222 200.
- **Audiotex Entertainment:** provides a variety of entertaining contents from superstar gossip, movie and music, traveling guide etc.
- **Audiotex SMS:** is a daily horoscope service provided by well-known fortunetellers. Customer can subscribe to receive daily SMS.

## 2 WEBSITE BUSINESS

ADV provides a web portal service under the name [www.hunsa.com](http://www.hunsa.com) – an informative website targeting customers at 10-35 year of age. Contents include:

- **News and entertainment:** provide up-to-date news and entertainment reports gathered from newspaper websites and by Hunsa's team. The service is free of charge.
- **Web-board:** is a chat room opened for opinions and discussion on miscellaneous topics. The service is free of charge.
- **Online Horoscope:** a personal horoscope service provided by well-known fortuneteller team. A customer can submit his birthday and leave a question through Hunsa website. The answer to the question will be delivered to customer after the payment is made by cash card.
- **Advertisement:** provides advertising banner on Hunsa website where more than 100,000 visitors can see daily. The costs are varied according to the position of banner. Targeted customers are companies and shops aiming to promote their products or services.



## INDUSTRY AND COMPETITION

The prospering trend of the mobile content business since 2004 has drawn numbers of overseas and local entrepreneurs to enter this business. However, with the effective management and marketing strategies, ADV has successfully retained its customer based on the following methods:

- Maintaining a high standard with honesty. Being true to customers. These result in customers' confidence.

- Managing marketing costs by exercising on effective media that can hit target customers directly.
- Creating satisfaction according to customers' preferences, lifestyle and budget by offering monthly and buffet subscription programs.
- Building strongly within INTOUCH Group to expand distribution channels, and carry on marketing activities, e.g., promoting via website, Mobile Life, One 2 Call card, etc.



## MARKETING STRATEGIES

ADV strives to accommodate fast and accurate services with a fair price and after-sale service in order to increase numbers of customers. The policies are anti-deceiving or taking advantage over the customers. The marketing strategies of ADV are listed below:

### 1 Focus on quality and service

ADV focuses on novelty of content carried out to the customers. The contents must be up-to-date, in-trend, and rich in selections in order to fulfill requirements of a customer as a one-stop service.

Additionally, ADV emphasizes quality control of all downloaded services; as a result, it acts quickly and accurately to deliver excellent service to customers.

### 2 After-sale Service

Mobile-content provider business needs to pay attention to the customer service system which capable to provide advice, service, and solve customers' problems rapidly. Because of this, ADV puts high values on customer service by providing a call center to ensure effective respond to customers' queries.

### 3 Continuous development on novelty services

ADV has developed various formats of services focusing on customers' behaviors in order to meet their requirements and preference.

### 4 Niche Marketing

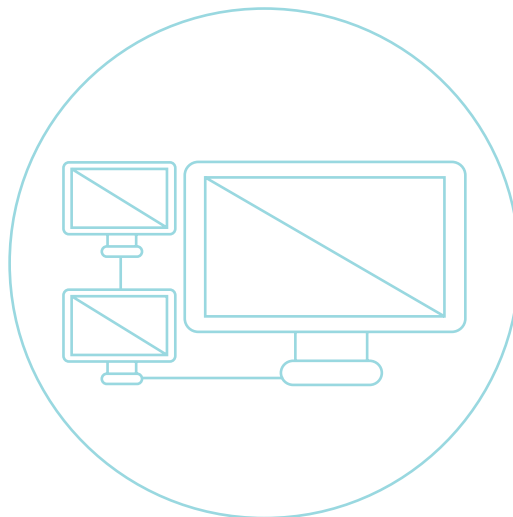
ADV customizes services to those frequent downloaders, whose behaviors are analyzed and grouped into database. Therefore, appropriate marketing and sales promotion can directly and effectively reach the target groups.



## BUSINESS OPPORTUNITY

The speedy growth of mobile phone business through liberalization of telecommunication industry; advancement in technology, and rapid reduction of mobile phone price, the numbers of mobile phone network subscribers have increased. ADV, thus, foresees the positive future of the mobile content business and has been developing new services to meet the customers' needs. Mobile VAS is a service providing easy access to information by just following the menu instructions. Both landline and mobile users who want to add color into their lives can enjoy various audio entertainment contents 24 hours a day.

Regarding the website business, the growth of internet use rate leads way to interactive custom and up-to-date searching system especially for entertainment news. Therefore, Entertainment services are being developed in order to increase channels and thus gain more opportunity and revenue.



# REVENUE STRUCTURE RATIO

The structure of revenue of the Company's group pursuant to the consolidated financial statements that have already been audited during 2012, 2013 and 2014 can be classified as follows;

Units : Million Baht

Description	Process by	% holding By CSL	Consolidated Financial Statement (Audited)					
			2012		2013		2014	
Revenue from Internet Services	CSL	-	23	1%	19	1%	19	1%
- via Telephone Line			1,277	43%	1,302	42%	1,364	44%
- via Leased Line			82	3%	64	2%	46	2%
- via Broadband			1,382	47%	1,385	45%	1,429	47%
Total revenue from Internet Services			156	5%	185	6%	226	7%
Internet Data Center (IDC)			379	13%	459	15%	536	18%
IT hardware and solutions			18	1%	26	1%	32	1%
Revenue from Television Transmission (Uplink - Downlink)								
Revenue from YellowPages	TMC	100%	274	9%	332	11%	289	9%
Revenue from and Voice Info Service Business Mobile Content Business	TMC ADV	100%	594	20%	627	21%	502	17%
Revenue from Print Classifieds Business*	WATTA*	60%	101	4%	-	-	-	-
<b>Total Revenue from Sales and Services</b>			<b>2,904</b>	<b>99%</b>	<b>3,014</b>	<b>99%</b>	<b>3,014</b>	<b>99%</b>
Other Income			40	1%	37	1%	31	1%
<b>Total Revenue</b>			<b>2,944</b>	<b>100%</b>	<b>3,051</b>	<b>100%</b>	<b>3,045</b>	<b>100%</b>

\* As at 16 October 2012, the Company had disposed an investment in Watta Classifieds Company Limited that the Company hold 120,000 of the ordinary shares which is 60% of the registered capital to non - related person, and accordingly WATTA Classifieds Company Limited has ceased to be a subsidiary of the Company.

# RISK FACTORS

In 2014, the business units that contributed materially to the revenue and profit of the Group were

- 1 ICT Business and Satellite uplink-downlink Service Business with 74% of total revenue and 59% of total profit (before extraordinary item) of the Group
- 2 YellowPages business with 10% of total revenue and -2% of total profit (before extraordinary item) of the Group
- 3 Voice info Services and Mobile Content Business with 16% of total revenue and 43% of total profit (before extraordinary item) of the Group.

The businesses of the Group are subject to the follow major risks.

## 1. THE RISK UNDER THE SPECIFIC REGULATIONS AND REQUIREMENTS OF THE TELECOMMUNICATIONS INDUSTRY

**ICT Business:** Telecommunications industry is governed and regulated by rules and regulations aligning with Constitution and relevant Acts under the policy of competition liberalization promotion. As the result, the large telecommunication enterprises are free to obtain all business licenses. The large operators also have capital and telecommunication network at the more competitive advantage scale than the smaller operators which resulted to an unfair competition. The large operators can offer a high wholesale price to smaller operators while offering lower price to end customers. The Company has changed business direction from ISP to ICT from 2012 onwards. In 2013, the Company expanded the computing service centers and cloud computing services in order to diversify the risk and increase opportunity to sell products and services.

**Infotainment via mobile phone:** The regulations issuing by the National Broadcasting and Telecommunications Commission (NBTC) including extended expiration date of mobile refill cards and protection of consumer rights has resulted in prolonged validation period of mobile subscribers and drop of money refilled.

To create more opportunities to sell new products and services in the future, ADV has studied consumer behavior and continuously developed products and services to maintain the good relationship with mobile network service providers by developing new format and channel to increase access to the Company services.

**YellowPages Business:** is not under subject to licensing regulation to engage in business, the company takes no risk in case of this.

## 2. THE RISK OF BUSINESS COMPETITION WITH OTHER OPERATORS

**ICT Service Business:** In ICT Service Business large operators have advantage to set better selling prices for their customers than companies. As a result, the companies could probably lose its competitive potential. Therefore the company adopted a strategy of focusing on selling product and service for organizational customers who have competitive potential. The Company emphasizes service quality leading to higher level of customer satisfaction. Moreover, the Company improved the services to be accepted by its customers along with developing good relationship with them to reduce dependency on individual customer and increase negotiation power with counterparties which in turn are also competitors. The Company also sought new sources of revenue by offering brand new products and services integrating ICT (I= Internet, C=Computer and T=Telecom) for network, computer, internet communication, Computer Data Center (CDC) and Cloud Computing. This is to both enhance and protect the revenue base that is subject to competitive pricing erosion.

**YellowPages business:** Due to the YellowPages business is not under subject to licensing regulation to engage in business, new business operators are free to take part in the market. Additionally, the advertising industry was affected by the competition of different advertising media, in particular Internet or online advertising provided by international providers. That is because the advertisers change the advertising media according to customer behavior.

To accommodate the changes in the industry, TMC has changed its business direction from printing business to Internet and mobile phone business e.g., searching

on internet, and Mobile phone services which create opportunity to sell advertising space on its website and Mobile phone, up to on-line servicing.

However, the market of website and mobile phone searching is highly competitive and the growth of revenue is low therefore TMC has changed its sales strategy by bundling online package with print media to increase the number of customers and revenue.

TMC has targeted particular groups of clients by creating new products to serve the market change e.g. "Factory Supply Guide" is a guide book that provides information of products and services for industrial users. "Builder & Construction Guide" is a guide book that provides information of products and services for contractors and home builders. Machine Spare Parts & Hardware Tools Guide" is a guide book that aggregates all the spare parts and tools service for industrial and hardware users. Aroi.com is a guide book which recommends must-try restaurants. It is the free copied book and distributed to car users in Bangkok Metropolitan Area and the website 'www.aroi.com' another service available on the internet.

In addition, TMC has a plan to develop new products such as an online catalogue in order to serve the user with a variety of style and benefits of the service.

**Infotainment via mobile phone:** As market changed, the customers tend to use more smartphones this make the competition between the value added services is quite fierce. ADV has attempted to create new marketing channels to reach consumer including communication media, services and approaches through various mobile operators in order to maintain competitive advantages.

### 3. ECONOMIC AND POLITICAL RISK

**ICT Business:** From the economic slowdown of the world and the country and the economic, social and political restructuring of the new government, it has been predicted that Thai economics would not grow much and it could affect the purchasing power of Thai people and the income of the local business in 2015.

In mitigating the risk, we focused on costs and expense control and investment pacing to cushion the impact on profitability.

**YellowPages Business:** Satisfactory profit of business firm and economic growth are key factors to make purchase decision on advertising. Over the past four years, Thailand had encountered many problems including the devastating floods and political tension. Nowadays, Thailand economy has been at a slow pace which has an impact on sales capability in advertising business.

TMC has created new products as alternatives for targeted customer with purchasing power and to urge customer repurchasing. Such new products include guidebooks gathering information of selected business type such as Factory Supply Guide and Builder and Construction Guide, online search engine through [www.yellowpages.co.th](http://www.yellowpages.co.th) and search app on smart phone.

### 4. RISK ARISING FROM TECHNOLOGY AND CONSUMER BEHAVIOR CHANGES

**ICT Business:** Nowadays ICT technology is changing rapidly and continuously. Consumer needs also changes according to the evolution of products and services; for example, the faster high speed internet service, the popular 3G mobile internet service and the developing Cloud Computing technology in computer service. The equipment and tools to work with ICT also change quickly. These factors may cause the Company currently operating products and services become out of date.

Thus, the Company has regularly been keeping track of the overall ICT technology to improve the ICT services to be up-to-date and complete in order to maintain or increase customer base or revenue in the long term although the technology has changed.

**YellowPages Business:** The current internet technology causes new choices to search data and put advertising in various forms. Then, the end users can do searching in many channels, such as on internet, phone, etc. As a result, popularity of YellowPages becomes decreasing.

Therefore, TMC has developed channels for business information research in Thailand from the existing database by using more internet technology services to respond to the

computer and mobile users, such as data enquiry service by mobile application on Smartphone and Website to respond consumers' demands on searching information for buying products and services in every communication channel according to their convenience.

**Infotainment via mobile phone:** According to the move to the 3G technology, it is a major paradigm shift from conventional cell phone to smartphone. Consequently, consumer behavior in searching and accessing information has changed. In addition to that, the technology to reach data and information has rapidly moved by consumer age demographics. Such factors are major impact on decreasing of SMS transaction which has directly resulted in ADV services.

In order to mitigate such potential disintermediation impact, the Company has set up a unit to continually conduct consumer surveys to enable the development of products and services that consistently meet consumer needs. The Company has set up smartphone application development team (to develop applications for smart phone) to response to the growing need of the smartphone market as well.



# GENERAL INFORMATION

OF THE COMPANY  
AND SUBSIDIARIES



## General Information of the Company

## CS LOXINFO PUBLIC COMPANY LIMITED (CSL)

<b>Nature of Business</b>	Provide our corporate customers with solutions for brand range of internet-based services		
<b>Head Office</b>	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400		
<b>Branch Office</b>	90 CyberWorld Tower A, 17 <sup>th</sup> - 20 <sup>th</sup> Floor, Ratchadapisek Road, Huai Khwang, Huai Khwang, Bangkok, 10310		
<b>Registration No.</b>	0107546000377	<b>Home Page</b>	www.csloxinfo.com
<b>Telephone</b>	(66) 2263 8000	<b>Fax</b>	(66) 2263 8037
<b>Registered Capital</b>	594,514,769 shares	<b>Par Value</b>	Baht 0.25
<b>Paid-up Capital</b>	Baht 148,628,692.25		

## General Information of Subsidiaries

## TELEINFO MEDIA PUBLIC COMPANY LIMITED (TMC)

<b>Nature of Business</b>	Provide advertising platform through Print, Website, PC, Mobile and Laptop for business and individual user		
<b>Head Office</b>	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400		
<b>Branch Office 1</b>	2028 Rim-Tang-Rot-Fai Sai Paknum Road, Phakhanong, Klongtoey, Bangkok 10260		
<b>Branch Office 2</b>	25 <sup>th</sup> - 28 <sup>th</sup> Floor, Vanit Bldg. 2, 1126/2 New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok 10400		
<b>Registration No.</b>	0107548000609	<b>Home Page</b>	www.teleinfomedia.net
<b>Telephone</b>	(66) 2262 8888	<b>Fax</b>	(66) 2262 8899
<b>Registered Capital</b>	15,654,400 shares	<b>Par Value</b>	Baht 10
<b>Paid-up Capital</b>	Baht 156,544,000	<b>Percent of Investment of CSL</b>	100.00%

## General Information of Subsidiaries

## AD VENTURE PUBLIC COMPANY LIMITED (ADV)

<b>Nature of Business</b>	Content provider through mobile phone and community portal services		
<b>Head Office</b>	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400		
<b>Branch Office</b>	Room 2101, 21 <sup>st</sup> Floor, 1126/2 Vanit Bldg. 2, New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok 10400		
<b>Registration No.</b>	0107552000197	<b>Home Page</b>	www.shinee.com
<b>Telephone</b>	(66) 2262 8888	<b>Fax</b>	(66) 2262 8899
<b>Registered Capital</b>	1,074,813 shares	<b>Par Value</b>	Baht 10
<b>Paid-up Capital</b>	Baht 10,748,130	<b>Percent of Investment of CSL</b>	100.00%

# MAJOR DEVELOPMENTS

CS LOXINFO Public Company Limited (CSL), formerly known as CS Communications Company Limited, was established on 20 July 1994 as a joint venture company of CAT Telecommunication Public Company Limited (CAT) and Thaicom Public Company Limited (THCOM). The major business of the Company is the provision of internet data center services, internet and satellite uplink-downlink services for domestic and international communications.

Furthermore, the Company expanded its business into some related businesses by investing in the subsidiaries such as Media and Advertising on Yellow Pages Business and Mobile Content Business in 2005 and 2006, respectively.

In November 2003, The Company changed its status from a limited company to a public limited company, and listed on the Stock Exchange of Thailand in April 2004. As at 21 November 2014, DTV Service Company Limited (“DTV”) which is the Company’s major shareholders holds 42.068 percent of shares in the Company.

At present, the operation under the CSL’s Group could be classified into 3 major business categories as follows:

## Internet Access and ICT Services Business (ICT)

CS LOXINFO provides the top-quality internet services under the name “CS LOXINFO” to respond the customers’ requirements by targeting in the business and corporate customers sectors. In 2014, Internet Access and ICT Services Business contributes 74% of consolidated revenue and 59% of consolidated profit. The main revenue streams were Leased Line Services, Internet Data Center (IDC) Services, ICT Solution and Cloud Computing Services, which was contributed 95% of ICT revenue.

Moreover, CSLOXINFO was granted a concession from CAT Telecom Public Company Limited (“CAT”) to provide television signal and internet access via satellite for a period of 22 years from 9 August 1994 to 8 August 2016 to provide comprehensive Uplink/ Downlink services such as TV signaling via satellite and live satellite broadcasting. In 2014, Satellite uplink-downlink Service Business contributes 1% of ICT revenue, and 3% of ICT net income.

## Media and Advertising on Yellow Pages Business (YellowPages)

CS LOXINFO provides the publishing of the Thailand YellowPages through its subsidiary, Teleinfo Media Public Company Limited (TMC). TMC provide advertising platform through Print, Website, PC, Mobile, and Laptop for business and individual user. In 2014, Media and Advertising on YellowPages Business contributes 10% of consolidated revenue and had net loss Baht 6 million which was improved from Y2013.

## Voice Info Services & Mobile Content Business (Voice & Mobile Content)

comprising of the services as follows:

- Mobile Content Services and Web Portal, namely hunsa.com through its subsidiary, AD Venture Plc. (ADV) by targeting in “Mobile Telephone Consumers users”
- Audiotex and Outsourcing call center Service through its subsidiary, Teleinfo Media Public Company Limited (TMC) by targeting in “business and corporate customers both small and big size business”

In 2014, Voice Info Services & Mobile Content Business contributes 16% of consolidated revenue, and 43% of consolidated profit.

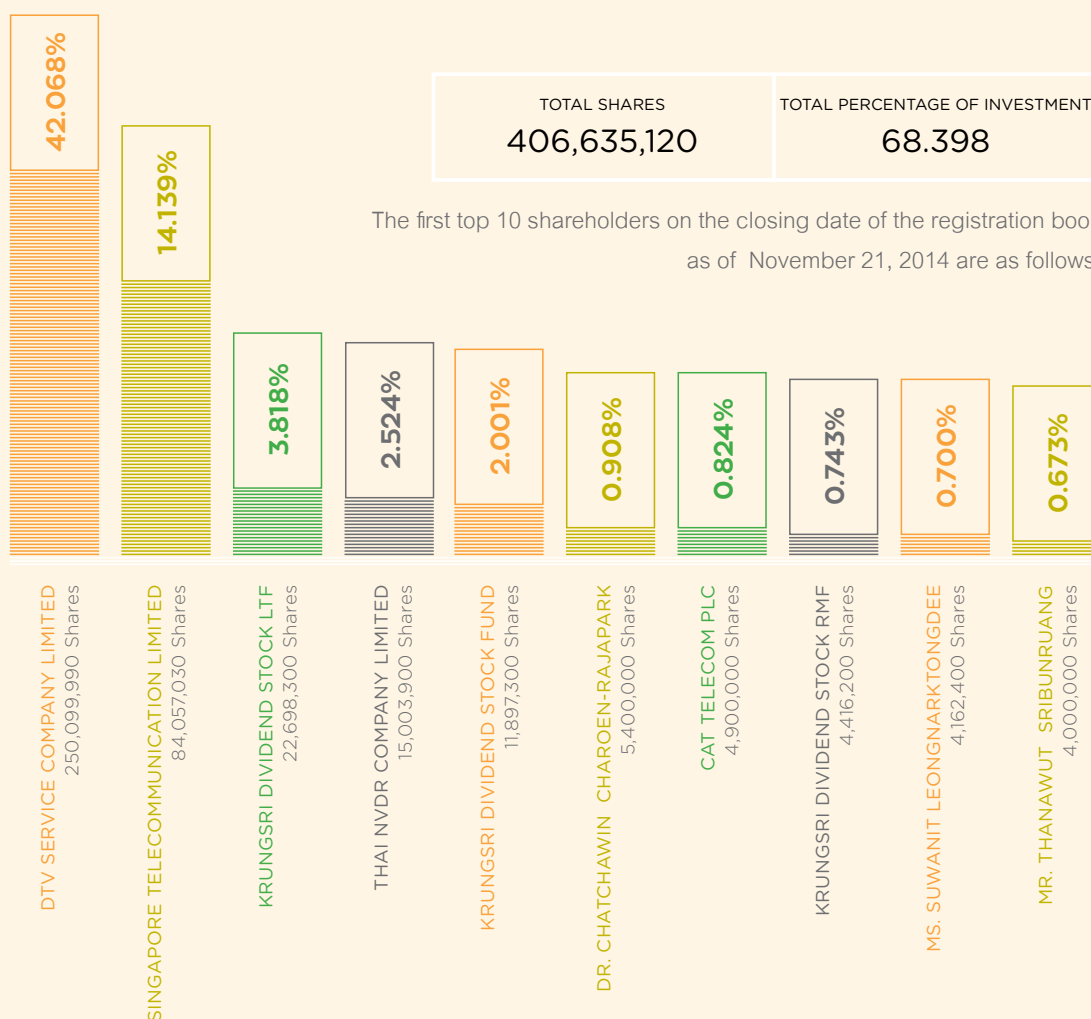
## THE COMPANY'S PROGRESS AND DEVELOPMENT

1994	<ul style="list-style-type: none"> <li>Was established as a joint venture of CAT Telecommunication Plc. and Thaicom Plc. under the named "CS Communications Company Limited"</li> </ul>
2003	<ul style="list-style-type: none"> <li>Changed its name to "CS LOXINFO Company Limited" in January</li> <li>Changed its status to a public limited company in November</li> </ul>
2004	<ul style="list-style-type: none"> <li>Registered into the Securities and Exchange of Thailand in April , under the Tigger name "CSL"</li> <li>CSL purchased 63.25% of TMC's share capital with total price Baht 507 million from TOT in March</li> <li>Increased its share capital 125 million shares with IPO price at Baht 9 each and listed in SET in April</li> </ul>
2005	<ul style="list-style-type: none"> <li>CSL purchased addition 36.75% of TMC's share capital with total price Baht 510 million in June</li> <li>TMC changed its status into a public company limited, changed the name to Teleinfo Media Public Company Limited, and decreased its share capital by a total of Baht 521 million in August</li> </ul>
2006	<ul style="list-style-type: none"> <li>CSL purchased up to 99.99% of ADV's share capital with total price Baht 35 million in September</li> </ul>
2007	<ul style="list-style-type: none"> <li>CSL purchased 60% of WATTA's share capital with total price Baht 80 million in April</li> <li>CSL run treasury stock program in August (51.7 million shares with total amount for the shares repurchase shall not exceed 225 MB)</li> </ul>
2008	<ul style="list-style-type: none"> <li>CSL decrease its share capital by reducing par value and paid cash return in amount of Baht 0.75 per share to its shareholders in order to manage shareholders' return other than dividend payment. CSL had registered its reduction to the Ministry of Commerce on June</li> <li>LoxServe which is a subsidiary of the Company had liquidated in December</li> </ul>
2009	<ul style="list-style-type: none"> <li>In April and June, ADV decreased its share capital from Baht 172 million to Baht 11 million by reducing the number of original shares in order to offset against the remaining deficits</li> <li>ADV changed its status into a public company limited, changed the name to AD Venture Public Company Limited</li> </ul>
2010	<ul style="list-style-type: none"> <li>CSL had written off its repurchased shares which was due under the treasury program in 2007 (51.7 million shares at par value Baht 0.25 per share or 8.04 % of the paid-up capital before cancellation) and had registered its capital decrease with the Ministry of Commerce on 26 November 2010. As a result of this transaction, the share capital of the Company had change to 590.99 million shares (par value of Baht 0.25 each) or Baht 147.75 million</li> </ul>
2011	<ul style="list-style-type: none"> <li>TMC decreased its share capital by a total of Baht 16.99 million in June. As a result of this transaction, the share capital of TMC had change to be 15.65 million shares (par value of Baht 10 each) or Baht 156.54 million</li> </ul>
2012	<ul style="list-style-type: none"> <li>CSL had disposed all investment in Watta Classifieds Company Limited (120,000 of the ordinary shares, which are 60% of the registered capital) in October, and accordingly WATTA Classifieds Company Limited has ceased to be a subsidiary of the Company.</li> </ul>
2013	<ul style="list-style-type: none"> <li>CSL had invested in new Internet Data Center in order to expand and support the growth Computer Data Center and build the Stand Alone Computer Data Center to meet international best practice. Total investment was approximately Baht 350 million, including land and other supporting facilities &amp; equipment. The sources of fund for this investment are come from loan from the financial institution and the Company's working capital.</li> </ul>
2014	<ul style="list-style-type: none"> <li>In September, CSL had recognized impairment of goodwill and investment in Teleinfo Media Plc. (a subsidiary which operates the Media and Advertising on Yellow Pages Business) in amount of Baht 550 million and Baht 443 million, respectively. This was due to its performance was continuously decline. As a result of this transaction, it led CSL to has a retained loss in the Interim financial statements (in the Separate F/S) for the three-month and nine-month periods ended 30 September 2014 in amount of Baht 172 million.</li> <li>In December, under the resolution of the Extraordinary General Meeting of Shareholders No. 1/2557, CSL transferred the Company's legal reserve (in amount of Baht 31 million) and premium on ordinary shares (in amount of Baht 141 million) to offset such retained loss. After this transaction, the retained loss of the Company will be zero, and the Company will be able to continue paying dividend, if the Company has profit.</li> </ul>



# MAJOR SHAREHOLDERS

## CS LOXINFO PUBLIC COMPANY LIMITED

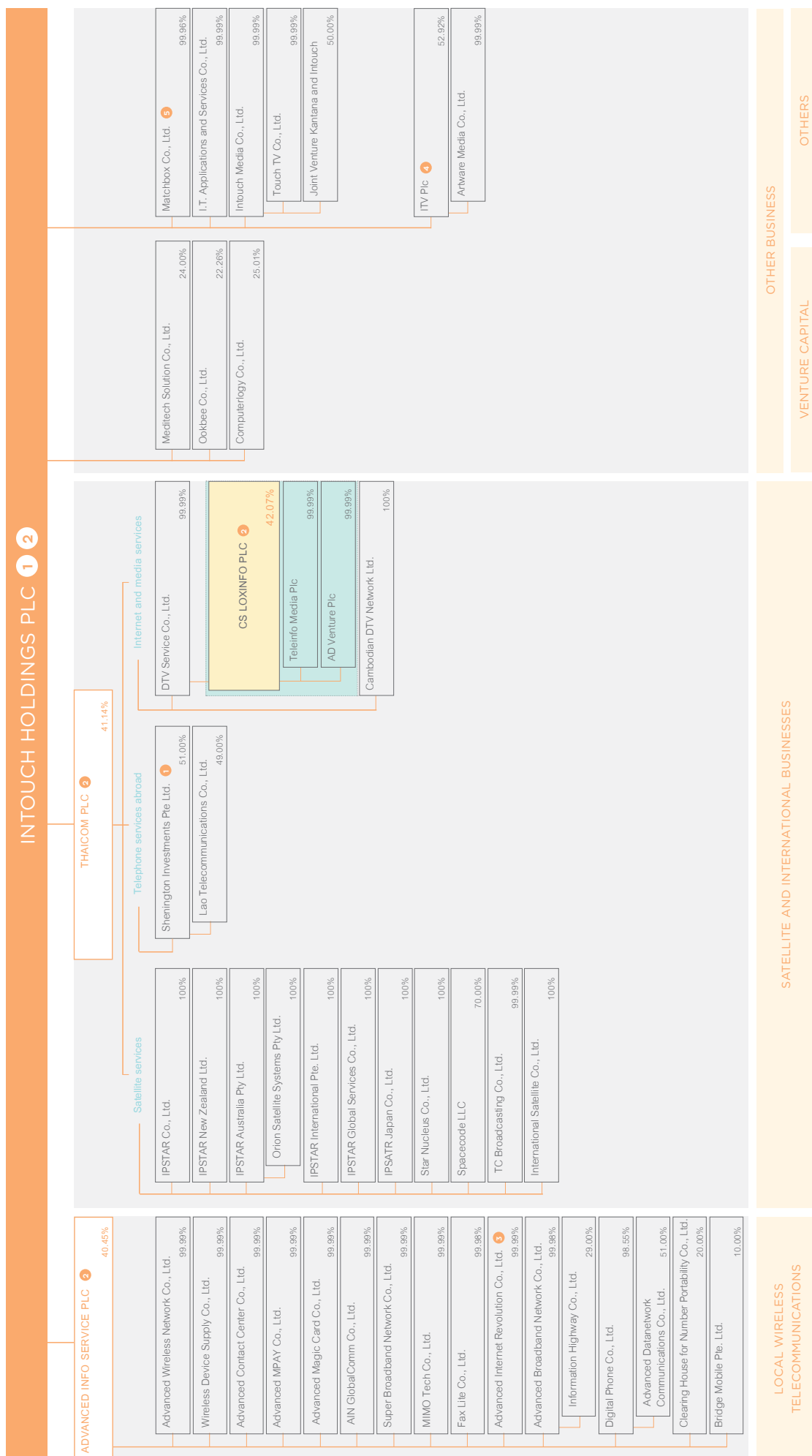


Source: Major Shareholders' report as of November 21, 2014 prepared by Thailand Securities Depository Co., Ltd.

The investors can find for more information in website: [www.set.or.th](http://www.set.or.th)  
before Annual General Shareholders Meeting for the year 2015 date.

# INVESTMENT STRUCTURE OF INTOUCH GROUP

AS OF 31 DECEMBER 2014



- 1 Holding Company
- 2 Listed Company on the Stock Exchange of Thailand
- 3 On process of liquidation
- 4 The Board of Governors of the Stock Exchange of Thailand has resolved to delist ITV's common stocks, effective 24 July 2014 onwards. ITV is involved in a legal dispute with the Prime Minister's Office, which is currently under arbitration.
- 5 MB is planning to cease its operations as it has been posting continuous losses.



# MANAGEMENT STRUCTURE

## BOARD OF DIRECTORS

The Board consists of ten qualified and experienced directors in the relevant fields, including telecommunications, legal, and accounting, as well as finance and investments management. Four Board members are representatives of two major shareholders; one is representative of CAT Telecom Plc. serving on behalf of the business license grantor; five are independent directors, who together account for fifty percent of the Board. The Board composition and numbers of shares holding are as follows;

	Name	Position	Numbers of Shares holding <sup>1</sup> (Dec 31, 2014)
1	Prof. Wongkulpat Snidvongsna Ayudhya, M.D.	Independent Director / Chairman of the Board	None
2	Mr. Prathueng Srirodbang	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and CG Committee (NCG)	None
3	Mr. Gan Hui Beng	Independent Director / Member of the Audit Committee / Member of the Remuneration Committee	None
4	Dr. Sillapaporn Srijunpetch <sup>2</sup>	Independent Director / Member of the Audit Committee / Member of the Remuneration Committee / Member of the NCG Committee	None
5	Mr. Sitthichai Chantravadee	Independent Director / Member of the Audit Committee	None
6	Mr. Hansa Chevapurke	Director / Representative of CAT Telecom Plc.	None
7	Mr. Lee Han Kheng	Director / Member of the Executive Committee / Member of the Remuneration Committee / Member of the NCG Committee / Representative of major shareholder	None
8	Ms. Suphajee Suthumpun	Director / Chairman of the Executive Committee / Chairman of the Remuneration Committee / Member of the NCG Committee / Representative of major shareholder	None
9	Mr. Anant Kaewruamvongs	Director / Member of the Executive Committee / Representative of major shareholder	609,000 shares
10	Mr. Vuthi Asvasermcharoen	Director / Member of the Executive Committee / Representative of major shareholder	None

<sup>1</sup> Numbers of shares included holding by spouse and minor children

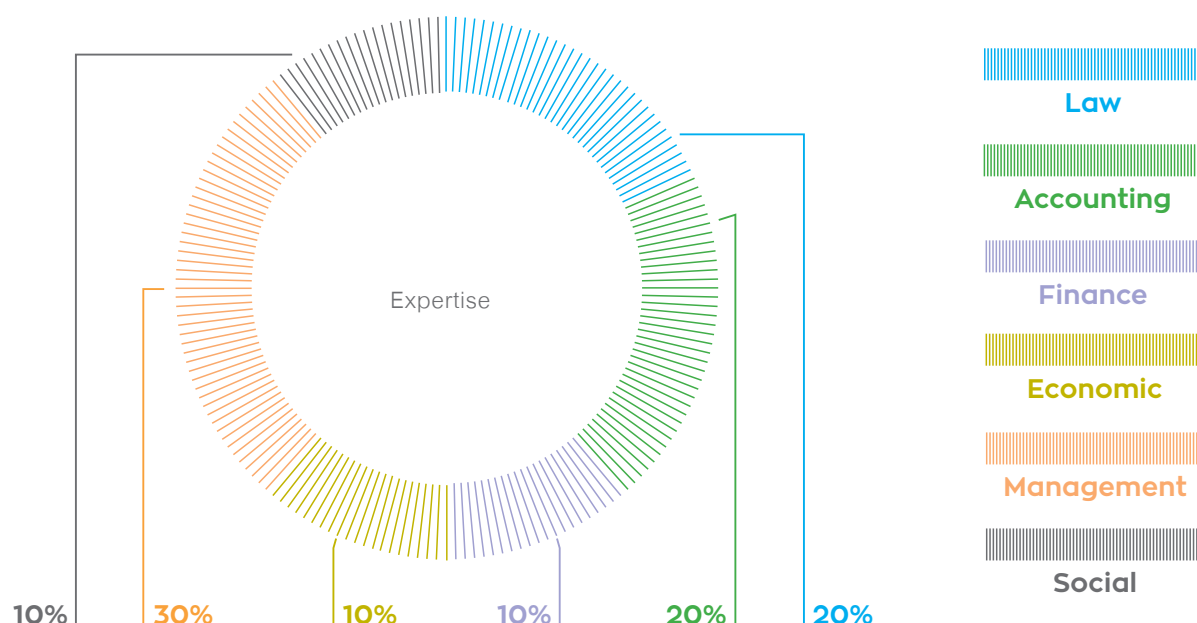
<sup>2</sup> The director with knowledge and experience in reviewing financial statements of the Company with CPA No.3692. Currently, he is Assistant Prof. Dr. at Faculty of Commerce and Accountancy, Thammasat University. He has been in the field of finance and accounting for more than 10 years, and competent enough to review the financial statements.

Total shares held by The Board of Directors is less than 25 percent of the paid-up capital. (The paid-up capital, as of December 31, 2014 was 594,514,769 shares).

## BOARD FIELD EXPERTISE

The Nomination and Governance Committee (NCG) requires that the Board of Directors should be diverse in terms of skills, experience and knowledge in order to have various aspects in consideration of each matters. This will also help in strengthening the corporate governance.

Diversity in the current Board of Directors, in terms of skills, experience and knowledge are as follows:



## THE AUTHORIZED DIRECTORS

Ms. Suphajee Suthumpun, Mr. Vuthi Asvasermcharoen, Mr. Anant Kaewruamvongs, or Mr. Lee Han Kheng, any two out of four directors signing jointly, with the Company's seal affixed.

## ROLE OF THE BOARD COMMITTEE

### CS LoxInfo Public Company Limited

Principle activities undertaken by the Board in the year of 2014

Month	From	Principle Activity
January	Audit Committee (AC)	Consideration and Acknowledgement <ul style="list-style-type: none"> <li>- Related Party Transaction (RPT)</li> <li>- Internal Control Report</li> <li>- 56-1 and 56-2 (Annual Report) in "Internal Control and Risk Management"</li> <li>- Internal Audit (IA) Work Plan for 2014</li> <li>- AC Charter &amp; IA Charter</li> </ul>
	Audit Committee (AC)	Consideration <ul style="list-style-type: none"> <li>- The appointment of the Company's Auditors for the Year 2014 and Fixing of Their remuneration</li> </ul>



Month	From	Principle Activity
January	Nomination and Governance Committee (NCG)	<p>Consideration and Approval</p> <ul style="list-style-type: none"> <li>- Executive Committee (EXCOM) charter</li> </ul> <p>Consideration</p> <ul style="list-style-type: none"> <li>- Corporation Governance (CG) policy</li> </ul>
	EXCOM	<p>Consideration and Approval</p> <ul style="list-style-type: none"> <li>- The 2014 Budget</li> </ul> <p>Consideration</p> <ul style="list-style-type: none"> <li>- The Notification "The Prohibition of Acts that Appear to be Nominated by Foreigner"</li> </ul>
	Management Team	<p>Consideration and Acknowledgement</p> <ul style="list-style-type: none"> <li>- Corporate Governance Report of Thai Listed Company 2013</li> <li>- Human Resources (HR) Report Q4/2013</li> </ul>
February	AC	<p>Consideration and Approval</p> <ul style="list-style-type: none"> <li>- Financial Statement of the year 2013</li> <li>- The Assessment Form on the Adequacy of Internal Control</li> </ul> <p>Consideration and Acknowledgement</p> <ul style="list-style-type: none"> <li>- RPT</li> <li>- Risk Management Report</li> <li>- AC Self-Assessment 2013</li> </ul>
	Risk Management Committee (RMC)	<p>Consideration and Acknowledgement</p> <ul style="list-style-type: none"> <li>- Risk Mapping, Risk Treatment Plan, 56-1 and 56-2 of the year 2013 in "Risk Factors" part</li> </ul>
	Remuneration Committee (RC)	<p>Consideration and Acknowledgement</p> <ul style="list-style-type: none"> <li>- Report of Remuneration Committee <ul style="list-style-type: none"> <li>• performance and bonus of the directors for 2013</li> <li>• consider the Company's bonus payment for the year 2013</li> <li>• performance and bonus of the senior management for 2013</li> <li>• review scope of work undertaken by the Remuneration Committee in 2013 and any need for revising its Charter</li> <li>• budget for the Board for year 2014 to recommend to Board Meeting and AGM Meeting</li> </ul> </li> </ul> <p>Consideration and Approval</p> <ul style="list-style-type: none"> <li>- The Board of Directors' remuneration policy</li> </ul>
	NCG	<p>Consideration and Approval</p> <ul style="list-style-type: none"> <li>- Executive Committee (EXCOM) charter as recommended by the Board meeting in January</li> <li>- 56-1 and 56-2 in <ul style="list-style-type: none"> <li>• The commitment statements of Financial Report of the Board of Directors</li> <li>• Management Structure</li> <li>• Corporate Governance</li> </ul> </li> </ul> <p>Consideration</p> <ul style="list-style-type: none"> <li>- Reappoint Directors in place of those to be retired by rotation and fixed authorized directors of the Company</li> </ul>
	EXCOM	<p>Consideration and Acknowledgement</p> <ul style="list-style-type: none"> <li>- The 2013 Annual Operating Results of the Company and its subsidiary companies (TMC/ ADV)</li> </ul> <p>Consideration and Approval</p> <ul style="list-style-type: none"> <li>- The Financial Statement for the Year of 2013 ended on December 31, 2013</li> <li>- The dividend payment for the year of 2013</li> </ul>

Month	From	Principle Activity
February	Management Team	<p>Consideration and Approval</p> <ul style="list-style-type: none"> <li>- The calling of the Annual General Meeting of Shareholders for the year 2014 and the designation of the closing date of the Shares Registration Book</li> </ul> <p>Consideration and Acknowledgement</p> <ul style="list-style-type: none"> <li>- The report on the directors' and executives' shareholding in the Company</li> <li>- Market Consensus and Investment Strategy Summary</li> </ul>
March	AC	<p>Consideration and Acknowledgement</p> <ul style="list-style-type: none"> <li>- Audit Committee Report <ul style="list-style-type: none"> <li>• Update AC Charter and IA Charters to incorporate latest regulatory requirements and good practices</li> <li>• Discuss implementation of individual assessment in AC self- assessment</li> <li>• Review and feedback on IA plan for the medium term (3 years)</li> <li>• Discuss implementation of Anti -bribery and Corruption to strengthen CG</li> <li>• Review and feedback IA Competency Framework</li> </ul> </li> </ul>
	NCG	<p>Acknowledgement</p> <ul style="list-style-type: none"> <li>- The results of 2013 Board self-assessment</li> </ul>
	EXCOM	<p>Consideration and Approval</p> <ul style="list-style-type: none"> <li>- Approve step KPI 2014 of the Company and its subsidiary companies (TMC/ADV)</li> </ul>
	AC/EXCOM/ Management Team	<p>Consideration and Approval</p> <ul style="list-style-type: none"> <li>- 56-1, 56-2 form in; <ul style="list-style-type: none"> <li>• 2013 Company's Progress and Development</li> <li>• Financial Highlight</li> <li>• Risk Factors</li> <li>• Legal Dispute</li> </ul> </li> </ul>
May	AC	<p>Consideration and Approval</p> <ul style="list-style-type: none"> <li>- Company's Interim Financial Statements for the three-month periods ended March 31, 2014</li> </ul> <p>Acknowledgement</p> <ul style="list-style-type: none"> <li>- Internal Audit report</li> <li>- RPT</li> <li>- Risk Management Report</li> </ul>
	RMC	<p>Consideration and Acknowledgement</p> <ul style="list-style-type: none"> <li>- Risk Mapping, Risk Treatment Plan</li> </ul>
	EXCOM	<p>Consideration and Acknowledgement</p> <ul style="list-style-type: none"> <li>- Operating Results of the Company and the subsidiary companies (TMC/ADV) for Q1/2014</li> <li>- Actual status of the Business Action Plan 2014</li> </ul>
	Management Team	<p>Consideration and Acknowledgement</p> <ul style="list-style-type: none"> <li>- HR Report Q1/2014</li> <li>- The report on the directors' and executives' interest</li> <li>- Market Consensus and Investment Strategy Summary</li> </ul>
August	AC	<p>Consideration and Approval</p> <ul style="list-style-type: none"> <li>- Company's Interim Financial Statements for the three-month and six-month periods ended June 30, 2014</li> </ul> <p>Consideration and Acknowledgement</p> <ul style="list-style-type: none"> <li>- Internal Audit report</li> <li>- RPT</li> <li>- Certification of Anti-bribery and Corporation from Private Sector Collective Action Coalition Against Corruption</li> <li>- Risk Management Report</li> </ul>

Month	From	Principle Activity
August	RMC	Consideration and Acknowledgement - Risk Mapping, Risk Treatment Plan
	EXCOM	Consideration and Acknowledgement - Q2/ 2014 Operating Results of the Company and subsidiary companies (TMC/ADV) - 2014 half year strategic review of the Company and subsidiary companies (TMC/ADV)  Consideration and Approval - payment of interim dividend - revision of the approval authority
	Management Team	Consideration and Acknowledgement - AGM Results 2014 by Thai Investors Association - Sustainable Development Evaluation Results 2014 of CSL - HR Report Q2/2014 - report on the directors' and executives' interest - Market Consensus and Investment Strategy Summary
November	AC	Consideration and Approval - Company's Interim Financial Statements for the three-month and nine-month periods ended September 30, 2014  Consideration and Acknowledgement - IA 2014 Work Plan - RPT - Risk Management Report
	RMC	Consideration and Acknowledgement - Risk Mapping, Risk Treatment Plan
	EXCOM	Consideration and Acknowledgement - the Operating Results of the Company and the subsidiary companies (TMC/ADV) for Q3/2014 - actual status of Business Action Plan 2014 (CSL/TMC/ADV)  Consideration - the application of the Company's legal reserve and premium on ordinary shares to offset the retained loss in the Company's financial statements
	Management Team	Consideration and Acknowledgement - Update on Sustainable Development Evaluation Results 2014 of CSL - Investor's Choice Award 2014 - Attending the Thailand's 5th National Conference on Collective Action Against Corruption - HR Report Q3/2014 - report on the directors' and executives' interest - Market Consensus and Investment Strategy Summary  Consideration and Approval - the calling of the Extraordinary General Meeting of Shareholders No.1/2014 and the designation of the closing date of the Shares Registration Book
December	EXCOM	Consideration and Approval - 2015 Strategic Direction and KPI items & Weight of the Company and subsidiaries (TMC/ADV)

## MEETING PARTICIPATION

In summary, the Board and Sub-committee meetings in 2014 are as follows.

Director	Meeting					
	Shareholder	BOD	AC	NCG	RC	EXCOM
	No. of Meeting Participation / No. of Meeting in 2014 (%)					
Non-Executive Directors						
1. Prof.Dr. Wongkulpat Snidvongs na Ayudhya, MD.	2/2 (100)	7/7 (100)	-	-	-	-
2. Mr. Prathueng Srirodbang	2/2 (100)	7/7 (100)	8/8 (100)	1/1 (100)	-	-
3. Mr. Gan Hui Beng	2/2 (100)	6/7 (85.7)	7/8 (87.5)	-	1/1 (100)	-
4. Dr. Sillapaporn Srijunpetch	2/2 (100)	7/7 (100)	8/8 (100)	1/1 (100)	1/1 (100)	-
5. Mr. Sitthichai Chantravadee	2/2 (100)	7/7 (100)	8/8 (100)	-	-	-
6. Mr. Hansa Chevapurke	2/2 (100)	7/7 (100)	-	-	-	-
Executive Directors						
7. Mr. Lee Han Kheng	0/2 (0)	7/7* (100)	-	0/1 (0)	1/1 (100)	6/8* (75)
8. Ms. Suphajee Suthumpun	2/2 (100)	6/7 (85.7)	-	1/1 (100)	1/1 (100)	7/8 (87.5)
9. Mr. Anant Kaewruamvongs	2/2 (100)	6/7 (85.7)	-	-	-	7/8 (87.5)
10.Mr. Vuthi Asvasermcharoen	2/2 (100)	7/7 (100)	-	-	-	8/8 (100)

\* Participate the meeting via tele conference 1 time

For the Year 2014, there was Offsite Board Meeting 1 time to consider strategic direction of the Company and its subsidiaries.

## NON-EXECUTIVE DIRECTORS MEETING

For the Year 2014, there were 3 meetings of Non-Executive Directors with details as follows:

### No. 1/2014 on June 9, 2014

The Committee discussed and expressed concern about;

- As the current financial reports of the Company is using the Thai financial reporting standard (TFRS), the Committee suggested that the Company should use the International Financial Reporting Standards (IFRS) in order to be accepted and ready to AEC.
- The progress after CSL sent the “Declaration of intent in view of establishing Thailand’s private sector collective action coalition against corruption” to IOD, Anti-Corruption process and consider the Anti-Corruption Practice of the Company
- The methodology of the Organization climate survey measurement areas and questionnaire categories.

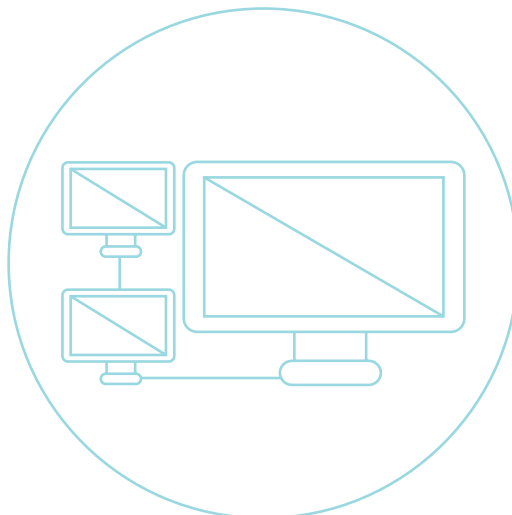
The committee also invited Management to join the meeting and updated cloud computing business.

### No. 2/2014 on July 3, 2014

The Committee discussed about the result of the Organization climate survey of the company.

### No.3/2014 on October 14, 2014

The Committee discussed about strategic direction of TMC and visited TMC & ADV Office.



# EXECUTIVES

The Company's first four management personnel as of December 31, 2014, under the definition of SEC, are as follows:

Name	Position
1. Ms. Suphajee Suthumpun	Chairman of the EXCOM
2. Mr. Anant Kaewruamvongs	Chief Executive Officer (CEO) and Managing Director (MD)
3. Mr. Anuwat Sanguansappayakorn	Chief Financial Officer (CFO)
4. Dr. Somchai Kittichaikoonkit	Vice President- Marketing & Sales
5. Mr. Surasak Uthayopas	Vice President -Technical & Operation

## CHIEF EXECUTIVE OFFICER (CEO)

Mr. Anant Kaewruamvongs was promoted to be Chief Executive Officer under resolution of the Board Meeting No.4/2013 held on March 28, 2013 which effective since April 1, 2013.

### Responsibilities of Chief Executive Officer are as follows:

- Oversee and supervise the overall operations and financial situation of the CS LoxInfo Public Company Limited and its subsidiaries and monitor transactions in the Group be conducted under the rules and regulations of SEC and SET.
- Supervise and manage overall operations according to objectives, policies, rules, regulations, the resolution of the shareholders and/or the Board of Directors and/or the Executive committee
- Propose and present the business plan, investment plan, business strategy, goals, annual budget to the Board of Directors and/or the Executive committee
- Perform any other duties as assigned by the Board of Directors and/or the Executive committee

## MANAGING DIRECTOR

Mr. Anant Kaewruamvongs was appointed to be Managing Director under the resolution of the Board of directors No. 4/2005 held on May 1, 2005 which its effective date is July 1, 2005.

### Scope of Authorities and Responsibilities of the Managing Director are as follows:

- Perform as assigned by the Board of Directors, the Executive committee, Chief Executive Officer's commands, resolutions of shareholders' meeting and/or resolutions of the relevant meeting, which must execute and manage in according to the rules, policies and regulations of the company.
- Responsible for the daily business operations of the company, including command and supervise all operations, track and report the performance of operations to the Board of Directors and/or other relevant committees.
- Carry out the approval duties and operations according to the scope of the Company's Approval Authority.

The Managing Director (MD) also has authority according to that being delegated by the Board, which is in compliance with the rules, regulations, and Articles of Association of the Company. The MD has not initiated transaction or enter into transaction that he or conflicting person may have conflict of interests with the Company or the subsidiaries, as defined by the Notifications of the relevant regulators.

## Approval authority of the MD

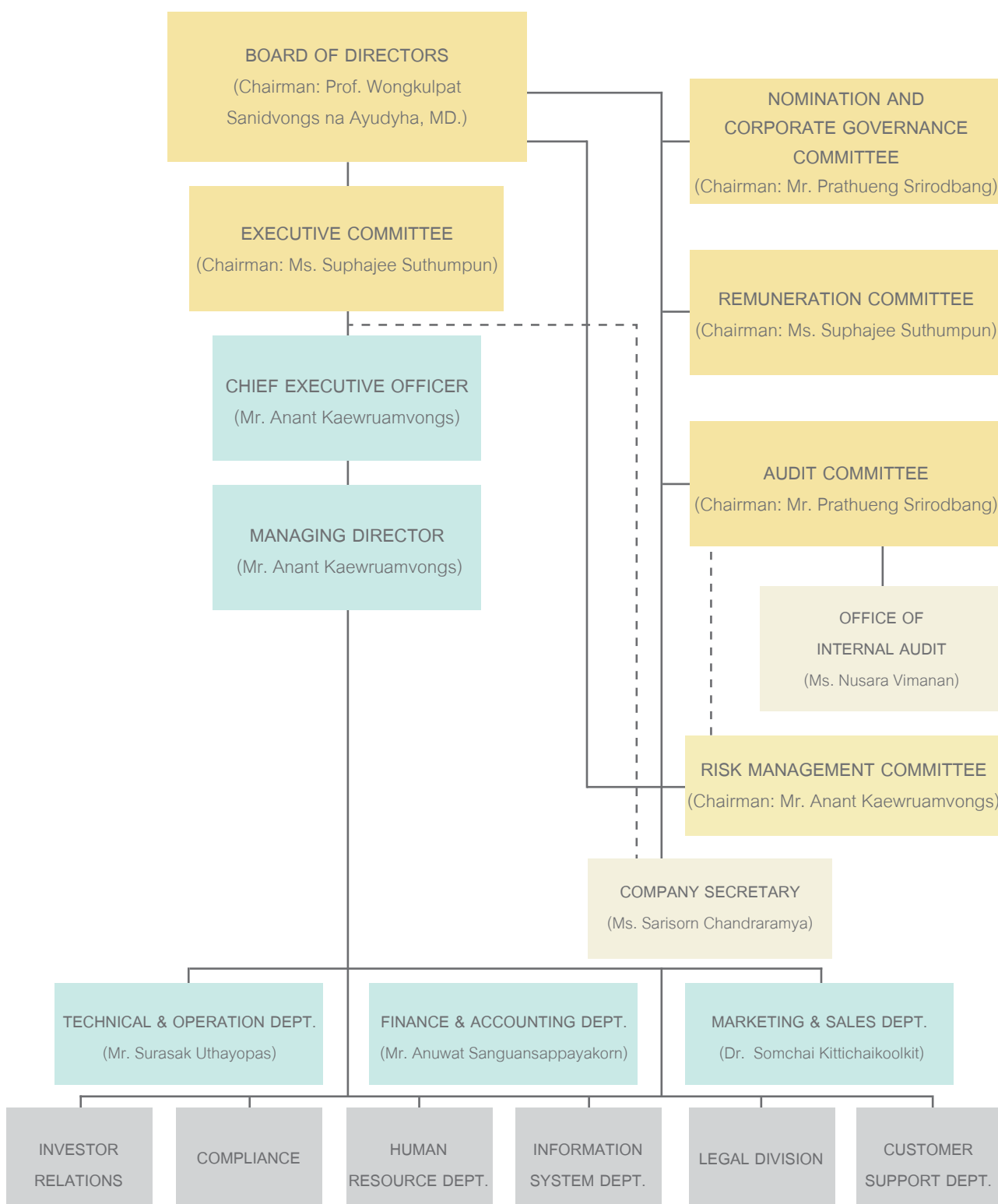
The MD has been delegated financial authority by the Board up to the maximum of Baht 30 Million for budgeted capital expenditure.

The Organization Structure as of December 31, 2014 is as follows;

# ORGANIZATION STRUCTURE

Last Updated: December 31, 2014

## CS LOXINFO PUBLIC COMPANY LIMITED



## COMPANY SECRETARY

The Board has appointed Ms. Sarisorn Chandramanya as a company secretary, details of her profile and qualifications are shown on Attachment 1. Roles of Company Secretary is provided under topic Corporate Governance Chapter 1: Board of Directors section 6 Company Secretary.

## DIRECTORS AND MANAGEMENT REMUNERATION

### DIRECTORS REMUNERATION

Every February, the RC considers, analyzes, and recommends remuneration of the directors to the Board for further recommendation to the shareholders for approval. The RC also approves the remuneration make-up scheme of the management. The remuneration of the directors and the management should commensurate with their duties and responsibilities, be comparable to the industry standard, and attractive enough to retain qualified directors and management.

The Company's policy is to remunerate only independent directors and external directors.

The remuneration structure of directors is as follows:

Position	2014 Remuneration (Baht)			2013 Remuneration (Baht)		
	Monthly Retainer	Meeting Allowance	Annual retainer [Bonus]	Monthly Retainer	Meeting Allowance	Annual retainer [Bonus]
<b>The Board of Directors</b>						
Chairman	120,000	×	✓	120,000	×	✓
Member	×	25,000	✓	×	25,000	✓
<b>Audit Committee</b>						
Chairman	25,000	30,000	✓	×	30,000	✓
Member	20,000	25,000	✓	×	25,000	✓
<b>NCG Committee</b>						
Chairman	×	30,000	✓	×	30,000	✓
Member	×	25,000	✓	×	25,000	✓
<b>RC Committee</b>						
Chairman	×	30,000	✓	×	30,000	✓
Member	×	25,000	✓	×	25,000	✓

The executive directors do not receive remuneration for being a director.

Remuneration for each management personnel is linked with the operating performance of the Company and his/her working performance.



In 2014, the Company paid the following remuneration.

## 1. Monetary Remuneration

Total monetary remuneration for the Board (only to independent directors and non-executive directors) for the year ended December 31, 2014 comprised of director monthly retainer, annual remuneration and meeting allowance totaling Baht 7,565,336 for six directors with details as follows;

Name Surname Position	Board		Sub Committee						Directors Bonus 2014 <sup>3</sup>	Total Remuneration <sup>4</sup>
			Audit Committee		Nomination and CG Committee	Remuneration Committee	Non-Executive Director	Other Remuneration		
	Monthly Retainer	Meeting Allowance	Monthly Retainer	Meeting Allowance	Meeting Allowance	Meeting Allowance	Meeting Allowance			
Prof.Dr. Wongkulpat Snidvongsna Ayudhya, MD. Independent Director and Chairman of the Board	1,440,000	-	-	-	-	-	-	390,336	500,000	2,330,336
Mr. Prathueng Srirodbang Independent Director and Chairman of the AC	-	200,000	225,000	240,000	30,000	-	75,000	-	500,000	1,270,000
Mr. Gan Hui Beng Independent Director and Member of the AC	-	175,000	180,000	175,000	-	25,000	25,000	-	500,000	1,080,000
Dr. Sillapaporn Srijunpetch Independent Director and Member of the AC	-	200,000	180,000	200,000	25,000	25,000	75,000	-	450,000	1,155,000
Mr. Sitthichai Chantravadee Independent Director and Member of the AC	-	200,000	180,000	200,000	-	-	75,000	-	450,000	1,105,000
Mr. Hansa Chevapruke Director	-	200,000	-	-	-	-	75,000	-	350,000	625,000
Total	1,440,000	975,000	765,000	815,000	55,000	50,000	325,000	390,336	2,750,000	7,565,336

<sup>3</sup> Bonus for the period from January to December 2014 which would be paid in March 2015

<sup>4</sup> Director monthly retainer and meeting allowance for the period from January to December 2014, and accrued bonus which would be paid in March 2015

## 2. Other Remunerations

Apart from the monetary remuneration for the independent directors and external directors, the Company provided fringe benefits (non-monetary remuneration) to the Chairman of the Board, an independent director, in form of car and fuel.

## EXECUTIVE REMUNERATION

The Board has delegated to the Remuneration Committee reviews and recommends the remuneration for executives annually. The executive remuneration based on the following guidelines.

- Remuneration must be competitive, motivate and retain key executives of the Company's long term success.
- Remuneration for each executive is consistent with the results of operations of the Company in both the short and long terms.
- Consider the common interests between the Company, the executives and shareholders

The remuneration paid to the Company's Chief Executive Officer and Executives have been approved by the Remuneration Committee is composed of these categories;

Category		The purpose and link to the principle of remuneration
Fixed Pay	Salaries and other benefits such as Provident Fund	To motivate and retain competent executive
Short Term Incentive	Annual bonus	To reward the success of the performance that defined for each year. (Measure financial and non-financial factors).
Long Term Incentive	Pay-for-performance as bonus and the granted for purchase shares (Stock Option)*	<ul style="list-style-type: none"> <li>• To motivate and retain competent executive</li> <li>• To ensure alignment between executive interests and shareholder interests.</li> <li>• To promote the growth and value to shareholders in long term.</li> </ul>

Remark: \* The purchase shares (Stock Option) right will be depend on the Board of Directors consideration which will be based on the appropriate time and company situations.

According to the definition of Capital Market Supervisory Board, total monetary remuneration for 4 Executives, for the year ended December 31, 2014, comprising of salary, bonus, provident fund, and other fringe benefits, was Baht 19.65 Million (excluding the Executive Chairman who receives remuneration from Thaicom Plc., the indirect shareholder of the Company).

## PERSONNEL

As at December 31, 2014, the Company and its subsidiaries had a total of 919 employees in major departments as follows;

Main departments	Number of employees (persons)	
	CSL	TMC & ADV
Marketing and Sales	154	128
Technical and Operation / Production	150	111
Customer Service	103	66
Others example ; Executive , Finance& Accounting, Human Resources etc.	130	77
<b>Total</b>	<b>537</b>	<b>382</b>

Total remunerations for personnel of the Company and its subsidiaries consist of salaries, bonuses, contribution to the provident fund and other benefits amounted to Baht 661.31 Million.

## HUMAN RESOURCES MANAGEMENT POLICY

CS LoxInfo PLC Group strongly believes that human resources are our most valuable asset and the key indicator of our competitive advantage. The role our employees play in the organization is even more important now in our drive towards growth and sustainable success. The Board of Directors Meeting No.8/2013 approved of the revision of 'Human Resources Policy' that be completely improved in according to a good Corporate Governance Policy.

Policy contains the sections as follows;

- 1 **Organization Structure and Manpower:** All details are reviewed from time to time in order to ensure alignment with the Company's business direction and strategy, and respond to any changes.
- 2 **Fairness of Recruitment and Selection:** Recruitment and selection staffs are conducted fairly with equality non-discrimination.
- 3 **Equal Opportunities:** The Company provides opportunity equally in employment and appointed, as well as opportunities for progress and development that based on knowledge and ability without discrimination.
- 4 **Human Rights:** The Company supports and respects for human rights and will not engage in any action that is contrary to principles of human rights.
- 5 **Freedom of Association:** The Company respects the rights of its employees to associate freely, and/or join workers' associations or any organizations established in accordance with applicable laws and regulations, as long as this does not involve any outside personal interests or additional sources of remuneration which may impair their independence towards performing their duties, and/or using the Company's intellectual property and time without prior permission.
- 6 **Employee Privacy:** The Company respects the privacy of all employees and will not disclose any personal information to anyone who does not have a right to that information unless it is required by law.
- 7 **Fair Compensation Management:** The Company considers its high priority to provide equitable rewards through a meritocratic system and ensure that compensation is in line with the market by using the following "3P" principle which are Pay for position, Pay for performance and Pay for person.
- 8 **Welfare, Health, Environment and Safety:** The Company complies with relevant legislation. Encouraging employees to have a better quality of life for employees at all levels with appropriate welfare and setting up Provident Fund to strengthen stability their standard of livings after retirement of employees.
- 9 **Employee Development:** The Company supports and invests in continuous employee development with a systematic approach. The Company also encourages its employees to show initiative and is open to suggestions and new ideas that will improve business processes and overall competency.
- 10 **Succession Planning:** The Company has implemented a systematic succession plan and has appointed the committee to nominate successors and monitor their development.
- 11 **Management Role:** The Company encourages managers at all levels of the organization to undertake the human resource management roles, and must be responsible and attention, as well as task and organization management.
- 12 **Community and Social Responsibility:** The Company supports the practice of mindfulness and sharing with others, and encourages all employees to voluntarily participate in and/or initiate CSR or community-based activities for the good of society.

The Group considers that supervisors at all levels have significant responsibilities in taking good care of their subordinates to maintain their morale, enhance their knowledge and competencies so that they can perform their duties efficiently, and set themselves as good example for their subordinates.

In order to consider details relating to Human Resources, the Board of Directors assigned the management to quarterly report the human resources data to the Board.

In 2014, Non-Executive Directors recommended the Company to conduct Organizational Climate Survey in order to acknowledge and understand the perceptions and satisfaction of employees. The survey measured variety factors which relevant to the good workplace, such as pride in the workplace, culture and working environment, leadership and management, supervisors, colleagues, communication, opportunities to develop or career growth, benefits, regulations etc. The survey results found that employees are satisfied in all the factors which average scores are in level of good to very good (3.74 to 4.14). The satisfaction average is in level of good (3.87), while the average score of "pride of the Company" are highest at a very good level (4.14). The Company delivered survey results with employees' suggestions in the survey report to the management. In order to know the strengths and opportunities for improvement, and to plan development for employees, work system and process for being a good workplace and happy organization.



# DIRECTORS AND MANAGEMENT TEAM



**PROF. WONGKULPAT  
SNIDVONGS NA AYUDYHA, M.D.**

Independent Director /  
Chairman of the Board



**MRS. SUPHAJEE SUTHUMPAN**

Director / Chairman of the Executive Committee /  
Chairman of the Remuneration Committee /  
Member of the Nomination and CG Committee /  
Representative of major shareholder



**MR. PRATHUENG SRIRODBANG**

Independent Director /  
Chairman of the Audit Committee /  
Chairman of the Nomination and  
CG Committee



**MR. GAN HUI BENG**

Independent Director /  
Member of the Audit Committee /  
Member of the Remuneration Committee



**DR. SILLAPAPORN SRIJUNPETCH**

Independent Director /  
Member of the Audit Committee /  
Member of the Remuneration Committee /  
Member of the Nomination and CG Committee



**MR. SITTHICHAJ CHANTRAVADEE**

Independent Director and  
Member of the Audit Committee



**MR. HANSA CHEVAPURKE**

Director /  
Representative of CAT Telecom



**MR. LEE HAN KHENG**

Director / Member of the Executive Committee /  
Member of the Remuneration Committee /  
Member of the Nomination and CG Committee /  
Representative of major shareholder



**MR. VUTHI ASVASERMCHAROEN**

Director /  
Member of the Executive Committee /  
Representative of major shareholder



**MR. ANANT KAEWRUAMVONGS**

Director / Member of the Executive Committee /  
Representative of major shareholder and  
Chief Executive Officer and Managing Director



**MR. ANUWAT  
SANGUANSAPPAYAKORN**

Chief Finance Officer



**MR. SURASAK UTHAYOPAS**

Vice President - Technical and Operations



**DR. SOMCHAI  
KITTICHAIKOOLKIT**

Vice President – Marketing and Sales



**MS. SARISORN CHANDRARAMYA**

Company Secretary



**MR. CHUTIDEJ PRINTHITIPA**

Managing Director  
Teleinfo Media Public Company Limited



**MR. SURACHART KUGASEMRAT**

Deputy Managing Director  
Teleinfo Media Public Company Limited

1



**PROF. WONGKULPAT  
SNIDVONGS NA  
AYUDYHA, M.D.**

<b>Age</b>	74	<b>Nationality</b>	Thai
<b>Title</b>	Independent Director / Chairman of the Board		
<b>Appointment date</b>	23 April 2007		
<b>Shareholding <sup>1</sup></b>	None		
<b>Relationship with Management</b>	None		
<b>Highest Education</b>	Doctorate Degree FRCOG:D.Obst.RCOG (UK):MB.BS (London) MRCS. LRCP (England)		
<b>Governance Training :</b>			
<i>Thai Institute of Directors (IOD)</i>	DCP : Directors Certification Program Class 89/2007		
<i>Other</i>	Year 2014		
	<ul style="list-style-type: none"> <li>- Audit Committee Financial Expert by Federation of Accounting Professions under the Royal Patronage of His Majesty the King</li> <li>- Integrated Internal Audit Planning Class 1/2014 by Federation of Accounting Professions under the Royal Patronage of His Majesty the King</li> </ul>		
<b>Experience</b>			
	2009 - Present		
	Consultant, Hydro and Agro Informatics Institute Audit Committee, Thai Red Cross		
	2007 - Present		
	Independent Director and Chairman of the Board, LoxInfo Plc.		
	Academic Advisor, College of Public Health Sciences, Chulalongkorn University		
	1997 - Present		
	Member of the Council, Thai Red Cross		
<b>Illegal Record in past 10 years</b>	None		

2



**MR. PRATHUENG  
SRIRODBANG**

<b>Age</b>	76	<b>Nationality</b>	Thai
<b>Title</b>	Independent Director / Chairman of the Audit Committee/ Chairman of the Nomination and CG Committee		
<b>Appointment date</b>	7 November 2003		
<b>Shareholding <sup>1</sup></b>	None		
<b>Relationship with Management</b>	None		
<b>Highest Education</b>	<ul style="list-style-type: none"> <li>- National Defense College class. 32</li> <li>- Mini MBA, Thammasat University</li> <li>- Barrister-at-law The Thai Bar</li> <li>- Bachelor Degree in Laws, Thammasat University</li> </ul>		
<b>Governance Training :</b>			
<i>Thai Institute of Directors (IOD)</i>	DAP : Directors Accreditation Program Class 11/2004		
	FND : Finance for Non – Finance Directors Class 24/2005		
	QFR : Improving the Quality of Financial Reporting Class 2/2006		
	FSD : Financial Statements for Directors Class 6/2009		
<i>Other</i>	Year 2014		
	<ul style="list-style-type: none"> <li>- Audit Committee Financial Expert by Federation of Accounting Professions under the Royal Patronage of His Majesty the King</li> <li>- Thai Intelligent Investors Program Class 7 by Thai Investors Association</li> </ul>		
<b>Experience</b>			
	2013 - Present		
	Independent Director and Audit Committee, Khonburi Sugar Plc.		
	2009 - Present		
	Consultant, Thanachart Insurance Co., Ltd.		
	2003 - Present		
	Independent Director and Chairman of the Audit Committee, CS LoxInfo Plc.		
	1999 - 2002		
	Chairman of the Audit Committee, Chumporn Palm Oil Industry Plc.		
	1994 - 1998		
	Deputy Permanent Secretary, Ministry of Commerce		
<b>Illegal Record in past 10 years</b>	None		

<sup>1</sup> Includes holdings by spouse and minor children as of December 31, 2014

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**MRS. SUPHAJEE  
SUTHUMPAN**

**Age** 50 **Nationality** Thai

**Title**

Director / Chairman of the Executive Committee /  
Chairman of the Remuneration Committee /  
Member of the Nomination and CG Committee /  
Representative of major shareholder

**Appointment date** 10 August 2011

**Shareholding <sup>1</sup>** None

**Relationship with Management** None

**Highest Education**

MBA, International Finance and International Accounting,  
Northrop University, California, USA

**Governance Training :**

*Thai Institute of Directors (IOD)*

DCP : Directors Certification Program Class 89/2007

*Other*

-

**Experience**

2012 - Present

Chairman of the Executive Committee, Thaicom Plc.

2011 - Present

Chairman - the Media & New Business, Intouch Holdings Plc.

Member of the Executive Committee and Member of the Strategic and  
Organizational Review Committee, Intouch Holdings Plc.

Director and Chief Executive Officer, Thaicom Plc.

Director and Chairman of the Executive Committee, CS LoxInfo Plc.

Member of the Executive Committee, Advanced Info Service Plc.

2011 - 2011

Member of the Executive Committee, Thaicom Plc.

2010 - 2011

General Manager, Global Technology Services, IBM ASEAN

2009 - 2010

Client Advocacy Executive, Chairman's Office, IBM Headquarters

2007 - 2009

Vice President, General Business, IBM ASEAN

2003 - 2007

Country General Manager, IBM Thailand Co., Ltd.

**Illegal Record in past 10 years** None

4



**MR. GAN HUI BENG**

**Age** 64 **Nationality** Singaporean

**Title**

Independent Director / Member of the Audit Committee /  
Member of the Remuneration Committee

**Appointment date** 7 November 2003

**Shareholding <sup>1</sup>** None

**Relationship with Management** None

**Highest Education**

Bachelor Degree in Economics, University of Wales Institute of Science  
and Technology, U.K.

**Governance Training :**

*Thai Institute of Directors (IOD)*

DCP : Directors Certification Program Class 47/2004

*Other*

-

**Experience**

2003 - Present

Independent Director and Member of the Audit Committee, CS LoxInfo Plc.

2006 - 2006

Deputy President Director, Bank Buana Indonesia

2000 - 2005

Managing Director and Chief Executive Officer, UOB Radanasin Bank Plc.

1987 - 1999

Vice President, Citibank N.A.

**Illegal Record in past 10 years** None

<sup>1</sup> Includes holdings by spouse and minor children as of December 31, 2014

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**DR. SILLAPAPORN  
SRIJUNPETCH**

The director with knowledge and experience in reviewing financial statements of the Company with CPA No.3692.

**Age** 51 **Nationality** Thai

**Title**

Independent Director / Member of the Audit Committee /  
Member of the Remuneration Committee /  
Member of the Nomination and CG Committee

**Appointment date** 10 November 2005

**Shareholding**<sup>1</sup> None

**Relationship with Management** None

**Highest Education**

Doctorate Degree in Accounting, Manchester Business School,  
University of Manchester, U.K.

**Governance Training :**

*Thai Institute of Directors (IOD)*

DAP : Directors Accreditation Program Class 51/2006

*Other*

-

**Experience**

2005 - Present

Independent Director and Member of the Audit Committee,  
CS LoxInfo Plc.

1997 - Present

Lecturer of Master of Accounting Profession, Faculty of Commerce and  
Accountancy, Thammasat University

2004 - 2006

Director of Master of Accounting Profession, Faculty of Commerce and  
Accountancy, Thammasat University

1995 - 1997

Director and Group Financial Controller, Jardine Matheson  
(Thailand) Limited

1986 - 1995

Senior Manager, PriceWaterhouseCoopers ABAS Limited

**Illegal Record in past 10 years** None

6



**MR. SITTHICHAJ  
CHANTRAVADEE**

**Age** 63 **Nationality** Thai

**Title**

Independent Director and Member of the Audit Committee

**Appointment date** 30 March 2011

**Shareholding**<sup>1</sup> None

**Relationship with Management** None

**Highest Education**

Master Degree in Accounting, Chulalongkorn University

**Governance Training :**

*Thai Institute of Directors (IOD)*

ACP : Audit Committee Program Class 12/2006

DAP : Directors Accreditation Program Class 49/2006

DCP : Directors Certification Program Class 69/2006

MFM : Monitoring Fraud Risk Management Class 1/2009

MIA : Monitoring the Internal Audit Function Class 5/2009

MIR : Monitoring the System of Internal Control and Risk Management  
Class 6/2009

MFR : Monitoring the Quality of Finance Reporting Class 7/2009

*Other*

-

**Experience**

2012 - Present

Director and Chairman of Remuneration Committee, Thai British Security  
Printing Plc.

Independent Director, Thai Cane Paper Plc.

2011 - Present

Independent Director and Member of the Audit Committee, CS LoxInfo Plc.

2002 - Present

Independent Director, Member of the Audit Committee and Risk  
Management, Sammakorn Plc.

2000 - 2010

Director, The Audit Office, The Siam Cement Plc.

2001 - 2003

Chairman of the Board of the Institute of Internal Auditors of Thailand

**Illegal Record in past 10 years** None

<sup>1</sup> Includes holdings by spouse and minor children as of December 31, 2014



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MR. HANSA CHEVAPURKE

**Age** 55 **Nationality** Thai

**Title**  
Director / Representative of CAT Telecom

**Appointment date** 12 March 2010

**Shareholding <sup>1</sup>** None

**Relationship with Management** None

**Highest Education**

- Master of Public and Private Management Program, Graduate School of Public Administration, National Institute of Development Administration (NIDA)
- Graduate Diploma in Politics and Governance in Democratic Systems for Executives Class 14, King Prajadhipok's Institute
- National Defense College class 54

**Governance Training :**

*Thai Institute of Directors (IOD)*

DCP : Director Certification Program Class 132/2010

SFE : Successful Formulation & Execution of Strategy Class 17/2013

*Other*

-

**Experience**

2011 - Present

Senior Executive Vice President, Legal and Business Partner, CAT Telecom Plc.

2009 - 2011

Executive Vice President, Legal Counsel, CAT Telecom Plc.

2010 - Present

Director, CS LoxInfo Plc.

2007 - 2008

Vice President, Business Partner Contract Management Department, CAT Telecom Plc.

**Illegal Record in past 10 years** None

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MR. LEE HAN KHENG

**Age** 47 **Nationality** Singaporean

**Title**  
Director / Member of the Executive Committee /  
Member of the Remuneration Committee /  
Member of the Nomination and CG Committee /  
Representative of major shareholder

**Appointment date** 9 June 2011

**Shareholding <sup>1</sup>** None

**Relationship with Management** None

**Highest Education**  
Masters of Business Administration,  
Nanyang Technological University / Singapore

**Governance Training :**

*Thai Institute of Directors (IOD)*

DAP : Directors Accreditation Program Class 101/2013

*Other*

-

**Experience**

2011 - Present

Director and Member of Executive Committee, CS LoxInfo Plc.

Vice President, Global Products, Singapore Telecommunications Ltd.

2011

Vice President, Regional Products, Singapore Telecommunications Ltd.

2007 - 2011

Chief Operating Advisor, Globe Telecom Inc.

2005 - 2007

Vice President, Business Products, Singapore Telecommunications Ltd.

**Illegal Record in past 10 years** None

<sup>1</sup> Includes holdings by spouse and minor children as of December 31, 2014

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**MR. VUTHI  
ASVASERMCHAROEN**

**Age** 47 **Nationality** Thai

**Title**  
Director / Member of the Executive Committee /  
Representative of major shareholder

**Appointment date** 9 May 2012

**Shareholding**<sup>1</sup> None

**Relationship with Management** None

**Highest Education**  
MBA, Indiana University of Pennsylvania, USA

**Governance Training :**  
*Thai Institute of Directors (IOD)*  
DCP : Director Certification Program Class 166/2012  
*Other*  
-

**Experience**  
2012 - Present  
Director and Member of the Executive Committee, CS LoxInfo Plc.  
2011 - Present  
Chief Financial Officer, Thaicom Plc.  
2011 - 2011  
Chief Financial Officer (CFO), GMM Grammy  
2004 - 2010  
Deputy Chief Financial Officer, Sahaviriya Steel Industries  
2001 - 2004  
Vice President, Bangkok Bank

**Illegal Record in past 10 years** None

10



**MR. ANANT  
KAEWRUAMVONGS**

**Age** 53 **Nationality** Thai

**Title**  
Director / Member of the Executive Committee /  
Representative of major shareholder and  
Chief Executive Officer and Managing Director

**Appointment date** 9 June 2011

**Shareholding**<sup>1</sup> 0.1024% or 609,000 shares

**Relationship with Management** None

**Highest Education**  
- Diploma, National Defence College, The Joint State - Private Sector  
Course (JSP) Class 26  
- Master Degree in Management, SASIN Graduate Institute of Business  
Administration of Chulalongkorn University

**Governance Training :**  
*Thai Institute of Directors (IOD)*  
DCP : Directors Certification Program Class 66/2005  
DAP : Directors Accreditation Program Class 45/2005  
SFE : Successful Formulation and Execution of Strategy Class 6/2010  
*Other*  
Year 2008  
- TLCA Executive Development Program (EDP) Class 2 by Thai Listed  
Companies Association  
Year 2014  
- Advanced Management Program 187 by Harvard Business School,  
USA

**Experience**  
2013 - Present  
Chief Executive Officer and Managing Director, CS LoxInfo Plc.  
2011 - Present  
Director and Member of the Executive Committee, CS LoxInfo Plc.  
2005 - 2013  
Managing Director, CS LoxInfo Plc.  
2007 - 2007  
Director and Member of the Executive Committee, CS LoxInfo Plc.  
1999 - 2005  
Deputy Manager, CS LoxInfo Plc.  
1997 - 1999  
General Manager, CS Satellite Phone Co., Ltd.  
1995 - 1997  
General Manager, Lao Telecommunications Co., Ltd.

**Illegal Record in past 10 years** None

<sup>1</sup> Includes holdings by spouse and minor children as of December 31, 2014

11



**MR. ANUWAT  
SANGUANSAPPAYAKORN**

**Age** 49 **Nationality** Thai

**Title**  
Chief Finance Officer

**Appointment date** 1 May 2003

**Shareholding**<sup>1</sup> None

**Relationship with Management** None

**Highest Education**  
Master Degree in Accounting, Chulalongkorn University

**Governance Training :**  
*Thai Institute of Directors (IOD)*  
DCP : Directors Certification Program Class 88/2007  
*Other*  
Year 2012  
- TLCA Executive Development Program (EDP) Class 9 by Thai Listed Companies Association

**Experience**  
2003 - Present  
Chief Finance Officer, CS LoxInfo Plc.  
1998 - 2003  
Accounting Manager, CS Communications., Ltd.  
1997 - 1997  
Planning Manager, Thai Capital Final Finance & Securities Co., Ltd.  
1996 - 1997  
Manager, Krung Thai Finance & Securities Co., Ltd.  
1994 - 1996  
Accounting Manager, Multi Credit Corporation of Thai  
1988 - 1993  
Senior Auditor, Deloitte Touch Thomatsu Jaiyos

**Illegal Record in past 10 years** None

12



**MR. SURASAK  
UTHAYOPAS**

**Age** 51 **Nationality** Thai

**Title**  
Vice President - Technical and Operations

**Appointment date** 1 April 2014

**Shareholding**<sup>1</sup> 0.0008% or 5,000 shares

**Relationship with Management** None

**Highest Education**  
Master of Engineering (Electrical Engineering),  
Chulalongkorn University

**Governance Training :**  
*Thai Institute of Directors (IOD)*  
DCP : Directors Certification Program Class 177/2013  
*Other*  
Year 2013  
- TLCA Executive Development Program (EDP) Class 11 by Thai Listed Companies Association

**Experience**  
Apr 14 - Present  
Vice President - Technical & Operation, CS LoxInfo Plc.  
2009 - Apr 14  
Senior Director - Technical & Operation, CS LoxInfo Plc.  
2008 - 2009  
Acting Senior Director - Technical & Operation, LoxInfo Plc.  
2006 - 2008  
Senior Project Manager, Smiths Detection (Thailand)  
1998 - 2006  
Assistant Vice President, Loxley Plc.  
1995 - 1998  
Assistant Vice President, Loxley Infra Co.,Ltd.  
1994 - 1995  
Manager, TT & T Plc.  
1993 - 1994  
Sales Support Manager, Shinawatra Satellite Co.,Ltd.

**Illegal Record in past 10 years** None

<sup>1</sup> Includes holdings by spouse and minor children as of December 31, 2014

13



**DR. SOMCHAI  
KITTICHAIKOOLKIT**

**Age** 48 **Nationality** Thai

**Title**  
Vice President – Marketing and Sales

**Appointment date** 1 April 2014

**Shareholding**<sup>1</sup> 0.0317% or 188,187 shares

**Relationship with Management** None

**Highest Education**  
Doctorate Degree in Electronic Engineering, Tohoku University

**Governance Training :**  
*Thai Institute of Directors (IOD)*  
DCP : Directors Certification Program Class 180/2013  
*Other*  
Year 2013  
- TLCA Executive Development Program (EDP) Class 10 by Thai Listed Companies Association

**Experience**  
Apr 14 - Present  
Vice President - Marketing and Sales, CS LoxInfo Plc.  
2009 - Apr 14  
Senior Director - Marketing, CS LoxInfo Plc.  
1999 - 2009  
Director - Marketing, CS LoxInfo Plc.  
1997 - 1998  
IT Specialist, Shinawatra Information Technology Co., Ltd.  
1994 - 1996  
Marketing Manager, Shinawatra Computer and Communications Co., Ltd.

**Illegal Record in past 10 years** None

14



**MS. SARISORN  
CHANDRARAMYA**

**Age** 44 **Nationality** Thai

**Title**  
Company Secretary

**Appointment date** 9 June 2011

**Shareholding**<sup>1</sup> 0.0040% or 24,000 shares

**Relationship with Management** None

**Highest Education**  
- Master Degree of Arts in Economic Laws, Chulalongkorn University  
- Barrister at Laws, Institute of Education, Thai Bar Association  
- Graduate Diploma in Business Law, Thammasat University  
- Bachelor Degree of Laws, Thammasat University

**Governance Training :**  
*Thai Institute of Directors (IOD)*  
CSP : Company Secretary Program Class 41/2011  
EMT : Effective Minute Taking Class 20/ 2011  
CRP : Company Reporting Program Class 2/2011  
*Other*  
-

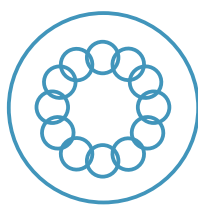
**Experience**  
Apr 14 - Present  
Assistant Director – Legal, CS LoxInfo Plc.  
2011 - Present  
Company Secretary, CS LoxInfo Plc.  
2003 - Apr 14  
Senior Legal Manager, CS LoxInfo Plc.  
1995 - 2003  
Senior Legal Counsel, Shin Satellite Plc.  
1995 - 1995  
Legal Officer, Citicorp Finance Co., Ltd.  
1992 - 1994  
Comptroller in Bankruptcy, Legal Execution Department

**Illegal Record in past 10 years** None

<sup>1</sup> Includes holdings by spouse and minor children as of December 31, 2014

## DIRECTORS AND MANagements' SHAREHOLDING IN THE COMPANY AND ITS SUBSIDIARIES

No.	Name	Position	CS LOXINFO PLC.					TELEINFO MEDIA PLC.					AD VENTURE PLC.				
			Ordinary Shares (shares)					Ordinary Shares (shares)					Ordinary Shares (shares)				
			31 Dec 2013	Changes during 2014 Increase	Decrease	31 Dec 2014		31 Dec 2013	Changes during 2014 Increase	Decrease	31 Dec 2014		31 Dec 2013	Changes during 2014 Increase	Decrease	31 Dec 2014	
1	Prof. Wongkulpat Sridvongs na Ayudhya Spouse and Minor children	Independent Director and Chairman of the Board	-	-	-	-		-	-	-	-		-	-	-	-	
2	Mr. Prathueng Sirodbang Spouse and Minor children	Independent Director and Chairman of the Audit Committee	-	-	-	-		-	-	-	-		-	-	-	-	
3	Mr. Gan Hui Beng Spouse and Minor children	Independent Director and Member of the Audit Committee	-	-	-	-		-	-	-	-		-	-	-	-	
4	Dr. Sillapaporn Srijunpetch Spouse and Minor children	Independent Director and Member of the Audit Committee	-	-	-	-		-	-	-	-		-	-	-	-	
5	Mr. Sitthichai Chantravadee Spouse and Minor children	Independent Director and Member of the Audit Committee	-	-	-	-		-	-	-	-		-	-	-	-	
6	Mr. Hansa Chevapurke Spouse and Minor children	Director	-	-	-	-		-	-	-	-		-	-	-	-	
7	Ms. Suphaje Suthumpun Spouse and Minor children	Director and Chairman of the Executive Committee	-	-	-	-		-	-	-	-		-	-	-	-	
8	Mr. Lee Han Kheng Spouse and Minor children	Director and Member of the Executive Committee	-	-	-	-		-	-	-	-		-	-	-	-	
9	Mr. Vuthi Asvasermchaoen Spouse and Minor children	Director and Member of the Executive Committee	-	-	-	-		1	-	-	1		-	-	-	-	
10	Mr. Anant Kaewruamvongs Spouse and Minor children	Director and Member of the Executive Committee	609,000	-	-	609,000		1	-	-	1		1	-	-	1	
11	Mr. Anuwat Sanguanappayakorn Spouse and Minor children	Chief Finance Officer	-	-	-	-		1	-	-	1		1	-	-	1	
12	Mr. Surasak Uthayopas Spouse and Minor children	Vice President - Technical and Operations	5,000	-	-	5,000		-	-	-	-		-	-	-	-	
13	Dr. Somchai Kittichalkoolkit Spouse and Minor children	Vice President - Marketing and Sales	188,187	-	-	188,187		-	-	-	-		-	-	-	-	
14	Ms. Sarisorn Chandaramya Spouse and Minor children	Company Secretary	24,000	-	-	24,000		1	-	-	1		1	-	-	1	



# CORPORATE GOVERNANCE

## CG POLICY

The Board of Directors believes that leadership of a visionary and responsible Board of Directors, with accountability to stakeholders, that can motivate and guide management, using a sound management system that utilizes internal control to balance business priorities and operations transparency, while respecting the rights and equitable treatment of all shareholders, are the essential factors in maximizing long term shareholders value. To this end, the Board has established a good CG Policy that addresses five key areas:

1. **BOARD'S STRUCTURE, COMPOSITION, ROLES AND RESPONSIBILITIES**
2. **THE RIGHTS AND EQUITABLE TREATMENT OF SHAREHOLDERS AND THE ROLES OF STAKEHOLDERS**
3. **INFORMATION DISCLOSURE AND TRANSPARENCY**
4. **INTERNAL CONTROL AND RISK MANAGEMENT**
5. **CODE OF CONDUCT**

Since 2005, the Board has subscribed to the growing importance of CG and has since overseen the implementation of appropriate practices to enhance CG awareness and standard within the Company. The Board annually reviews the CG policy of the Company to ensure that it is up to date and at an acceptable standard in the context of its business and operations.

## **CHAPTER 01**

# **BOARD OF DIRECTORS**

### **1. LEADERSHIP AND VISION**

The Board positions CS LoxInfo Public Company Limited (CSL), a Company within INTOUCH Group, to be a leading Thai company, recognized by domestic and international investors as one with proven success in its business mission which is supported by strong management and competent staff.

The Board members exercise leadership, vision and independence in making decisions, and are responsible for the strategic direction and governance of the Company in creating value for its stakeholders through sound and sustainable business performance. To this end, the duties, roles and responsibilities of the Chairman of the Board, the Chairman of the Executive Committee, Chief Executive Officer and the Managing Director are clearly segregated.

The Board approves the annual business plans proposed by management of the Company and its subsidiaries by reference to stated business direction, assessment of the target market conditions and discussions with key management personnel. Implementation of the approved business plan by management is guided and overseen by the Executive Committee, a sub-committee of the Board. Key operating results and information are provided monthly to each member of the Board which meets quarterly to review financial performance and approves the financial statements for communication to the investing public.

Through the Executive Committee, the Board ensures that the business positioning and operations are in line with strategic direction set and articulated.

In 2012, the Board redefined and expanded the Company's internet services (herein after referred to as ICT services) strategy to include internet, computer and communication services to better serve customer needs in a larger target market. As a result, the Company recorded much larger revenue streams from system integration and solution.

As there is an increasing trend and more customers are interested in ICT service in the year of 2013, the Board of Directors by the suggestion of the Executive Committees approved purchasing land to build the new Internet Data Center (IDC) in order to strengthen the ICT business of the Company, sufficiently supply the demand of the customers and help managing a diversification. IDC is finished at 2014 and now ready to serve the customer.

In addition, the Board ensures that the Company conducts its business within the statutory legal and regulatory framework. Non-executive Directors meeting takes place at least once a year to discuss the state of the Company for example business and financial performance, risk management, human resource management, cash flow and corporate reputation and identify areas of improvement.

## 2. COMPOSITION OF THE BOARD OF DIRECTORS, THE APPOINTMENT, AND ITS INDEPENDENCE

- 2.1 The Board must hold qualification as stipulated in Section 68 of Public Limited Companies Act B.E.2535 pursuant to the related Notifications of Securities and Exchange Commission (SEC). The Company has to additionally consider knowledge, ability, experience, and management expertise of that person. The Directors must have adequate time and devote their knowledge and abilities in performing duties to the Company. There shall be sufficient directors to govern the corporation with not less than 5 as required by law, and not exceeding 12. The Directors shall have variety of experience, at least one director shall be experienced in the area of Telecommunications, and at least one in the area of Finance and Accounting.
- 2.2 The Board shall be representative of all shareholders, not of a particular group of shareholders.
- 2.3 The Board shall include independent directors, consisting of at least one-third of the entire Board, but not less than three people. More than one-half of the Board must be non-executive directors in order to ensure a good balance between executive and non-executive members.
- 2.4 The Board should have a policy in which there should be a proportional number of directors fairly representing the investments of the controlling shareholders of the Company.
- 2.5 Appointment of the Board shall be complied with under the Articles of Association of the Company and the prescribed relevant laws. Selection of directors shall be transparent and clear, and processed through the Nomination and Governance Committee. Considerations shall be made on the educational and professional background of the candidates. Sufficient decision-making information shall be provided to the Board and shareholders.
- 2.6 Directors shall have a term as defined in the Articles of Association of the Company. A retired director can be re-elected with no upper ceiling to the number of re-elections, with the exception to the independent directors who can serve on the directorship for a maximum of 3 consecutive terms, or no longer than 9 years. However, for the benefit of the Company, the Board of Directors may review to extend the independent director's term but shall not be longer than 3 years.

Presently, the Board consists of ten qualified and experienced directors in the relevant fields, including telecommunications, legal and accounting, as well as finance and investments management. Four Board members are representatives of two major shareholders; one is representative of CAT Telecom Plc. serving on behalf of the business license grantor; five are independent directors, who together account for 50 percent of the Board.

### Qualifications of the Board of Directors

Directors of the Company have qualifications and characteristics as specified in the relevant laws. They have knowledge, capability and ethics in carrying out business and sufficient time to devote their knowledge and capabilities in performing duties for the Company. It is acceptable for them to be directors in other companies as long as such directorship does not hamper their performance in carrying out duties at the Company.

The Board also encourages the directors to attend training classes for roles and responsibilities of being a director, e.g., DAP, DCP, etc. in order to have a thorough understanding of their roles. The profile of the Company

and its subsidiaries, relevant rules and regulations, and the Director's Handbook are normally provided to the directors, especially for new appointees. Business environment updates of the Company and its subsidiaries, e.g., market situation, technology, laws and regulations, etc. are also made to the Board regularly. This should enable the Board to have sufficient information, knowledge and understanding about the business of the Company, as well as the most current roles and responsibilities of being a director. The Board also encourages the directors to have continuing education programs to enable them to perform their duties effectively including corporate governance matters.



The Directors of the Company has already finished all the important courses concerning with the duty of directors. In the year of 2014, Directors have attended variety of courses related to their roles and responsibilities as follows:

1. **Prof. Wongkulpat Snidvongs na Ayudya, M.D., Chairman of the Board**
  - Audit Committee Financial Expert by Federation of Accounting Professions under the Royal Patronage of His Majesty the King
  - Integrated Internal Audit Planning Class 1/2014 by Federation of Accounting Professions under the Royal Patronage of His Majesty the King
2. **Mr. Prathueng Srirodbang, Chairman of the Audit Committee**
  - Audit Committee Financial Expert by Federation of Accounting Professions under the Royal Patronage of His Majesty the King
  - Thai Intelligent Investors Program Class 7 by Thai Investors Association
3. **Mr. Anant Kaewruamvongs, Chief Executive Officer**
  - Advance Management Program 187 by Harvard Business School, USA
  - Diploma, National Defence College, The Joint State – Private Sector Course (JSP) Class 26

### Independence and Definition of the Independent Directors

The Company defines “Independent Director” in the Company’s CG policy as a director who meets all the qualifications with regards to independence, in accordance with the guidelines of Capital Market Supervisory Board, SEC, and/or SET. He/She shall be able to equitably safeguard the interests of shareholders and prevent a conflict of interest. He/She shall also be able to give independent opinions in the Board and/or Sub-Committee meetings. Details of his/her qualifications are as follow;

1. Holding shares of not more than 0.5% of voting shares of the company, its parent companies, subsidiaries, affiliates, or being a juristic person who may have a conflict of interest. The share held by an independent director includes those owned by a related person(s) as prescribed by relevant laws and regulations.
2. Not being or ever having been an executive director, employee, or consultant who received a fixed salary from the Company, its parent companies, subsidiaries, affiliates, same class subsidiaries, or a juristic person who may have had a conflict of interest, except whereby he or she has vacated the office for longer than 2 years before being appointed an independent director. Such forbidden characteristics exclude a case of the Independent Director who used to be government official or advisor and is a major shareholder or controlling person of Company.
3. Not having relationship via blood or legal marriage registration as parents, spouse, sibling, and child of executives, major shareholder, controlling person or a person to be nominated as an executive or controlling person of Company or subsidiary.
4. Being a director who does not protect only the interests of the executives, major shareholders or shareholders related to the major shareholders.
5. Being able to perform the independent director’s duties and to voice their opinions independently without the influence of the executives, major shareholders and their related parties.
6. The board is able to assign an independent director to make a collective decision about the operations of the Company, parent companies, subsidiaries, affiliates, same class subsidiaries, or conflicting entities.
7. Not having or ever had direct or indirect interests both financially and operationally from the Company, related companies, subsidiaries, affiliates, same class subsidiaries, or conflicting entities, except whereby he or she has relinquished their interests for longer than 2 years before being appointed an independent director.

The above business relationship includes normal business transactions, rent, offering for renting property, transactions about assets, services, offering or receiving financial assistance by lending, guarantee or other similar packages, which result in the Company or the counterparty to have liabilities of more than 3% of net tangible assets of the Company, or 20 MB, whichever is lower. SEC’s regulation about RPT could be applied. Liabilities which happened during

- a period of 1 year before the beginning of a business relationship shall also be included in the calculation of the transaction.
8. Not being or ever having been an auditor of the Company or related companies, and not being a major shareholder, director, in management or partner of that audit firm, except whereby he or she has vacated the office for longer than 2 years before the appointment of being an independent director.
  9. Not being or ever having been a professional advisor including legal advisor, financial advisor with a fee of higher than Baht 2 Million per year for the Company or related companies. In the case where the advisor is a juristic person, this shall mean, not being the major shareholder, director, in management or partner of such an advising firm, except that he or she has vacated the office for longer than 2 years before being appointed an independent director.
  10. For an occasional, necessary or appropriate event, during the term of office, an independent director may have a business relationship more than the determined level. However, a consensus of approval resolution, prior to the event, shall be obtained from the Board. Such a relationship by the director shall be disclosed as required by law.
  11. Not operating similar or significant competitive business to the business of the Company or subsidiary, or not being significant partner in the partnership or Directorship with management participation, staff, employee, advisor with regular salary, or holding shares exceeding 1% of the total voting shares in other company where operates business similar to or significantly competes with business of the Company or subsidiary.

However, the Company's definition of the independent directors is stricter than the regulation of SEC in the topic of shareholding which SEC stipulates a maximum of one percent (while the Company allows to held not more than 0.5 percent of the voting shares)

### 3. CHAIRMAN OF THE BOARD AND CHAIRMAN OF THE EXECUTIVE COMMITTEE

The Company has a policy that the Chairman of the Board and the Chairman of the Executive Committee should be capable and possess appropriate experience and qualifications. They shall not be the same person, in order to balance the power between direction and management functions. The responsibilities of the Chairman of the Board and the Chairman of the Executive Committee are specified as follows:-

- **Chairman of the Board** is a non-executive Director, has responsibility as the leader of the directors in directing and monitoring the performance of the Executive Committee and the other Board appointed sub-committees in achieving its goals and objectives. He also chairs the Board meeting and the shareholders meeting. Currently, our Chairman of the Board is an independent director.
- **Chairman of the Executive Committee** takes responsibility as the leader of the executives of the Company, considers strategic direction that is appropriate with Company, together with Executive Committee and Board of Director, is responsible to the Board for supervising the management of the Company to achieve planned assignment.

#### 4. AUTHORITIES, SCOPE OF DUTIES, AND RESPONSIBILITIES OF THE BOARD

Major authorities, duties, and responsibilities of the Board are as follows;

1. To carry out duties in accordance with the laws, the objectives, the Articles of Association of the Company, and the resolutions of the shareholders' meeting in good faith and with care to preserve the interests of the Company
2. To determine vision, policy, and direction of the Company, as well as to oversee and guide the management executives to be in line with the policy effectively and efficiently for maximizing corporate value and shareholders' wealth
3. To consider to approve or propose to shareholder to approve, where the case may be, the major transactions about business operations of the Company and its subsidiaries, such as new investment, asset acquisition or disposition, and other transactions specified by the law
4. To approve or agree to the related transactions between the Company and its subsidiaries in compliance with the relevant notifications, regulations and guidelines of the Stock Exchange of Thailand
5. To arrange to have a reliable accounting system, financial reports, auditing, as well as oversee the evaluation process for an appropriate, effective, and efficient internal control, internal auditing, risk management, financial reporting, and monitoring. There should be an independent sector, to monitor and annually review such system. This information should be disclosed in the annual report.
6. Provide a system, and organize the process in receiving complaint, including doing such process via [www.csloxinfo.com](http://www.csloxinfo.com)  
The regulations of such matters are provided in Reporting and Investigation of Misconduct and or Fraud and Whistleblower Protection Policy
7. To oversee for not having a case of conflict of interests between the concerned persons of the Company as well as to approve the Connected transactions and Conflicting transactions
8. To govern the Company to carry out the business ethically and in line with the principle of good Corporate Governance
9. To review the Company's CG Policy and assess due compliance at least annually
10. To conduct Board appraisal, as a group, annually
11. To appoint or delegate any power to any other persons to conduct the Company's business subject to the control of and within the time as may be specified by the Board, whereby such appointment or delegation of power may, at any time, be canceled, revoked, withdrawn or amended. Provided that the said appointment or delegation of power shall not be made in the manner that the Board or the person appointed or delegated then be able to approve any transaction to be entered into between the Board, the person appointed or delegated by the Board, or any person who may have conflict of interest or any other benefits (as stipulated by the Office of the Securities and Exchange Commission) and the Company or the Company's subsidiaries, unless the approval for such transactions is in compliance with the policy and rules already approved by the Board.
12. To determine each director and executive to have duty in preparing and submitting the Report of Securities Holding in the Company by himself (herself), his(her) spouse, his(her) immature children, to the SEC, by using the 59-1 and 59-2 form, and by the timeframe stipulated in the Notification of the SEC no. Sor Jor 12/2552
13. To govern the business, employee development plan and succession plan to have a continuity in a long term period
14. To implement a guideline to manage in subsidiary and nominating the qualified person to be a director in subsidiary

## 5. THE SUB-COMMITTEES

The Board has appointed four sub-committees, each with a specific charter, to assist the Board in focusing on key areas under the Board's responsibilities.

- Audit Committee
- Remuneration Committee
- Nomination and Corporate Governance Committee
- Executive Committee

The details will be provided below in topic Sub-Committees

## 6. COMPANY SECRETARY

On September 8, 2008, the Board passed a resolution to appoint Company Secretary to comply with the Securities and Exchange Act (No.4) B.E.2551. The incumbent Company Secretary is Ms. Sarisorn Chandramya. The Company Secretary has a dual reporting line to the Board & its committees and the management. The Company Secretary Office has the following duties and responsibilities:

- Organize and facilitate the board and the sub committee meetings
- Organize the annual general meeting of shareholders, and record and publish the related minutes
- File all documents and related records

- Monitor and ensure that the Board is in compliance with all related laws and regulations
- Handle corporate governance issues and provide advice on these to the Board
- Assist shareholders, directors and members of management with any board-related matters
- Follow upon all resolutions passed and instructions given by the Board and shareholders' meetings
- Perform any other actions specified in the Securities and Exchange Act (No.4) B.E.2551 or related laws and regulations including notifications from the Capital Market Supervisory Board

## 7. MEETING OF THE BOARD OF DIRECTORS

The Board has policy to schedule Board's meetings of at least six times a year. The meetings are normally pre-scheduled for the entire year and inform the Board. Special meeting can be held where necessary. In organizing a meeting, the Company Secretary will coordinate with the Chairman of the Board and Chairman of the EXCOM to agree on a specific meeting agenda, the directors are freely to propose an agenda. The Company Secretary will then coordinate with the relevant parties and distribute the notice of meeting together with the meeting agenda and meeting documents to the directors at least seven days prior to the meeting date for the Board members to have sufficient time to digest the information. In case the meeting

is not held monthly, in the month that the meeting is not held, the company should provide the performance report to the Board for consideration and acknowledge.

In 2014, the Board met for 7 times and the Non-Executive Directors met 3 times as detailed under the topic Management Structure, section Directors.

Each meeting would normally take around three hours, with the Chairman of the Board, or in his absence an appointed director, chairing the meeting. The Chairman is responsible for overseeing the meeting process and managing time for each agenda to be sufficient for the directors to discuss and express their opinions independently, taking into fair consideration the interest of

the shareholders and stakeholders. The Board of Directors should encourage the executive to join the meeting in order to receive sufficient information for making consideration.

Where a director may have conflict of interest with any meeting agenda, he/she will excuse himself/herself from that agenda item.

The Board has established the Company's secretary to be responsible for writing and maintaining documents of Director's record, invitation letter of Board of Directors meeting, annual report, invitation letter of Committee and minutes of Shareholder Meeting, and report of interests of Directors and executives. The Board shall perform the

duties responsibly, carefully, and honestly in compliance with laws, objectives of Company, resolution of Board of Directors meeting, and resolution of Shareholder Meeting.

Minutes of the meeting will be distributed by the Company Secretary to the directors for review and comments within 14 days from meeting date. The minutes and supplementary documents of each meeting are approved by the Board and kept in accordance with the law and represent records to evidence the Board's performance of duties in compliance with applicable laws, rules and regulations, and shareholders' meeting resolutions.

## 8. DIRECTORS AND MANAGEMENT REMUNERATION

Every February, the Remuneration Committee considers, analyzes, and recommends remuneration of the directors to the Board for further recommendation to the shareholders for approval. The RC also approves the remuneration make-up scheme of the management. The remuneration of the directors and the management should commensurate with their duties and responsibilities, be comparable to the industry standard, and attractive enough to retain qualified directors and management.

The Company's policy is to remunerate only independent directors and external directors. The executive directors do not receive remuneration for being a director.

Remuneration for each management personnel is linked with the operating performance of the Company and his/her working performance.

The remuneration will be in monetary and non-monetary form, the details were already provided in section Directors and Management Remuneration.

## 9. SUCCESSION PLAN

Corporate Governance policy of the Company specifies that there should be a succession plan for the position of CEO, Managing Director (Top executive) and senior management to build up confidence among shareholders and staff that the operations of the Company will not be disrupted.

The Board has authorized the Nomination and Governance Committee to set up succession planning criteria and to nominate the new CEO and senior executives by consultation with the chairman of the Executive Committee whenever the position becomes vacant. The succession plan shall be reviewed annually and report the Board on a yearly basis.

## 10. MEETING OF NON-EXECUTIVE DIRECTORS (NED)

CG policy of the Company also specifies that there should be meetings of the NED without the presence of executive directors from time to time as appropriate, to provide an opportunity for the NED to discuss any subject of interest relating to the business operations of the Company. The conclusions made at each meeting shall be reported to the Board and the Executive Chairman.

In 2014, Non-executive Directors met 3 times with the details specified under the topic Management Structure, section Directors: Non-executive Directors Meeting.

## 11. PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The Board evaluates its own performance annually in order to improve the performance of the Board and to ensure that the Board performs its duties according to the approved Corporate Governance Policy and/or the latest Good Practices.

As the self – assessment and the Board assessment form is outdate, and some parts cannot reflect the actual performance, thus the Board is of an opinion that such forms should be amended. Therefore, the assessment of the Board of Directors 2014 are requested to be postponed in order to amend the assessment form to meet the standard, and can clearly illustrate the problems, strength and weak point of the Board of Directors. In addition, the Board has assigned management team to make and implement assessment forms for the sub-committees which will be ready for an assessment in the year of 2015.

## CHAPTER 02

# SHAREHOLDERS' RIGHTS AND EQUITABLE TREATMENT AND ROLES OF THE STAKEHOLDERS

### 1. SHAREHOLDERS' RIGHTS AND EQUITABLE TREATMENT

The Board respects the shareholders rights and has duty to protect the rights of every shareholder equitably, regardless of type of shareholders, i.e., retail, foreign, institutional, or wholesale investor. Every shareholder shall have the following rights and equitability;

1. Right to receive the share certificates, transferring shares, acknowledging the information, operating performance and business policy, regularly, sufficiency and in a timely manner
2. Right to receive profit sharing, equitably, in the form of dividend
3. Right to attend the shareholders' meeting, expressing their opinions, giving recommendations, and being involved in decision making for significant changes
4. Right to appoint and remove the directors
5. Right to grant approval for appointment of Auditors
6. Right to determine or amend regulations and memorandum of association
7. Other rights as specified in laws and article of association

To promote rights and equitable treatment of shareholders, since the AGM for the Year 2009, the Company has prescribed that shareholders holding at least 5 percent in the aggregate of the outstanding voting shares can propose the agenda items for the annual general shareholders meeting and nominate an individual to become a director via the Company's website 2 months in advance.

For the Annual General Meeting of Shareholders for the Year 2014, the Company granted the right to shareholders holding not less than 1 percent in the aggregate of the outstanding voting shares to propose the agenda items and to nominate an individual to become a director 3 months in advance before the end of the Company's accounting period, during October 1, 2013 to December 30, 2013.

The rules and process in considering proposal of agenda from the shareholder, and qualification of the shareholder in proposing agenda are provided on the company website. Such rules and regulation are in compliance with the related laws.

## 2. SHAREHOLDERS' MEETING

The policy of the Company is to conduct the shareholders' meeting to be in compliance with the law, the Articles of Association and the guideline stipulated by the regulatory bodies. In 2014, there were two shareholders' meetings: the Annual General Meeting (AGM) and the Extraordinary General Meeting (EGM) No.1/2014. The EGM was held to request an approval in the application of the Company's legal reserve and premium on ordinary shares to offset the retained loss in the Company's separate financial statements.

Every shareholder, including retail, foreign, institutional, or wholesale investor, shall have rights and equitable treatment in accessing information of Shareholders' Meeting. The Company has policy for the shareholders to access the meeting schedule and information on the website of the Company at least 30 days prior to the meeting date. Hard copies of the notice to the meeting and the meeting document are sent to the shareholders at least 21 days prior to the meeting date.

The Company provided notices, documents related to the meeting and the minutes in bilingual: Thai and English, and the translator was also provided during the meetings for the purpose of equally acknowledgement to foreign shareholders. Therefore, foreign shareholders will equally acknowledge all the information with Thai shareholders. The document normally contains necessary information as required by related law and regulations, including opinion of the Board, background or rationale information for each agenda item deemed useful for the consideration of the shareholders.

In the notice to the meeting, the Company always informs and attaches document required for meeting registration, proxy form, as well as the instruction in giving proxy together with name list and profile of at least one independent director to be the agent for the shareholders who cannot attend the meeting. All such notice and meeting documents will be published in the Company's website for not less than 30 days, and in newspaper for three consecutive days prior to the meeting. The minutes of the meeting shall also be published in the website for shareholders to access by 14 days after the meeting date.

In the meeting registration process, the Company employs an advanced and reliable registration system to facilitate shareholders and quick vote counting. The registration process is ready to operate at least two hours before beginning of the meeting. In counting or examining the votes in shareholder

meeting, the Board will use independent person or company in conducting such processes and will report to the meeting and take in a minute. The voting result will be disclosed the next day of the meeting on company website. A legal advising firm would be engaged to act as an external inspector to monitor the AGM to ensure its transparency, legitimacy, and conformance with the Article of Association of the Company. In order to promote better transparency in the votes counting, in the agenda of director election, voting process was done in the meeting room. Voting ballots will be collected from all present shareholders; agree, disagree or abstain.

In the 2014 AGM, and EGM No.1/2014, the Chairman of the Board and all directors attended the meeting, with details under section Board of Directors: Meeting Participation, to answer questions arising from shareholders.

Before commencement of the meeting, the Company explained the voting method for common understanding of the shareholders. The voting results were recorded in the registration system. The meeting was conducted following the Article of Associations of the Company by using one share one vote basis for all agendas. The Chairman also encouraged the shareholders to express opinion and assured that sufficient time was provided to each agenda. When there was no more query in an agenda item, the voting results, which the shareholders had voted during the registration process, would be announced. There was no case that various unrelated matters were gathered for approval in one agenda item.

In the light of encouraging rights of shareholders according to corporate good governance, the Company invited a Right Protection Volunteer to the meetings.

The Minutes of the Shareholder Meeting shall clearly and completely include attendance list of directors and executive directors, voting and counting methods, voting results and resolutions to each agenda item as well as shareholder questions and answers and comments discussed in the meeting.

In 2014, the Company received full 100 score range from the 2014 AGM assessment program, organized by the Thai Investor Association. The quality result is "Excellent and good example". In the same year, the Company received Investor's Choice Award from Thai Investment Association. The award will be given only to the public company which got the 100/100 score in AGM evaluation for the period of continually four years.



### 3. ROLE OF THE STAKEHOLDERS

The Company is aware of the rights of stakeholders and has policy to ensure the importance of the rights by the appropriate prioritization of all stakeholders, who are shareholders, employees, executives, customers, partners, creditors, society, and the public. Cooperation between stakeholders shall be made according to their roles and responsibilities so that the Company (We) can run smoothly and strongly in order to fairly benefit all groups of stakeholders as follow:

#### Shareholders

The Board of Directors strives to be a good representative of shareholders in carrying out business to maximize shareholders value with regards to the sustainable growth of the value of the Company in the long run, good and continual return, and the transparent and reliable information disclosure to the shareholders.

#### Employees

The Board of Directors values its employees as the most important resource and key factor of corporate success. Hence, the Board of Directors sets policy that support employees to improve their knowledge and skill by providing skills trainings, knowledge sharing workshops and leaning opportunities to all employees for their self-development and career growth with the Company. The Employee Performance Assessment system integrates the employees' values with the corporate objectives to ensure that the business success is their mutual benefits. Moreover, the Board of Directors also has a policy to take care of environment of workplace by implementing the requirements of the ISO 9001 standard, which has been certified since the year 2002 until present and a policy on employee benefits by providing health insurance and annual medical check-up and establishes provident fund for the staffs' long term benefit.

The Company provides employee handbook containing their rights and benefits of the employees. The handbooks are distributed publicly in prints and online at <http://intranet.csloxinfo.net/>.

#### Customers

We strive to make our customers confident and satisfied with top quality services with continual improvement at appropriate charges. We provide them reliable service information, keep good relationship, and do not disclose their information without prior permission except for information that has to be disclosed to the public by law.

Regulation regarding "non-disclosure" of customers and partners has been announced in written and enforced in September 1, 2012. The regulation is publicly announced via <http://intranet/csloxinfo.net/>

#### Partners

We are aware of the importance of partners and regard them as a critical factor in mutual building up of value to the customers. Therefore, we make relationship with groups of partner equitably for mutual business interest without breaching reputation or law.

#### Creditors

We pay attention to the importance of the creditors and strive to keep good relationship with them on the best interest of the Company. We also hold to the contract conditions committed with the creditors.

## Competitors

We are aware of the benefits from competition toward business management and continual service quality improvement for the interest of customers. Therefore, we have policy to support and promote for free and fair trade, and have no policy to compete by means of having their information illegally and immorally.

The company runs its business with sincerity, transparency and under Corporate Governance Policy. The company will eliminate bribery and corruption as the company realizes that bribery and corruption are harm to the free and fair competition in the market and damage the development of the economy and society.

In 2013, The Board approved the Company to sign in 'Declaration of Intent in View of Establishing Thailand's Private Sector Collective Action Coalition against Corruption' that will work in cooperation with Government, civil society, media, and international organizations to foster cleaner business practices.

The company has provided Anti-Bribery and Corruption Policy to govern such issue and this is one of the code of conduct that all executive and employees should acknowledge and make into practice. In 2014, the Company was certified to be part of Collective Action Coalition.

## Society

We are Thai company that is community minded and strives to be a good corporate citizen to society. Our community service can reach out across the country. We have initiated a project to provide people, including children and people in remote area, with the information on correct usage of the internet to access useful information to enable wider learning and become a knowledge-base society.

In the year of 2013 the Board approved the company to implement "Corporate Social responsibility Policy under Good Corporate Governance" in order to be a practical guideline for employees and for a sustainable development.

In 2014, the Board assigned the management team to create a sustainability report in order to illustrate that apart from the Corporate Governance that the Company complied, the Company also pay an attention to other matters such as society and environment.



## CHAPTER 03

# INFORMATION DISCLOSURE AND TRANSPARENCY

The Board values transparency and sufficient information disclosure that is embedded as a role and responsibility of the Board provided in “Corporate Governance Policy” as follows;

1. The Board shall have duties to disclose Vision and Mission of the company, company business, the financial information, list of Directors and Executives, operating performance, and other relevant information accurately, sufficiency, completely, thoroughly, and timely to the shareholders and stakeholders having equal information, by making through channels and media available for publicizing information of the Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC), and the Company's website [www.csloxinfo.com](http://www.csloxinfo.com).
2. There shall be an Investor Relations Unit representing the Company in communicating useful information to shareholders, investors, securities analysts, and concerned parties to learn about the Company.
3. In addition to information disclosure in line with a duty under laws and regulations, the Company has held a Mini Info Meeting, which announces the Company's performance at least once a year, to investors and security analysts. The Chairman of Executives and concerned Executives have attended the meeting to explain and answer questions asked by investors, security analysts, fund managers, and interested persons.
4. The Company has a policy to disclose the following information to the public:
  - 4.1 Objectives of the Company and nature of business and competition
  - 4.2 Financial status and operating performance of the Company
  - 4.3 Shareholding structure and voting rights
  - 4.4 Name list of directors, committees, Chairman of the Executive Committee, Managing Director, including roles and duties of the Board and sub-committee, their remuneration and the annual performance of the subcommittee under their roles and duties scope
  - 4.5 Factors and policy on both material and foreseeable risk factor management, both operational and financial risks
  - 4.6 Corporate Governance structures and policies including the responsibility of the committee regarding the financial report and the report of the Chairman of the Audit Committee, etc.
  - 4.7 The number of meeting attendance of each director and/or each sub-committee member shall be compared with the total number of meetings of the Board and/or the Sub-committees in each year, which shall be illustrated in the annual report, including the course training and learning that the committee has attended
  - 4.8 The company will publicly disclose audit fees and other fees from auditors
  - 4.9 Other information disclosure as stipulated by laws or related regulations
  - 4.10 Disclosing the responsibility of Director under Financial report by disclosing with Auditor's report, in annual report
  - 4.11 Disclosing policy in remunerating Director and Executive from their duties and responsibility, and also form of the remuneration

Principles of disclosure of Information, scope, disclosure procedure and Market Communication are written in the Market Disclosure Policy.

## COMMUNICATE WITH THE BOARD

The Board has gave an opportunity for stakeholders to directly communicate with the Board via an email: [board@csloxinfo.net](mailto:board@csloxinfo.net) which is also provided on website of the company

## INVESTOR RELATIONS (IR)

The Company has established the Investor Relations Unit as the representative in communicating relevant and meaningful news and information to the shareholders, investors, securities analysts, and other relevant parties. Apart from the disclosure responsibility on financial information and quarterly and yearly operating performance, as required by law, the Company also arranges press conference immediately on the next working day after information discloses are made to the SET. This is to ensure the information will reach investors, interested parties and the public on a timely and thorough basis.

In 2014, we met institutional investors and retail investors for 10 times to promote good understanding to current market and operating situation and the transparency of the disclosed information, as well as to allow them to ask relevant questions. Briefing of quarterly and yearly operating performance was also arranged to the investors, analysts, and interested people as detailed below;

### Analyst briefing

1Q2014	Quarterly Briefing	on May 16, 2014
2Q2014	Quarterly Briefing	on August 15, 2014
3Q2014	Quarterly Briefing	on November 12, 2014
2014	Annual Briefing	on February 23, 2015

### Opportunity day

1Q2014		on May 14, 2014
2Q2014		on August 19, 2014
3Q2014		on November 13, 2014
2014	Annual Briefing	on February 24, 2015

You can contact IR of CSL at Tel. 02-263 8000 Extension 5184, or at email address: [ir@csloxinfo.net](mailto:ir@csloxinfo.net) for more information.

## CHAPTER 04

# INTERNAL CONTROL AND RISK MANAGEMENT

### 1. INTERNAL CONTROL

The Board is responsible for the Company's system of internal control to safeguard shareholders' investment and the Company's assets. Internal control facilitates the effectiveness and efficiency of operations, helps ensure the reliability of internal and external reporting, assist compliance with laws and regulations, and strengthens overall risk management of the environment within which the business operates. To this end, the Board has empowered the Audit Committee (AC), as part of its charter, to monitor the working of the internal control system within the Company and report its findings to the Board on a regular basis.

The AC is assisted by the external and internal auditors in its review and supervision of internal control operations within the Company. Both the external and internal auditors are independent of Management. The Internal Audit Office of the Company reports functionally and directly to the AC. The annual work plan of the Internal Audit Office forms the basis upon which the systems within the Company relating to internal control, risk management and corporate governance are reviewed and reported to the AC and Board of Directors.

### 2. MANAGEMENT SUPERVISION

The Board, with its composition of skills and experience, annually considers and approves the strategic direction and business plan developed by management to fulfill the goals of the Company. Management performance is reviewed on an ongoing basis, comparing actual performance against

the business plan and budget, as well as other financial and operational reports submitted to the Board. Management performance is evaluated annually in the determination of compensation rewards.

### 3. RISK MANAGEMENT

The Company has a policy to manage all risks which may have an impact on the Company, to ensure that the Company operates within an appropriate and acceptable risk level.

A Risk Management Committee (RMC) is in place, comprising the MD as the Chairman, and the heads of major departments as committee members. The Internal Audit Office supports and monitors the risk management procedures to ensure that risk factors are identified, determined and managed properly.

The RMC meets quarterly to review and update Company risk profile which consists of both internal and external risk factors, risk level assigned, and status of high level risk factors.

The Chairman of the Risk Management Committee will update risk management effectiveness to the Audit Committee and the Board of Directors.

## CHAPTER 05

# CODE OF CONDUCT

The Company has included corporate Code of Conduct as a part of the CG policy to act as guidelines and good practice for the directors, management, and staff to uphold the reputation of the Company. The Code of Conduct covers the following major topics.

### 1. BUSINESS COMPETITION

The Company has a policy of free and fair competition, not bind the distributors to solely sell the products of the Company. The Company shall not acquire information of its competitors by any illegal or unethical methods.

### 2. CONFLICTS OF INTEREST

In the case that the directors, management, and/or staff face the situation that their personal interests may conflict with the interest of the Company, the Code of Conduct serves as the guide and standard in responding to the situation.

- The prohibition of personally receiving and offering of money or other benefit to the customer, partner, and anybody they are dealing with on behalf of the Company. Receiving of gifts or business entertainment should be avoided where the value of gifts or nature of the entertainment can be deemed inappropriate or far greater than for normal business relationship.
- The directors, management, and staff members at all levels shall not engage in any other business that affects their performance, duties and working hours in the Company. A director or an executive, under the definition

of the SEC, shall report his/her business involvement with the Company to his/her direct supervisor, whether it is his/her direct business, his/her family, or other legal entity, by using the specific Company form, immediately upon joining the Company, or immediately after entering into such a conflicting business, and to be updated on a yearly basis. The completed form shall be kept with the Company Secretary. For the avoidance of doubt, no director, management and staff member at all levels of the Company is permitted to be involved in any business which is in competition with the companies in the Group, regardless of whether the management or the staff directly or indirectly benefit from that business.

- The holding of director position in a company outside the Group shall not be barred provided it does not infringe on relevant laws and regulations, and approval in advance

has been obtained from the authorized person, except for a director position in a non-profit organization.

- The directors, executives, and staff can participate in political activities under the terms of the Constitution of Thailand. However, they could not claim the status of being a Company employee for the purpose of political activities, or to mislead that the Company is in support or in favour of a political party. The Company has the policy of politics neutrality. The directors, executives and staff shall resign from the Company if they would like to accept a political related position, or stand for both regional and national elections.
- Connected transactions within the Group

The Company is committed to complying with the principles of good corporate governance and transparency, and eliminating any conflicts of interest that may arise from transactions between the Company or its subsidiaries and

related persons. In order to achieve this, the Related Party Transactions Policy ("this Policy") has been developed and adopted by the Board of Directors. The purpose of the policy is intended to;

- Ensure that all related-party transactions are both transparent and reasonable, and provide the highest benefit to the Company similar to entering into transactions with independent third parties (on an arm's-length basis), and comply with Good Corporate Governance.
- Define the process of identification, review, approval and disclosure of all related-party transactions made by the Company and its subsidiaries.
- Ensure that all transactions between the Company or its subsidiaries and related persons comply with the relevant laws along with the regulations, guidelines of the regulatory agencies and accounting standards of the Federation of Accounting Professions.

### Policy Directives

- 1) All related-party transactions made by the Company and its subsidiaries must comply with the Securities Exchange Act, B.E. 2535, and the notifications issued by the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand, and/or other regulations determined by the regulatory agencies.
- 2) All related-party transactions made by the Company and its subsidiaries must be deemed as settled transactions with independent third parties and conducted on an arm's-length basis in order to create the highest benefit for the Company.
- 3) In entering into related-party transactions, which are normal business transactions with general trading conditions, or supporting normal business transactions with general trading conditions as determined by the regulatory agencies, such as advertising, computer, mobile and internet services, the management can approve these transactions according to the Company's Approval Authority.
- 4) Any director or executive with a conflict of interest in a transaction involving the Company or its subsidiaries is prohibited from participating in the approval process for that transaction.

Review all related-party transactions or transactions that may lead to conflicts of interest and report to the Board for approve and/or agree with the related-party transactions of the Company and its subsidiaries, in order to ensure that such transactions are appropriate and beneficial to the Company

Procedures and approval of related-party transactions and identification of related-party transactions were defined in the Policy.

### 3. USE OF INSIDE INFORMATION, TRADING OF THE GROUP'S SECURITIES, AND DISTRIBUTION OF INFORMATION OR INTERVIEW TO THE PRESS OR THE PUBLIC

The Company's Code of Conduct specifies that the directors, management, and staff, at all levels, shall not use market sensitive inside information of the Group for their own

or others' interests before such information is disclosed to the market and investing public the details related to this issue will be provided in section Internal Information management.

## SUB-COMMITTEE

The Board has appointed four sub-committees, each with a specific charter, to assist the Board in focusing on key areas under the Board's responsibilities.

1. **AUDIT COMMITTEE**
2. **REMUNERATION COMMITTEE**
3. **NOMINATION AND CORPORATE GOVERNANCE COMMITTEE**
4. **EXECUTIVE COMMITTEE**

### 1. AUDIT COMMITTEE (AC)

Name	Position
1. Mr. Prathueng Srirodbang	Chairman of the AC / Independent Director
2. Mr. Gan Hui Beng	Member of the AC / Independent Director
3. Dr. Sillapaporn Srijunpetch <sup>1</sup>	Member of the AC / Independent Director
4. Mr. Sitthichai Chantravadee	Member of the AC / Independent Director

<sup>1</sup> The director with knowledge and experience in reviewing financial statements of the Company with CPA No.3692. Currently, he is Assistant Prof.Dr. at Faculty of Commerce and Accountancy, Thammasat University. He has been in the field of finance and accounting for more than 10 years, and competent enough to review the financial statements.

The AC consists of four independent directors. The ones qualified and experienced in the financial and accounting fields are Mr. Gan Hui Beng, Dr. Sillapaporn Srijunpetch and Mr. Sitthichai Chantravadee, Mr. Prathueng Srirodbang is qualified and experienced in the legal field. Every member has qualifications as specified under the guideline of the Capital Market Supervisory Board, the SEC, as well as meets the requirements of an independent director as defined in the Company's CG policy.

An AC has the same term as the directorship position. The term of the AC membership can be extended via re-election but for no more than nine consecutive years. However, for the benefit of the Company, the Board of Directors may review to extend the independent director's term but shall not be longer than 3 years.

In 2012, the AC Charter was revised and approved to be in line with the amendment on qualifications and scope of duties of the AC stipulated by the Capital Market

Supervisory Board, SEC, and SET issued in the same year. The revised AC Charter is as follows;

- To carry out the review of the Company's financial statements with management and the external auditors to ensure that they fairly present the financial position of the Company and that they are prepared in accordance with financial reporting standards.
- To give recommendation to the Board about the changes to the Company's accounting policies and financial authorities delegated to EXCOM and Managing Director.
- To ensure that the Company has appropriate and effective internal control system, internal auditing process and control self-assessment.
- To carry out the review to ensure compliance with Securities and Exchange Acts, regulations of the Stock Exchange of Thailand and any other relevant laws.
- To consider, select, and propose independent person(s) to be appointed as Company's external auditor(s) and



propose audit fees of the Company's external auditor to the Board, as well as approve its audit plan and meet privately with external auditor at least once a year without involving management.

- To review independence of the external auditor, establish policy for the approval of non-audit services and make recommendations.
- To review the work of the Risk Management Committee of the Company.
- To review and provide opinion on material connected transactions or the transactions which may lead to conflict of interest to be in compliance with the relevant law and regulations, as well as for accurate and complete disclosure.
- To review and give opinion on the performance of the Office of Internal Audit and coordinate work with the Company's external auditors.
- To consider independence of the Office of Internal Audit, agree with the appointment, transfer, dismissal, and appraisal of the Chief of Internal Audit Office.
- To consider and approve the Internal Audit Charter, annual internal audit plan, budget and manpower of the Office of Internal Audit and the adequacy of the internal audit function.
- To ensure all necessary assistance and cooperation required by the external and internal auditors are provided by management.
- To report the activities of the Audit Committee activities to the Board of Directors every quarter at minimum.
- To prepare the Audit Committee report for disclosure in the Company's annual report and form 56-1. The report shall be signed by Chairman of the Audit Committee and shall, at minimum, contain the following opinions and other information.
  - (a) Opinion about completeness, accuracy, and reliability of the Financial Statements
  - (b) Opinion about adequacy of internal control system
  - (c) Opinion about compliance with SEC Acts, regulations of the SET, any other relevant laws
  - (d) Opinion about appropriateness of the external auditor
  - (e) Opinion about transactions which may lead to conflict of interest
  - (f) Number of Audit Committee Meetings and number of meeting attendance of each Audit Committee member

(g) Overall opinion or observations from working according to the Audit Committee Charter

(h) Other matters that shareholders and investors should know, under the scope of duties and responsibilities as assigned by the Board.

- In carrying out the Audit Committee's duties, if the Audit Committee finds or suspects the following cases which may cause significant impact to the financial status and performance of the Company, the Audit Committee shall report the case to the Board for action to be taken in the time-frame agreed to by the Audit Committee.

- 1) Transactions which may lead to conflict of interest.
- 2) Fraud, abnormality, or significant deficiencies in internal control system.
- 3) Breaches of the SEC Acts, regulations of the SET, any other relevant laws.

In case that the directors or management members do not take action in time, an Audit Committee member may report the case to the SEC and SET.

- To review the scope of duties, responsibilities, and to conduct Audit Committee performance self-assessment on a yearly basis.
- To have full access to and cooperation of management.
- To have the power to invite members of the management, officers and employees of the Company or external parties to give statements, to attend the meeting and to deliver necessary documents.
- To have direct access to the external auditors in the investigation of any matter within its terms of reference.
- To have the power to engage consultant(s) or independent person(s) to provide opinion or advice as necessary, in accordance with the Company's regulations, and with expense (with no budget provided) under the approval authority of the Managing Director; and
- To carry out any other work designated by the Board of Directors and agreed to by the Audit Committee.

The Audit Committee shall arrange the meeting at least 4 times a year and shall annually evaluate its own performance and report the evaluation result to the BOD. The Audit Committee also has a meeting without an executive at least once a year.

## 2. REMUNERATION COMMITTEE (RC)

Name	Position
1. Ms. Suphajee Suthumpun	Chairman of the RC
2. Mr. Gan Hui Beng	Member of the RC / Independent Director
3. Mr. Lee Han Kheng	Member of the RC
4. Dr. Sillapaporn Srijunpetch	Member of the RC / Independent Director

Base on the Charter of the Remuneration Committee, the committee shall compose of at least three (3) directors and at least one shall be non-executive directors.

Presently the RC consists of four directors. Two are representatives of the major shareholders, and two is an independent director. The scope of duties and responsibilities are as follows;

- Fix appropriate compensation and remuneration both monetary and non-monetary for members of the Board, Sub-committees, and senior executives of the companies in CSL Group
- consider the annual remuneration of directors and submit its recommendation to the Board of Directors and for the Shareholders' Meeting for approval
- prescribe criteria and policy for determining the remuneration of the Board and senior executives of the companies in CSL Group for the Shareholders' or the Board's approval, as the case may be;
- The Committee is responsible to the Board and has a duty to provide reason/answer relating to the remuneration of directors at the Shareholders' Meeting
- Engage consultant or independent person to give opinion or advice as necessary and in accordance with the Company's regulations

- Review and assess the adequacy of this charter and recommend to the Board if any change or amendment is needed
  - Report the performance of important tasks to the Board on a regular basis and the important issues for the Board's knowledge
  - Require the management, executives or concerned persons to give opinion, information or to participate in the meeting
  - Carry out any other duties assigned by the Board
- The Remuneration Committees shall arrange the meeting at least twice a year and shall make a self-assessment and report the result to the Board.

The scope of duty and authority of Remuneration Committee are written in the charter of Remuneration Committee.

In Remuneration Committee meeting No.1/2015, the Remuneration Committee has made an assessment in order to check whether the committee has completely conduct their duties under specified in the Charter or not. The assessment shows that all the required duties have been fulfilled, except in the meeting part which required that the Remuneration Committee meeting should be held twice a year. The reason for holding the Remuneration Committee meeting only once in 2014 is because there is no urgency or any important matters for consideration, thus, the second meeting is not required to be held.

## 3. NOMINATION AND CORPORATE GOVERNANCE COMMITTEE (NCG)

Name	Position
1. Mr. Prathueng Srirodbang	Chairman of the NCG / Independent Director
2. Ms. Suphajee Suthumpun	Member of the NCG
3. Mr. Lee Han Kheng	Member of the NCG
4. Dr. Sillapaporn Srijunpetch	Member of the NCG / Independent Director

Based on the Charter of the NCG, the committee shall be composed of at least three directors with at least half of the committee being non-executive directors.

Presently the NCG consists of four directors. Two are representatives of major shareholders; the other two are independent directors. The scope of duties and responsibilities are as follows;

- Review with the Board, the criteria, minimum qualifications, necessary qualities or skills for being a board member as set forth in the Company's CG Policy, on a yearly basis
- Review and make recommendations to the Board, the size, structure, composition, term, processes and practices of the Board and the Board's sub-committees
- Identify, evaluate and recruit individuals qualified for being board members
- Consider the nominations for directors proposed by the Company's shareholders
- Recommend to the Board, the nominations for directors proposed for election at the Board or Shareholders' meeting, to fill vacancies or for newly-created directorships
- Recommend to the Board, the directors to be nominated for appointment as Executive Committee members, other sub-committees members, including Chairperson of the Board
- Consider and nominate the Company's representatives to sit on the boards of the Company's subsidiaries, associates and joint ventures
- Periodically review the Company's standards of director independence and recommend changes to the Board of Directors for approval
- Oversee the orientation program for new Board members
- Review and make recommendations to the Board regarding the Company's process for continuing education to be provided to the Board members
- Engage consultants or independent professionals to provide opinions or advice, if necessary, in accordance with the Company's regulations
- Oversee the annual performance evaluations of the Board, sub-committees of the Board (including a review by the Committee of its own performance), and each Board member. Review the evaluation results of each sub-committee. Report the evaluation results relating to the Board, sub-committees (including this Committee), and individual directors to the Board as appropriate
- Periodically review the Company's Corporate Governance Policy and recommend changes to the Board for approval
- Review and make recommendations to the Board

regarding potential waivers of the Code of Conduct & Ethics involving Board members or executives as and when they may occur

- In consultation with the Chairman of the Executive Committee, evaluate potential successors for the CEO, Managing Director [the Top Executive] and senior management, and report annually to the Board on succession planning
- Review and reassess the adequacy of NCG charter and recommend changes to the Board for approval on a yearly basis
- Report regularly to the Board matters within the scope of responsibilities of the Committee, as well as any special issues that merit the attention of the Board
- Perform other duties as required by law, or as deemed necessary, or as deemed appropriate, to ensure the effective functioning of the Board, the high quality corporate governance, and the effective ethics programs and compliance with the laws and regulations, or as the Board may assign from time to time.
- To determine policies and criteria for nominating members for the Board and Sub-Committees of the Company
- To nominate directors by considering suitable candidates for approval by the Board, and/or the Shareholders Meeting, as the case may require
- To consider suitable candidates to be nominated as Chairman of the EXCOM, if there is vacancy, as well as to determine criteria for succeeding the senior executives
- Others as assigned by the Board

The Nomination and Corporate Governance Committee shall arrange the meeting at least twice a year and shall make a self-assessment and report the result to the Board annually.

The scope of duty and authority of Nomination and Corporate Governance Committee is written in the charter of Nomination and Corporate Governance Committee.

In Nomination and Corporate Governance Committee meeting No.2/2015, the Nomination and Corporate Governance Committee has made an assessment in order to check whether the committee has completely conduct their duties under specified in the Charter or not. The assessment shows that all the required duties have been fulfilled and all important matters has been considered, except in the meeting part which required that the Nomination and Corporate Governance Committee meeting should be held twice a year. The reason for holding the meeting only once in 2014 is because there is no urgency or any important matters for consideration, thus, the second meeting is not required to be held.

#### 4. EXECUTIVE COMMITTEE (EXCOM)

Name	Position
1. Ms. Suphajee Suthumpun	Chairman of the EXCOM
2. Mr. Lee Han Kheng	Member of the EXCOM
3. Mr. Vuthi Asvasermcharoen	Member of the EXCOM
4. Mr. Anant Kaewruamvongs	Member of the EXCOM

The EXCOM consists of four Executive Directors. The scope of duties and responsibilities are as follows;

- Provide recommendations on the Company's strategic direction, core management structure for Board's approval so that the company's operation can adjust to economic conditions and competition.
- Provide recommendations on annual business plan and budget for the Strategic Organizational Review Committee's consideration for Board's approval.
- Manage the Company's business operations in order to achieve the planned objectives and targets.
- Monitor the financial and operating results of the Company and the companies in the Group, and keep the board members informed by monthly report.
- Identify and evaluate new business opportunities.
- Review and make recommendations to the Board regarding the Company's dividend policy.
- Review and approve all transactions concerning investments and disposal of assets, human resource management, finance and treasury, general administration and any other transaction related to the Company's business within the limits of delegated approval authority granted by the Board.  
The scope of the approval authority in accordance with paragraph 1, The Board of Directors has determined in writing separately.
- Oversee and manage the Company's investments and provide direction on key issues at companies in the Group before the relevant executive committee considers them.
- Review matters that require the Board's approval and make appropriate recommendations with the exception of activities that have been delegated to other Board sub-committees;
- Consider and review the Company's risk management and control system;
- The Committee may delegate its authority to any member of the management or staff as it deems appropriate. However, such authority does not permit the Committee or appointed persons to approve any transaction between them or related persons having mutual benefits or conflicts of interest (as prescribed in the Company's articles of association and Notifications of the Securities Exchange Commission). The approval for transactions shall be in accordance with the policies and principles already determined by the Board and regulatory bodies;
- Engage consultants or independent persons to provide opinions or advice if necessary;
- The Committee may ask members of the management or other persons to attend its meetings or provide pertinent information as necessary;
- Report to the Board on a quarterly basis regarding the material actions taken by the Committee under the CEO Report agenda;
- Annually review its own performance and assess the adequacy of this charter, which may be done in conjunction with the annual evaluation of the Board and its other committees, conducted under the oversight of the Nomination and Governance Committee ; and
- Take any other action or assume any other powers and responsibilities that may from time to time be assigned or delegated to the Committee by the Board.

The scope of duty and authority of Executive Committee is specifically written in the charter of Executive Committee.

In 2014, the Executive Committee was held 8 times for consideration the matters which have been informed in advance for example; monthly performance of the Company and its subsidiaries, financial statement of each quarter, and etc.

# RECRUITMENT AND NOMINATION OF DIRECTORS AND HIGH LEVEL OF EXECUTIVES

## INDEPENDENT DIRECTOR

Qualification of the Independent Director has already been stated in topic Corporate Governance. For the nomination of independent director will be provided below.

## DIRECTORS AND TOP LEVEL OF EXECUTIVES

### Directors Nomination and Appointment Process

The Board empowers Nomination and CG Committee (NCG) to determine standards and other criteria in selecting a qualified person to act as a director of the Company under the Company's Articles of Association and relevant laws, as well as to nominate such a qualified person to be a director of the Company where the office is vacant or new seat is created following shareholders' approval.

Since December 2008, the Board approved the CG policy change to allow qualified minority shareholders of the Company to nominate person(s) to be considered for election as director(s) of the Company in the shareholders meeting. In order to allow the Shareholders to fully exercise their right, the Board granted the right to shareholders holding in the aggregate of the outstanding voting shares to nominate an individual to become a director 3 months in advance before the end of the Company's accounting period, during the 1st of October to the 30th of December of each year.

In nominating a candidate for the director position, the NCG considers the educational background and professional experience of each nominated candidate

before making recommendation supported by relevant information to the Board or Shareholders Meeting for consideration and decision.

It is also the policy of the Company that in every AGM meeting, one third of the directors shall resign from their positions but are eligible to seek re-election. In case that number of the directors cannot be divided into three, the closest to one third of the directors shall resign from their positions. In the first and second year following the listing of the Company on the Stock Exchange of Thailand, the directors required to resign were determined from the drawing of lots. In subsequent years, the longest serving directors had to resign but were eligible to seek re-election to remain on the Board.

In the event the office of director is vacant due to reasons other than the rotational scheme described above, the Board shall elect a person who is qualified and has no prohibited characteristics in accordance with Clause 68 of the Public Company Act, B.E. 2535. The successful candidate will replace the vacated director in the Board meeting following the candidate's election. Unless the remaining tenure of the

director vacating office is less than two months, a director who has been elected as a replacement shall retain this position only up to the remaining tenure of such preceding director.

As stipulated in the Company's Articles of Association, the shareholders meeting shall elect directors under the following rules and procedures.

- (1) All shareholders have voting rights equivalent to the number of shares being held.
- (2) Each shareholder may use all votes set forth in (1) to elect one or more directors. In case of election of a number of directors, those votes may not be divided in any proportion for any particular director.
- (3) Those who receive the highest respective votes shall be elected as directors in a number equal to those to be

elected at such a meeting. In cases of tied votes cast, which would result in the number of directors greater than that permitted for the time being, the presiding chairman shall have a casting vote.

The Company has not determined the maximum number of occasions a director can be re-elected, or his/her age, but will take into consideration his/her time, capability and knowledge devoted to the Company in performing duties. However, for an independent director, The Company determines that an independent director shall not serve the directorship for more than three consecutive terms or a total of nine years. However, for the benefit of the Company, the Board of Directors may review to extend the independent director's term but shall not be longer than 3 years.

### Top Level of Executives Nomination and Appointment Process

The Board has authorized the Nomination and Governance Committee to set up succession planning criteria and to nominate the CEO, Managing Director (Top Executive) and senior management by consultation with the Chairman of the

Executive Committee to evaluate potential successors and report to the Board for consideration. The succession plan shall be reviewed annually.



## GOVERNANCE OF SUBSIDIARY OR JOINT VENTURE

The company has 2 subsidiaries which are;

1. Teleinfo Media Public Company Limited (TMC) hold 100% of total shares
2. AD Venture Public Company Limited (ADV) hold 100% of total shares

The governance structure of the Board in subsidiary is as follows;

1. **Nomination and CG Committee (NCG) will consider and select a qualified person to be a representative of the Company to act as a director or executive in the subsidiary before propose to the board for approval. NCG also review an appropriate of such position regularly and report to the Board.**
2. **The Board has specified the roles and authorities of directors in subsidiary as follows;**
  - **The roles and authorities of directors in subsidiary**
    - To carry out duties in accordance with the laws, the objectives, the Articles of Association of the Company, and the resolutions of the shareholders' meeting in good faith and with care to preserve the interests of the Company.
    - To determine vision, policy, and direction of the Company, as well as to oversee and superintend the management to be in line with the policy effectively and efficiently for maximizing corporate value and shareholders' wealth.
    - To consider, to approve or propose to shareholders to approve where the case may be, major transactions about business operations of the Company and its subsidiaries, such as new investment and asset acquisition or disposal and other transactions specified by law.
    - To arrange to have a reliable accounting system, financial reports, auditing, as well as oversee the evaluation process for an appropriate, effective, and efficient internal control, internal auditing, risk management, financial reporting, and monitoring. There should be an independent sector, to monitor and annually review such system. This information should be disclosed in the annual report.
    - Provide a system and organized process in receiving complaint. The regulations of such matters are provided in Reporting and Investigation of Misconduct and or Fraud and Whistleblower Protection Policy.
  - To oversee not having a case of conflict of interests between the concerned person(s) of the Company, as well as to approve connected and conflicting transactions.
  - To appoint or delegate any power to any other person(s) to conduct the Company's business subject to the control of and within the time frame as may be specified by the Board, whereby such appointment or delegation of power may, at any time, be cancelled, revoked, withdrawn or amended. Provided that the said appointment or delegation of power shall not be made in the manner that the Board or the person appointed or delegated then be able to approve any transaction to be entered into between the Board, the person appointed or delegated by the Board, or any person who may have conflicts of interest or any other benefits (as stipulated by the Office of the Securities and Exchange Commission) and the Company or the Company's subsidiaries, unless the approval for such transactions is in compliance with the policy and rules already approved by the Board.
  - To determine each director and executive to have a duty in preparing and submitting the Report of Securities Holding in the Company by himself (herself), his(her) spouse, his(her) immature children, to the SEC, by using the 59-1 and 59-2 form, and by the timeframe stipulated in the Notification of the SEC no. Sor Jor 12/2552.

List of the CSL representatives in subsidiaries as a Director in subsidiary are as follows;

TMC		ADV	
Position in TMC	Name and Position in CSL	Position in ADV	Name and Position in CSL
Board Member and Executive Committee (EXCOM)	1. Ms.Suphajee Suthumpun (Board and Chairman EXCOM of CSL) 2. Mr. Vuth Asvasermcharoen (Board & EXCOM members-CSL) 3. Mr. Lee Han Kheng (Board & EXCOM members-CSL) 4. Mr. Anant Kaewruamvong (Board & EXCOM members, CEO and MD-CSL)	Board Member	1. Mr. Anant Kaewruamvongs (Board & EXCOM members, CEO and MD, CSL) 2. Mr. Anuwat Sanguansuppayakorn (CFO-CSL)

- **Authorities of executive in subsidiary;**

- Conduct their duties as assigned
- In case the executive is also an Executive Committee (EXCOM) the duties are as follows;
  - To determine the policies, directions, strategies and core management structure for business operations in line with economic and competitive conditions that have been defined and declared to Shareholders, for approval by the Board.
  - To determine the business plans, budgets, and working authority limits of the Company for approval by the Board.
- To monitor efficient policy implementation and operating procedures according to favorable business conditions and report to the Board.
- To monitor the Company's operating performance to be in line with the approved business plan and report the comparison between actual performance and the plan to EXCOM and Board for consideration.
- To report the Company's performance and financial to the Board on the monthly basis.
- Others as assigned by the Board.

The company has assigned Mr. Anuwat Sanguansuppayakorn, Chief Finance Officer (CFO) to act as a Finance and Accounting Director (FDA) in Teleinfo Media Public Company Limited (TMC)

### 3. Internal Audit in subsidiary

We designated the management to be director or management in the subsidiaries and affiliate. To date, the subsidiaries were required to report its operating

performance to the monthly Executive Committee Meeting. The Office of Internal Audit is also required to monitor and evaluate the adequacy of their internal control systems.



## USE OF INSIDE INFORMATION

The Company's Code of Conduct specifies that the directors, management, and staff, at all levels, shall not use market sensitive inside information of the Group for their own or others' interests before such information is disclosed to the market and investing public.

Although investment and trading in the Group's securities is the individual's right and freedom, the Code of Conduct requires the directors, management, and staff to avoid or suspend trading of the Group's securities for a period of one month prior to the disclosure of all financial statements to the public in order to prevent the conflict of interest.

In addition, for compliance with the clause No. 59 of the Securities and Exchange Act, B.E. 2535, the Company requires the directors and management, including their spouse and minor child to report their securities holding and changes using the prescribed form and on the timing specified by the regulation. Such reports are presented to and acknowledged by the Board on quarterly basis.

The distribution of information relating to the Company shall be made only by the person having direct responsibility, or being specifically assigned, on the basis of fact, correctness, and prudence.

## AUDIT FEE

### 1. Audit Fee

In 2014, the Company and its subsidiaries paid auditor fee as follows:

- The Company paid audit fee to the auditor's firm in the amount of Baht 1,52,3000 (excluded out of pocket expenses).
- The Subsidiaries paid audit fees to the auditor's firm in the amount of Baht 880,000 (excluded out of pocket expenses).

### 2. Non-audit Service fee

- In 2014, the Company and its subsidiaries had no any paid the non-audit service fee to the auditor's firm.
- The Company and its subsidiaries had non- audit service fee from uncompleted service in 2014 in the amount of Baht 192,500.

## COMPLYING WITH GOOD CORPORATE GOVERNANCE IN OTHER MATTERS

-None-



# ROLES OF SOCIAL RESPONSIBILITY

WE AIM AT BEING A STRONG ICT BUSINESS GROUP AS WELL AS BEING ABLE TO RESPOND THE NEEDS OF CUSTOMERS AND SOCIETY WITH VARIOUS AND COMPLETE ICT SERVICE THAT REACH THE INTERNATIONAL STANDARD. WE FOCUS ON USING BOTH TECHNOLOGIES AND HUMAN RESOURCES AND BUILDING TRUSTWORTHINESS FOR INVESTORS AND STAKEHOLDERS. TO INCREASE COMPANY'S BUSINESS VALUE AND PROMOTE SUSTAINABLE GROWTH, WE OPERATE OUR BUSINESS WITH FAIRNESS, HONESTY AND TRANSPARENCY BASED ON THE INTERNATIONAL CORPORATE GOVERNANCE PRINCIPLE. IN ACCORDANCE WITH THE FUNDAMENTAL VALUE OF THE LEADING COMPANIES, THE BOARD OF COMMITTEE, THE ADMINISTRATORS AND THE EMPLOYEES ARE WILLING TO WORK WITH DEVOTION TO ACHIEVE THE COMPANY'S MAXIMUM BENEFIT. WITH UNDERSTANDING AND BELIEFS, WE WILL STRICTLY AND HABITUALLY FOLLOW THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND BUSINESS ETHICS OF THE COMPANY UNTIL THEY BECOME OUR GOOD ORGANIZATIONAL CULTURE.

In 2014, we had a road map for customer and social responsibilities by focusing on the 4 aspects;

1

Educational support in community nearby

2

More volunteer activities for employee

3

Developed high quality product and service

4

Collective Anti-Corruption

## EDUCATION SUPPORT IN COMMUNITY NEARBY

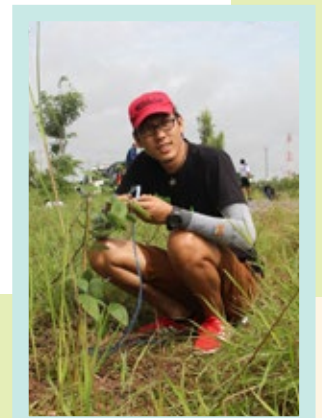


## SMART CLICK PROJECT: SMART CLICK MOTIVATING CREATIVITY AND SUPPORTING EDUCATION IN NEARBY COMMUNITY

We trained the teachers from the offices of the non-formal and informal education in Huai Khwang District, Bueng Kum District, Phayathai District and Wang Thonglang District on how to create basic websites by using the content management system. The training led to the use of websites in educational systems. Additionally, we promoted Web hosting as a channel to publicize useful activities that the educational institutions had to the communities. According to the Stock Exchange of Thailand, corporate governance must promote social service activities by focusing on the activities around the company.

Moreover, in 2015, we have a policy to continue the community learning center project by cooperating with the offices of the non-formal and informal education in the 4 districts. We are promoting each community's activities involving vocational development, brand design to increase values of local products as well as the communities' websites that we and the offices of the non-formal and informal education started last year.

## MORE VOLUNTEER ACTIVITIES FOR EMPLOYEE



### “PLUK RADCHAPREUK RIM THANG PLUK ROM MAI NGARM THA-WAI POR LUANG” PROJECT: THE INTOUCH COMMUNITY DEVELOPMENT VOLUNTEER

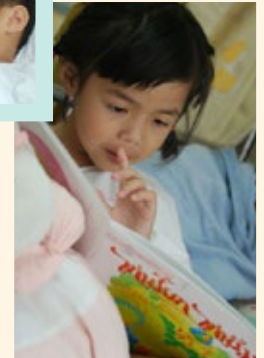
“Pluk Radchapreuk Rim Thang Pluk Rom Mai Ngarm Tha-wai Por Luang” project was the project presented by our employees and won the contest. It was also granted by the INTOUCH group under the project “the INTOUCH community development volunteer”. This project was implemented along the rural roads 4024 and 2037 in Thatako district in Nakhon Sawan province. Nakhon Sawan province was selected for the project because it was severely affected by the flood in 2011.

The big trees along the roads died from the flood crisis. As a result, the scenery that used to be shady for the farmer to rest disappeared. Therefore, the staff members of the project coordinated with Wat Pa Siri Wattana Wisut under patronage of Her Royal Highness Princess Galya Wattana in Thum Nop subdistrict, Tha Tako district, Nakhon Sawan province to grow “Golden

Shower” tree, the national tree. The staffs cooperated with the temple and the community to plant and take care of the trees which were 16-kilometers long. In the first phase, 1,500 baby plants (2 kilometers long), were planted in Honor of His Majesty the King. This planting project was taken as an opportunity for the community members to work for their own community bringing back beautiful scenery and shady areas to both sides of the roads that lead to the temple and the community. In addition, the planting project was to add green areas to the community and more shady areas for the farmers.

In 2015, the INTOUCH community development volunteer project will continue to support good community development projects proposed by its employees to promote sustainable development.





### “ROD KHEN NI THAN SAN KHWAM HUANG YAI” PROJECT: MENTAL AND EMOTIONAL RESTORATION OF SICK CHILDREN IN THE HOSPITAL

In 2014, we promoted mental and emotional restoration of sick children in the hospital which was a part of the project entitled “Rod Khen Ni Than San Khwam Huang Yai”. We sent fairy books to Tambon Pla Pa Health Promoting Hospital in Pla Pa sub district, Poo Reua district, Loei province. The project aimed

to stimulate the sick children in the hospital to learn as well as to reduce their boredom, loneliness and depression. It also aimed to restore the emotion and mental health of the sick children and encourage them to fight with their illness.



### “WE THUM DEE THUM DAI THUM DUAI CHUAN PLUK PA CHAI LEN KLONG KONE IN SAMUT SONGKHRAM PROVINCE”

The employer’s representatives participated in the volunteer activity entitled “We Thum Dee Thum Dai Thum Duai Chuan Pluk Pa Chai Len in Klong Kone, Samut Songkhram Province”. We focused on the activities that require collaboration of the employees and promote good relationships between them. Moreover, this project led to the public benefits corresponding to the company’s policy, “Operating the business under the principles of good corporate governance and corporate social

and environmental responsibilities for sustainable development on business, society, and environment.” The aforementioned responsibilities are a part of the key policy that the company gives importance along with its business operation to achieve the same goal which includes operating the business with morality and transparency under the laws, as well as respecting the members of the community and society and environment.

## DEVELOPED HIGH QUALITY PRODUCT AND SERVICE



### PROMISING RESELLER 2013 ASIA BY MILESTONE SYSTEMS



The “Promising Reseller 2013 Asia” awarded by Milestone Systems, a software development company, an expert in IP Camera branded Milestone from Denmark. The award represented our success in marketing as well as product development and picture management system service through IP Camera.



### “BEST SELLER AWARD 2013 THE WINNER OF FORTINET” THE BEST SELLER IN ICT SECURITY SYSTEM



“Best Seller Award 2013 The Winner of Fortinet” awarded by ITDC, the sale representative officially assigned by the world leading brand Fortinet, the pioneer of multi threat security technology. This award was presented to a company whose selling from ITCD was the best in 2013. The award guaranteed the success and the growth in security solution of a complete ICT service provider.



## CS LOXINFO AND 300 BEST PUBLIC COMPANIES OF THE YEAR 2014



300 Best Public Companies of The Year 2014 was the selection of the best companies whose business profits were outstanding. The selection criteria involved the size of the firm, the ability to make a profit and the return of investment. The ranking of the best public companies benefited investors to make an investing decision. The 3 factors of the criteria were as follows;

### Factor

1

- Market Capitalization
- Assets
- Shareholder's Equity

### Factor

2

- Revenue
- Net Profit
- Earnings per Share
- Net Margin

### Factor

3

- Return on Equity
- Return on Asset
- Dividend Yield



## COLLECTIVE ANTI CORRUPTION



We insist to operate our business with honesty, transparency and accuracy under good governance discipline and anti every kind of bribery and corruption. We do not offer any money, attractions, gifts or extra privilege by any means to customers, business partners, external agencies or government officers for business advantage purpose. Additionally, we do not give a reward or a bribe for convenience purpose. On October 16, 2013, we received a certification to certify that we were the ally from a private sector to against corruption in Thailand's 5th National Conference on Collective Action Against Corruption in the topic of "Tackling Corruption through Public-Private Collaboration". The certification also showed the collective power against corruption.

This conference was organized by Thai Institute

of Directors Association (IOD), The Thai Chamber of Commerce, The Thai Bankers' Association, The Foreign Chamber of Commerce, Thai Listed Companies Association, The Federation of Thai Capital Market Organizations, The Federation of Thai Industries and Tourism Council of Thailand who represent the allies from the private sectors to against corruption by cooperating with Thailand Development Research Institute (TDRI).

Moreover, we signed to become a part of the Collective Action against Corruption. We would cooperate with the civil society and the international organization to set a standard for transparent business operations. On July 4, 2014, we received a certification to certify us as a member of the action from the Committee of the Collective Action Against Corruption.



In 2014, CS LOXINFO implemented another Sustainability Report based on the regulations and standards of The Stock Exchange of Thailand. In the 2014 Annual Report, the Sustainability Report was separated from the Role of Social Responsibility. The report implementation aimed to communicate with all interested persons about the policy, administration and performance on social and environmental responsibilities. CS LOXINFO had scaffolded the sustainable responsibility focusing on 3 KPIs which were quality goods and services, the highest standards for customers and fairness to its employees. The company had emphasized on the internal variable that could affect the external variable involving the shareholders environment and society. The internal variable made all interested persons understand the sustainable responsibility more than just donating things or money to support social and environmental activities.

1

#### CS LOXINFO Quality Goods and Services

- The strengths in being the leading complete ICT service provider for corporate business
- The creation of innovation
- Goods and services development policy for trustworthy
- Sustainable business in business administration

2

#### The highest standards for customers

- Sustainable business in business administration with fairness.

3

#### Fairness to employees

- Sustainable business in human rights
- Sustainable business in treatment to employees

4

#### Profit payback to the shareholders

5

#### Community and society donation

CS LOXINFO had submitted the Sustainability Report and 2014 Annual Report to the shareholders. Both reports could be downloaded from [www.csloxinfo.com](http://www.csloxinfo.com)



# AUDIT COMMITTEE REPORT

In 2014, the Audit Committee (AC) members were composed of Mr. Prathueng Srirodbang as Chairman and Mr. Gan Hui Beng, Dr. Sillapaporn Srijunpetch, and Mr. Sitthichai Chantravadee. Between the members, the AC has expertise in legal, financial management, accounting and internal control, and internal auditing respectively.

All four AC members are not directors in the parent companies, subsidiaries, affiliates, or same level subsidiaries of the Company. The AC possess qualifications as prescribed by existing laws and regulations. The AC members own no shares in the Company; take no part in the management of the Company and are not involved as auditors, consultants, business partners, or any other engagement with the Company or its related companies, which are in compliance with existing laws and regulations. In particular, the AC members have not accepted appointment to protect only the interests of directors or major shareholders.

In 2014, the AC met 8 times. In each meeting, senior management, internal auditors, and, where appropriate, external auditors also attended to provide useful evidence and information to assist the AC to carry out its duties and responsibilities under the AC Charter as well as to address matters specifically assigned by the Board. The following is a summary of significant areas specified in the AC Charter addressed during the year.

## 1 REVIEW OF FINANCIAL STATEMENTS.

The AC reviewed the Quarterly and Year End financial statements of the Company, both on a standalone and consolidated basis, together with the relevant Accounting Act before proposing them to the Board for approval. The review focused on material accounts, changes, adjustments, provisions and transactions involving as well as significant information disclosures to ensure that they were properly stated, clear, adequate, timely and meaningful for the shareholders and other users of the published financial statements. In its review of the Q3 2014 financial statements, the AC, having considered the facts of the case and business situation, concurred with the full impairment of goodwill and partial asset write down associated with an investment of the Company.

Following its review and satisfactory response to inquiries, the AC had concurred to the financial statements of 2014 as certified by the external auditor to be presented to the Board for further considerations before they were reported to the SEC, public investors and AGM.

## 2 INTERNAL CONTROL OF THE COMPANY.

The AC reviewed the adequacy of internal control of the Company on a regular basis from the reports of both internal and external auditors. The AC would bring major items of concern to the attention of the Board together with the remedial action to be taken. This approach encouraged management of the Company to have in place adequate and effective internal control in achieving operations efficiency and timely and accurate accounting of business transactions within a strong control environment. In 2014, the Company initiated implementation of control self-assessment (CSA) within selected operating departments with plans to embed this internal control Companywide in 2015.

Overall, the AC was of the opinion that the Company had adequate and appropriate internal control covering operations.

### **3 COMPLIANCE WITH THE SEC AND SET LAWS AND REGULATION AND OTHER LAWS RELEVANT TO THE COMPANY'S BUSINESS.**

The Company has a Legal & Compliance Unit that monitors, analyses and reports changes in laws, rules and regulations relevant to the Company, as well as ensures correct and complete compliance. The AC, in its reviews, also monitored to ensure the Company was in compliance with relevant laws and regulations of the SEC and SET, as well as other laws relevant to the business of the Company. The AC was of the opinion that the Company was in compliance with the relevant laws, rules, and regulations applicable to the Company.

### **4 APPOINTMENT THE EXTERNAL AUDITOR.**

The AC considered the suitability of the external auditor by reference to legal requirements, qualifications, experience and auditor independence in the quarterly and yearly financial statements review. In 2014, the AC met independently with the external auditor and his audit team 3 times. Overall, the AC was of the opinion that the auditor had performed competently in 2014.

In the meeting to consider and propose auditor and the audit fee to the Board, the AC took into account the scope of audit work and auditor performance. The AC concurred with the retention of KPMG Phoomchai Audit Ltd. (KPMG) as the auditor of the Company.

### **5 TRANSACTIONS WHICH MAY CAUSE CONFLICTS OF INTEREST.**

The Company has a policy on conflict of interest and related party transactions that is in compliance with existing laws and regulations, and clearly communicated company wide. As permitted by law, a limited authority to sanction connected transactions has been delegated to the Managing Director of the Company. Connected transactions above the delegated authority level are presented to the Board for approval beforehand. All connected transactions are identified and submitted quarterly to the AC for review. The AC was of the opinion that connected transactions in 2014 were in line with the business of the Company, on arm's length basis, and of normal commercial terms.

### **6 RISK MANAGEMENT ASSESSMENT.**

The AC reviewed the quarterly meeting results of the Risk Management Committees of the Company and its subsidiary, paying particular attention to risk factors identified, impact and their treatment or mitigation, and provided constructive suggestions on ways identified risks could be more effectively managed. The AC was of the opinion that the Company had managed risks identified in annual report 2014 in a prudent way.

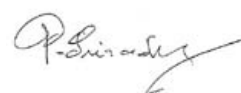
### **7 OVERSEEING COMPANY INTERNAL AUDIT FUNCTION.**

The Office of Internal Audit of the Company reports directly to the AC on a functional basis. In 2014, the AC met independently with the internal auditor 3 times to review vision, mission, strategy and effective audit policy, help set the internal audit medium term plan (3 years plan), provide suggestions for improving quality and effectiveness in internal audit through self-assessment and review and approve the internal audit annual work plan covering both the Company and its subsidiaries. In the review, the AC took into account sufficiency of risk based focus, headcount, budget, effectiveness of the underlying internal audit risk evaluation, its independence, and provided constructive suggestions to Internal Auditor on improvements.

### **8 SELF-ASSESSMENT OF THE AC.**

The AC performed self-assessment of work covered in 2014 at both individual and committee levels by reference to the AC Charter and established best practices. The results indicated, on a pragmatic basis, the scope of work covered by the AC in 2014 was in line with both the AC Charter and established good practices.

In conclusion, in 2014, the AC was of the opinion that it had fulfilled its duties and responsibilities under the AC Charter, particularly in the supervision of the internal audit function, and that the business of the Company and its subsidiaries was conducted with good governance, adequate internal control and risk management and the reported financial statements were accurately prepared and disclosed using accounting standards as defined in the Accounting Act and in compliance with relevant laws and regulations effectively.



**Mr. Prathueng Srirodbang**  
Chairman of the Audit Committee

21 January 2015



# INTERNAL CONTROL AND AUDIT

The Board is responsible for the Company's system of internal control. The audit committee, a sub-committee of the Board, is chartered to oversee the internal control system within the company that operates to safeguard the company's assets and shareholders' investments. Internal control facilitates the effectiveness and efficiency of operations, helps ensure the reliability of internal and external reporting, assist compliance with laws and regulations, and strengthens overall risk management of the environment within which the business operates. The audit committee, supported by both the internal and external auditors, evaluates working of internal control within the company on an on-going basis, reporting the results to the Board regularly.

The AC is assisted by external auditor and the internal auditors in its review and supervision of internal control operations within the Company. Both the external auditors and internal auditors are independent of Management. The Internal Audit Office reports functionally and directly to the AC and coordinates with the external auditors in providing information and opinions on internal control. The mission and annual work plan of the Internal Audit Office form the basis upon which the systems within the Company relating to internal control, risk management and corporate governance are reviewed and reported to the AC and Board of Directors.

On an annual basis, the AC also evaluates the sufficiency and effectiveness of the internal control system of the Company by reference to the following eight factors;

## 1 INTERNAL ENVIRONMENT

The Company establishes a control strong working environment with an appropriate organization structure reinforced with policy and planning, error free execution and continual monitoring and feedback mechanism. Business transactions are subject to Code of Business Ethics, and employees are held accountable to stated Code of Conduct, Misconduct, fraudulent act, and whistle blower feedback are investigated on a timely basis and reported upward to Senior Management, Internal Audit, Audit Committee, and if warranted, the Board.

In 2014, the Company qualified as a certified member of the Thailand's Private Sector Collective Action Coalition against Corruption to foster transparent, corruption free business practice.

## 2 OBJECTIVES SETTING

The Company provides each department with clearly stated objectives and goals, including strategies and operating procedures. These objectives and goals align Company's mission with business plan built with appropriate appetite level. The Company updates its business plan and strategies in line with current market situation and changing risk factors.

## 3 EVENT IDENTIFICATION

The Company leverages on its Risk Management Committee (RMC) and the experience and networking depth of its Senior Management to identify adverse and risky events on a timely basis so that the appropriate response measure can be developed and deployed. On a quarterly basis, the both outlook and assessment of the RMC are reported to both the Audit Committee and the Board.

## 4 RISK ASSESSMENT

The Company has a risk management policy which governs the operation of the Risk Management Committee (RMC) that meets quarterly to review and update the risk factors underlying the businesses. A model dimensioning the 'likelihood' and 'impact' associated with each risk factor identified is used to assist the RMC in determining the appropriate response. The assessment and resulting response are documented in the RMC report which is shared with both the Audit Committee and the Board.

In 2014, the Company took into consideration risks associated with the investment in the affiliated companies of which its business must be reviewed for effectiveness of operation continuing. In addition, the opportunities of fraud or corruption have been evaluated to ensure that the company could operate and achieve the stated goals.

## 5 RISK RESPONSE

The philosophy of the Company is risk management is the responsibility of every employee. Risks arising in the normal course of business within the operating departments (operational risks) are addressed and resolved by the operating staff concerned. Risk factors identified by the Risk Management Committee as having a high likelihood of eventuating with significant adverse impact on the Company will have appropriate cost effective measures, developed to either avoid or mitigate their impact.

## 6 CONTROL ACTIVITIES

The Company has clear policies, and guidelines that define key control activities in each operation. These policies and guidelines are reviewed on a regular basis to ensure they are consistent with and the relevant to current operating environment.

In 2014, the Company implemented control self-assessment (CSA) in selected operating departments. This form of internal control will be implemented throughout the Company in 2015.

## 7 INFORMATION AND COMMUNICATION

The Company has management information systems and communication channels through which key information relating to corporate governance, policies and regulations, procedures and practice can be communicated to employees to guide them in their personal conduct, business activities and as feedback for improving their performance in the future.

In 2014, the Company has provided the communication channel for the external party to communicate any question or concern in Corporate Governance Heading on the company's website via e-mail to the Board Committee at [board@csloxinfo.net](mailto:board@csloxinfo.net) and the audit committee at [auditcommittee@csloxinfo.net](mailto:auditcommittee@csloxinfo.net).

## 8 MONITORING

The Company tracks and monitors operating process and performance at several levels. The managers and supervisor groups are responsible for monitoring conduct and performance of their staff against acceptable behavior norms, business target, and key performance indicators. Secondly, special purpose committees like the Management Committee and Risk Management Committee monitor performance in the business areas dictated by the respective charters. Thirdly, the sub-committees of the Board, namely the Executive Committee, Audit Committee, Nomination and Governance Committee and Remuneration Committee, review the various areas of performance of the Company on a regular basis.

In the Meeting held on 22 January 2015, the Board reviewed the adequacy of internal control within the Company as presented by the Audit Committee in a format prescribed by the Securities and Exchange Commission based on COSO2013 incorporating the 5 factors namely Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring activities.

Following the review, the Board was of the opinion that the Company had adequate internal control to protect the business and its assets. The Board was of the further opinions that the Company had sufficient staff to uphold the integrity of the internal control system, and that the control monitoring system was sufficiently effective to safeguard the assets of the Company, detect conflict of interest in business contracts, identify related party transactions and unauthorized use of assets by directors or staff. The Board accepted the fact that in the Code of Conduct monitoring, the use of an external specialist had yet to be adopted as the Company was examining this possibility. The Code of Conduct report in 2014 was based on an evaluation from Internal Audit coupled with self-assessment from Management and staff.

### CHIEF OF INTERNAL AUDITOR

The AC performed its duties for supervising the internal audit and appointed Ms. Nusara Vimanan was the Head of Internal Audit and secretary by compliance with the stated qualification to perform internal audit work according to the visions and audit plan effectively and efficiently and also report the work performance to the AC regularly.

### CHIEF OF COMPLIANCE UNIT

The Company has established the Compliance Unit to examine the Company work flow in order to comply with rules, regulations and guidelines of Capital Market Supervisory Board, The SEC, The SET and other relevant unit. Mr. Anuwat Saguansappayakorn, Chief Financial Officer, as the head of Compliance Unit who had adequate knowledge and experience to perform Compliance work effectively.



# RELATED PARTY TRANSACTIONS

In 2013 and 2014, the Company and its subsidiaries entered into a number of transactions with related parties that may have conflicts of interest with the Company and its subsidiaries. These connected transactions arose in the ordinary course of doing business and according to normal trade conditions. Significant related transactions between the Company, its subsidiaries, and related companies are as follows:

## RELATED PARTY TRANSACTIONS THAT MAY LEAD TO CONFLICTS OF INTEREST

Amount (Million Baht)

Transaction Description	Amount Dec 31, 2014			Amount Dec 31, 2013		
	INTOUCH Group	SINGTEL and TEMASEK Group	Total	INTOUCH Group	SINGTEL and TEMASEK Group	Total
Total sales and services income	426.32	2.46	428.78	570.32	2.03	572.35
Total other income	1.44	-	1.44	0.03	-	0.03
Total expenses	68.44	9.61	78.05	104.77	8.76	113.53
Total trade accounts receivable and others	73.28	1.21	74.49	99.56	1.06	100.62
Total satellite uplink equipment	19.29	-	19.29	32.32	-	32.32
Total trade accounts payable and others	23.66	1.08	24.74	30.05	1.05	31.10
Total finance lease liabilities	20.93	-	20.93	33.21	-	33.21

CS LOXINFO PUBLIC COMPANY LIMITED

**INTOUCH GROUP**

Amount (Million Baht)

Related Company	Relationship	Description	Amount as at		Reasons
			Dec 31, 2014	Dec 31, 2013	
<b>ADVANCED INFO SERVICES PLC. (AIS)</b>  Mobile phone operator	INTOUCH holds 40.45% shares in this company with shared directors	<ul style="list-style-type: none"> <li>• Sales and services income</li> <li>• Other income</li> <li>• Expenses</li> <li>• Trade accounts receivable and others</li> <li>• Trade accounts payable and others</li> </ul>	9.62  - 21.80  1.19  3.21	16.49  0.03 21.08  1.77  4.01	The Company used mobile phone services from AIS and provides mobile content services via mobile phone.  <ul style="list-style-type: none"> <li>• Monthly internet and revenue sharing on mobile</li> <li>• Other services charges</li> <li>• Airtime of mobile phone and SMS broadcast</li> <li>• Monthly internet services charges and revenue sharing on mobile</li> <li>• Airtime of mobile phone and SMS broadcast</li> </ul>
<b>ADVANCED DATA NETWORK COMMUNICATION CO., LTD. (ADC)</b>  Telephone line rental for internet connection services provider	AIS holds 51% shares in this company with shared directors	<ul style="list-style-type: none"> <li>• Sales and services income</li> <li>• Expenses</li> <li>• Trade accounts receivable and others</li> <li>• Trade accounts payable and others</li> </ul>	0.37  (8.79)  0.03  0.38	0.41  28.34  0.03  13.33	The transactions were for the Company to rent and connect telephone lines in domestic of internet connection services.  <ul style="list-style-type: none"> <li>• Monthly internet services charges</li> <li>• Domestic connectivity for provisioning of internet connection services</li> <li>• Monthly internet services charges</li> <li>• Domestic connectivity for provisioning of internet connection services</li> </ul>



# INTOUCH GROUP

Amount (Million Baht)

Related Company	Relationship	Description	Amount as at		Reasons
			Dec 31, 2014	Dec 31, 2013	
<b>SUPER BROADBAND NETWORK CO.,LTD. (SBN)</b>  Telephone line rental for internet connection services provider	AIS holds 99.99% shares in this company with shared directors	<ul style="list-style-type: none"> <li>• Sales and services income</li> <li>• Expenses</li> <li>• Trade accounts receivable and others</li> <li>• Trade accounts payable and others</li> </ul>	1.34  13.54  0.09  3.56	1.16  13.59  1.21  5.21	The transactions were for the Company to rent and connect telephone lines in domestic of internet connection services.  <ul style="list-style-type: none"> <li>• Monthly internet services charges and server co-location</li> <li>• Domestic connectivity for provisioning of internet connection services</li> <li>• Computer hardware and server co-location</li> <li>• Domestic connectivity for provisioning of internet connection services</li> </ul>
<b>MATCHBOX CO.,LTD. (SMB)</b>  Advertising agency	INTOUCH holds 99.96% shares in this company with shared director	<ul style="list-style-type: none"> <li>• Sales and services income</li> <li>• Expenses</li> <li>• Trade accounts receivable and others</li> <li>• Trade accounts payable and others</li> </ul>	0.89  2.11 0.07  0.35	1.14  4.20 0.09  0.43	SMB is a company in the Group that we use it as our agent in having advertisement in various media for the customers to use our services. The fees were at the market rate.  <ul style="list-style-type: none"> <li>• Monthly internet services charges</li> <li>• Advertising expenses</li> <li>• Internet services charges</li> <li>• Advertising expenses</li> </ul>

**INTOUCH GROUP**

Amount (Million Baht)

Related Company	Relationship	Description	Amount as at		Reasons
			Dec 31, 2014	Dec 31, 2013	
<b>OTHER RELATED COMPANIES</b>	The affiliates in INTOUCH Group with shared directors	• Sales and services income	30.09	15.85	• Monthly internet services charges, call center service and revenue sharing on mobile
		• Expenses	12.96	4.45	• Expenses for services charges and others
		• Trade accounts receivable and others	5.62	4.72	• Monthly internet services charges, call center service and revenue sharing on mobile
		• Trade accounts payable and others	1.59	0.50	• Services charges and others

**SINGTEL AND TEMASEK GROUP**

Amount (Million Baht)

Related Company	Relationship	Description	Amount as at		Reasons
			Dec 31, 2014	Dec 31, 2013	
<b>SINGAPORE TELECOMMUNICATIONS LIMITED (STC)</b>	SINGTEL own 14.14% of the Company's share capital	<ul style="list-style-type: none"> <li>• Sales and services income</li> <li>• Expenses</li> <li>• Trade accounts receivable and others</li> <li>• Trade accounts payable and others</li> </ul>	<p>2.46</p> <p>6.44</p> <p>1.21</p> <p>0.78</p>	<p>2.03</p> <p>6.07</p> <p>1.06</p> <p>0.81</p>	<p>The Company provides internet services and has a monthly based services charge. It also operates the international connectivity.</p> <ul style="list-style-type: none"> <li>• Monthly internet services charges and server co-location</li> <li>• International connectivity</li> <li>• Monthly internet services charges and server co-location</li> <li>• International connectivity</li> </ul>
<b>EQUINIX SINGAPORE PTE. LTD. (EQX)</b>	Subsidiary of TEMASEK group	<ul style="list-style-type: none"> <li>• Expenses</li> <li>• Trade accounts payable and others</li> </ul>	<p>3.17</p> <p>0.30</p>	<p>2.69</p> <p>0.24</p>	<p>The Company provides internet services and has a monthly based services charge. It also operates the international connectivity.</p> <ul style="list-style-type: none"> <li>• International connectivity</li> <li>• International connectivity</li> </ul>

## THE NECESSITY AND REASONABLENESS OF TRANSACTIONS

Transaction Description	Price Policy
Revenues from monthly internet services fees	At market price
Revenues from transponder services, internet subscriber line fees, and broadband link services fees	Cost plus appropriated profits
Receivable and payable interest	At market price
Revenues and cost of agency and other commission fees	Cost plus appropriated profits
Technical services fees for IPSTAR and operating costs	At market price
Cost of server maintenance and operating costs	At market price
Telephone line rental fees for provision of internet connection	At market price
Advertising fees, telephone charges, computer program fees, accounting program fees and office rental fees	At market price
Space rental fees and server co-location, and domain name registration fees	At market price
Communication equipment maintenance fees and communication equipment rental fees	At market price

The above transactions have already been considered and approved by the Company's audit committee at the 2/2014 meeting held on February 9, 2015 with the opinion that such related transactions at present are part of normal business operations which support the group's business and are in its best interests. Consequently, the said transactions as per details above are necessary and reasonable and the return thereof is determined in consideration of appropriate market price or cost plus profit (Cost Plus).

## CONNECTED TRANSACTION APPROVAL PROCEDURE

In the connected transaction approval procedure, for the transactions that are normal business operations, such as Internet services and telephone line rental and etc., the Company will set up conditions according to normal business practice using the market price normally charged to general customers or a determined price taking into account the actual cost incurred plus reasonable profit which is the rate charged to general customers. The Company will have its audit committee, or its auditor, or a specialist provide an opinion on the reasonableness of the transaction and price suitability.

As for other connected transactions, the Company will set up conditions according to normal business practice and the market price applicable to general customers will be used. If the market price is not available, the Company

will cause an independent expert to obtain appropriate price and condition for the best benefits of the Company and its shareholders. Before taking such action, the Company has to obtain approval from the Board of Directors or shareholders as appropriate. The Company will have its audit committee, or its auditor, or a specialist provide an opinion on the reasonableness of the transaction and price suitability in approving the connected transaction to support the decision of the Company's Board of Directors or shareholders as the case may be.

The Company complies with the regulations of the SEC and SET on information disclosure of connected transactions, acquisition of major assets of the Company and its affiliates, and the accounting standards established by Federation of Accounting Profession.

## POLICIES AND FUTURE TREND OF CONNECTED TRANSACTIONS

It is projected that connected transactions in the future will still consist of normal business operations. Future connected transactions shall be in accordance with the above approval procedure.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## EXECUTIVE SUMMARY AND OVERVIEW FOR YEAR 2014

CS Loxinfo ("CSL") reported revenue from sales and services for 2014 of Baht 3,014 million, maintained against Y2013. This was due to growth of ICT revenue can offset a decline of Voice and Mobile Content revenue.

However, profit from the operation (excluded impairment loss of goodwill and investment in YellowPages Business) for Y2014 was Baht 400 million or Baht 0.67 per share, a decrease of Baht 62 million from Y2013. This was due to the profit from ICT Business cannot be offset a decline of Voice and Mobile Content Business performance, that was directly impacted from the softening economy and lower purchasing power, in parallel with, the extension of an expiration date for prepaid telephone cards. Therefore, the Company is coping with the customers' behavior change and new technology trend by focusing on selected/developing new contents to provide a variety of services in order to attract consumers' wants and usages, parallel with, developing various new applications for smartphones users and corporate segment.

### Significant events: Impairment loss for goodwill and investment in YellowPages Business

In 3Q2014, the Company recognized impairment loss for goodwill and investment in Teleinfo Media Plc. (YellowPages Business) of Baht 550 million and of Baht 443 million in the Consolidated Financial Statement and Stand-alone Financial Statement, respectively, which was complied with the generally accepted accounting practice. This was due to a continuous decrease of YellowPages's performance. By recognizing that loss from impairment, the Company showed net loss of Baht 150 million in the Consolidated Financial Statement for Y2014.

However, this impairment loss was non-cash item and did not affect to normal operations. The EGM was therefore convened on December 2014 to consider and approve the transfer of our legal reserve as well as premium of ordinary shares to compensate for the Company's retained loss with the result that the Company would be able to continue dividend payments, if the Company has profit. By the way, the Company had net income from an operation in the Consolidated Financial Statement and Stand-alone Financial Statement for 4Q2014 of Baht 96 million and Baht 106 million, respectively.

Therefore, the Board of Directors' meeting held on 10 February 2015 had passed a resolution to recommend to the Annual General Meeting of Shareholders, for the payment of dividends for the 4Q2014 performance of Baht 0.16 per share. The proposed dividend must be approved by the shareholders at their meeting, which will hold on 25 March 2015.

## BUSINESS SUMMARY



### ICT BUSINESS

In Y2014, ICT Business continuously grew from previous year, especially in Internet Data Center (IDC) service, ICT Solution services and Cloud Computing.

At present, The Company had the official launch of a new Internet Data Center Building, (THE CLOUD DATA CENTER), which is fully equipped with state-of-the-art technology and safety systems that meet international standards and are designed to serve state organizations, commercial banks, online content providers, media and telecommunications

companies as well as the industrial sector. By offering five key strengths: 1) High availability architecture, 2) Direct global connectivity, 3) Environmental friendliness, 4). Safe and convenient location, and 5) Wide range of flexible, value-added services. Firstly, its capacity can be served for 350 racks, which had a good response the customers.

As at the end of the end of 4Q2014, CSL had corporate client subscribers as follows;

Number of Subscribers	4Q2013	3Q2014	4Q2014
Leased Line (sub)	4,905	5,420	5,498
Internet Data Center: IDC (rack)	364	423	434

The number of subscribers for Leased line and Internet Data Center (IDC) services continuously grew over 3Q2014. This was a result from the growth of new customers and bandwidth usage for our corporate customers.



## YELLOWPAGES BUSINESS

Operated by Teleinfo Media Plc. ("TMC"), a subsidiary, is the commercial search provider and largest directory publisher. Its database consists of all types of products and services nationwide such as a business listing for business-to-business (B2B) and business to customers (B2C).

Currently, the revenue from the publishing of the Thailand YellowPages has continued to decline. This was due to the change in advertisers' behavior that favored migration to online and other media channels that were cheaper, in parallel with, soften economy and lower purchasing power.

Thus, the Company has been putting more effort into focusing on publishing various new virtual books in order to compensate for a decline in the sale of advertising space in the Thailand Yellow Pages, such as "Factory", "Builder Guide", "Spare parts" etc., in parallel with integrating print and online media to add more valued-added to advertisers. This enabled YellowPages Business to have better performance, compared to Y2013. (Y2014: net loss 6 MB vs. Y2013: net loss 34 MB)



## VOICE AND MOBILE CONTENT BUSINESS

This business comprises of 1) Voice Info Services Segment which operated by Teleinfo Media Plc. ("TMC"), and 2) Mobile Content Segment which operated by AD Venture Plc. ("ADV"). The main revenue streams of these businesses come from information inquiries via the 1188 call center and content products such as general news, entertainment news, and horoscopes via Short Message Services (SMS) through all mobile phone networks and the Audiotex system (1900xxx).

During 2014, Voice Info Services and Mobile Content Business was directly impacted by the softening economy and lower purchasing power, in parallel with, the extension of an expiration date for prepaid telephone cards announced by NBTC. This led customers to change their spending to use more voice calls than other content usages. Therefore, the Company is coping with new technology trend and customers' behavior change by focusing on selected/ developing new contents to provide a variety of services in order to attract consumers' wants and usages, parallel with, developing various new applications for smart phones users and expending to corporate segment.



## OPERATING RESULTS

The consolidated financial statement for the year ending 31 December 2014 compared to the consolidated financial statement for the year ending 31 December 2013.

Unit : MB

	Period		Change (%)
	2013	2014	
Revenues from sales and services	3,014	3,014	-
Other incomes	37	31	(16)
<b>Total revenue</b>	<b>3,051</b>	<b>3,045</b>	<b>(0.2)</b>
Cost of sales and services	1,709	1,801	5
SG&A expenses	748	727	(3)
Financial cost	10	15	50
<b>Operating profit</b>	<b>584</b>	<b>502</b>	<b>(14)</b>
Income tax	122	102	(16)
<b>Net profit before extra. items</b>	<b>462</b>	<b>400</b>	<b>(13)</b>
Impairment loss	-	550	100
<b>Net profit (loss)</b>	<b>462</b>	<b>(150)</b>	<b>(132)</b>
<b>Earning (loss) per share</b>	<b>0.78</b>	<b>(0.25)</b>	<b>(132)</b>



## TOTAL REVENUE FROM SALES AND SERVICES

CS LoxInfo Plc. earned Baht 3,014 million in total revenue from sales and services in Y2014. The main revenue streams were, firstly, ICT Business; secondly, Media and Advertising on Yellow Pages; and thirdly, Voice Info Services & Mobile Content Services business. The details are as below;

### 1. Revenue from ICT Business

Revenue from ICT Business for 2014 was Baht 2,222 million, an increase of Baht 167 million or 8% over last year (Baht 2,055 million). The details are as below;

Revenue from ICT Business	2013 (MB)	2014 (MB)	Change (%)
Leased Line Services	1,302	1,364	5
Internet Data Center Services (IDC)	185	226	22
ICT Solution Services	459	536	17
Broadband Services	64	46	(28)
Other value added services	45	50	11
<b>Total</b>	<b>2,055</b>	<b>2,222</b>	<b>8</b>

Revenue from core products and services, Leased line, Internet Data Center (IDC) and ICT Solution services had continuously grown, especially in revenue from Internet Data Center and ICT Solution services grew up 22% and 17% over last year, respectively. While revenue from broadband

services had continued to decrease due to intense price competition and CSL has putting more effort to focus on providing ICT Solution Service in order to conform to current customers' demands.

### 2. Revenue from Media and Advertising on YellowPages

Revenue from Media and Advertising on YellowPages for 2014 was Baht 289 million, a decrease of Baht 43 million or 13% against last year (Baht 332 million) due to the continual decline from the sale of advertising space in 2014 Thailand

YellowPages. This was due to the change in advertisers' behavior that favored migration to online and other media channels that were cheaper, in parallel with, soften economy and lower purchasing power.

### 3. Revenue from Voice Info Services & Mobile Content Services

Revenue from Voice Info Services & Mobile Content Services for 2014 was Baht 502 million, a decrease of Baht 124 million or 20% against last year (Baht 626 million). This was due to the softening economy and lower purchasing power, in parallel with, the extension of an expiration date

for prepaid telephone cards announced by The National Broadcasting and Telecommunications Commission (NBTC). This led customers to change their spending to use more voice calls than other content usages.



## COST OF SALES AND SERVICES

Costs for sales and services for 2014 was Baht 1,801 million, an increase of Baht 92 million or 5% over last year (Baht 1,709 million). The details are given below;

### 1. Cost of ICT Business

Cost associated with ICT Business for 2014 was Baht 1,462 million, increased of Baht 85 million or 6% over last year (Baht 1,377 million). This mainly resulted from an increase of cost associated with ICT & Cloud project sales, internet network cost rental fee and electricity fee for Internet Data Center (IDC) services, which rely on its revenue.

### 2. Cost of Media and Advertising on YellowPages

Cost of Media and Advertising on YellowPages for 2014 was Baht 105 million, a decrease of Baht 33 million or 24% over last year (Baht 138 million). This was due to cost & expenses control in order to compensate with a decline of its revenue.

### 3. Cost of Voice Info Services & Mobile Content Services

Cost of Voice Info Services & Mobile Content Services for 2014 was Baht 234 million, an increase of Baht 40 million or 21% over last year (Baht 194 million). This resulted from an increase of cost of content and an expanding in Outsource Call Center services.



## SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses for 2014 was Baht 727 million, a decrease of Baht 21 million or 3% from last year (Baht 748 million). The details are given below;

### 1. Selling and administrative expenses of ICT Business

Selling and administrative expenses of ICT Business for 2014 was Baht 473 million, an increase of Baht 30 million or 7% over last year (Baht 443 million), mainly increased from selling and marketing expenses to boot its sales and launch the new Internet Data Center Building (THE CLOUD DATA CENTER) and staff expenses.

### 2. Selling and administrative expenses of Media and Advertising on YellowPages

Selling and administrative expenses of Media and Advertising on YellowPages for 2014 was Baht 198 million, a decrease of Baht 42 million or 18% against previous year (Baht 240 million) due to SG&A control in order to compensate the decline of its revenue.

### 3. Selling and administrative expenses of Voice Info Services & Mobile Content Service

Selling and administrative expenses of Voice Info Services & Mobile Content Services for 2014 was Baht 56 million, a decrease of Baht 8 million or 13% against last year (Baht 64 million). This was due to lower marketing spending.



## EXTRAORDINARY ITEM

In 3Q2014, the Company has recognized an impairment loss for goodwill (in the Consolidated Financial Statement) and an impairment loss for investment (in the Separated Financial Statement) in Teleinfo Media Public Company Limited (YellowPages Business, a subsidiary) in amount of

Baht 550 million and Baht 443 million, respectively. This was due to the advertising space sales in YellowPages books continuously decreasing. However, the loss from impairment is a non-cash item that has no impact on the operation and the liquidity of the Company.



## GROSS PROFIT AND NET PROFIT FROM THE OPERATION

In Y2014, CSL had gross profit of Baht 1,213 million, a decrease of Baht 92 million or 7% against previous year (Baht 1,305 million). Moreover, net profit from operation (excluded impairment loss for goodwill) for Y2014 was Baht 400 million, a decrease of Baht 62 million or 13% against previous year (Baht 462 million). This was mainly resulted from a decline of Voice and Mobile Content Business performance, which

was directly impacted from the softening economy and lower purchasing power, in parallel with, the extension of an expiration date for prepaid telephone cards announced by The National Broadcasting and Telecommunications Commission (NBTC). This led customers to change their spending to use more voice calls than other content usages.

## FINANCIAL POSITION

The major asset components comprise of the following;

	31 December 2013		31 December 2014	
	MB	% of total assets	MB	% of total assets
Cash and cash equivalents	282	13	386	21
Trade accounts receivable, accrued income and other receivable	539	24	491	26
Other current assets	76	3	44	2
<b>Total current assets</b>	<b>897</b>	<b>40</b>	<b>921</b>	<b>49</b>
Property, plant and equipment - net	597	27	815	43
Goodwill	550	25	-	-
Other non-current assets	173	8	159	8
<b>Total assets</b>	<b>2,218</b>	<b>100</b>	<b>1,895</b>	<b>100</b>
Short-term loans	-	-	230	12
Trade and other accounts payable	406	18	436	24
Current portion of long-term loans	60	3	60	3
Unearned income and advances received	260	12	186	10
Other current liabilities	47	2	42	2
<b>Total current liabilities</b>	<b>773</b>	<b>35</b>	<b>954</b>	<b>51</b>
Loan term loan	60	2	160	8
Other non-current liabilities	171	8	169	9
<b>Total liabilities</b>	<b>1,004</b>	<b>45</b>	<b>1,283</b>	<b>68</b>
Issued and paid-up share capital	149	7	149	8
Premium on ordinary shares	462	21	321	17
Legal reserve	31	1	5	0
Unappropriated (Deficit)	572	26	137	7
<b>Total equity</b>	<b>1,214</b>	<b>55</b>	<b>612</b>	<b>32</b>



## ASSETS

As at 31 December 2014, CSL had total assets of Baht 1,895 million, a decrease of Baht 323 million or 15% from the end of Y2013. This was due to the following:

- Cash and cash equivalents increased Baht 104 million or 37% from the continuously growth of ICT Business
- Trade accounts receivable, accrued income and other receivable – net decreased Baht 48 million or 9% from Y2013, mainly from withholding tax can be refunded from the Revenue Department and advance from equipment under construction for The Cloud Data Center which had been completed and transferred to fixed assets in 3Q14
- Other current assets decreased Baht 32 million from internet equipment of ICT Solution service that had been delivered to customers at the end of year 2014
- Property, plant and equipment increased Baht 218 million from an expanding of new Internet Data Center Building of ICT Business
- Goodwill - net decreased 550 million Baht from the end of last year. This was resulted from the recognition of impairment loss of Teleinfo Media Plc. (YellowPages Business) due to the continuously decrease in its advertising revenue.



## LIABILITIES AND EQUITY

### Liabilities

As of 31 December 2014, CSL had total liabilities of Baht 1,283 million, an increase of Baht 279 million or 28% from the end of Y2013. This was mainly resulted from a short-term loan from a financial institution of Baht 230 million for the

working capital, and the additional drawdown of the long-term loans from a financial institution net off the principle repayment during the year in amount of Baht 100 million for an expansion in new Internet Data Center of ICT Business.

### Total Equity

As of 31 December 2014, CSL had total equity of Baht 612 million, a decrease of Baht 602 million or 50% from the end of Y2013. This was due to the following;

- Profit from the operation for Y2014 of Baht 400 million or Baht 0.67 per share
  - Total Dividend payment of Baht 452 million (2HF2013 dividend payment of Baht 208 million (Baht 0.35 per share) and 1HF2014 interim dividend payment of Baht 244 million (Baht 0.41 per share))
  - Recognized impairment loss for goodwill (YellowPages Business) 550 million Baht
- However, the impact from the recognition of impairment loss led the Company to have retained loss in the Statement of Financial Position (Balance Sheet) as at 30 September 2014 of Baht 172 million. The EGM was therefore convened on December 2014 to consider and approve the transfer of our legal reserve as well as premium of ordinary shares to compensate for the Company's retained loss with the result that the Company would be able to continue dividend payments, if the Company has profit. By the way, the Company had net income from an operation in the Consolidated Financial Statement and Stand-alone Financial Statement for 4Q2014 of Baht 96 million and Baht 106 million, respectively.

## ASSETS QUALITY

### Accounts Receivable Analysis

As of 31 December 2014, the Company had trade accounts receivable and accrued net income – net of Baht 405 million or 21% of total assets. The trade accounts receivable comprised of third parties and related parties, representing 83% and 17% of total trade accounts receivable, respectively. The average collection period was 50 days; increased from 46 days in Y2013 (normal collection period of the Company was 15 – 120 days). As at 31 December 2014, the Company had an allowance for doubtful accounts of Baht 57 million or 14% of total trade accounts receivable. The allowance covered the trade accounts receivable over 12 months.

Normal credit term of trade Accounts receivable based on business segments are as follows;

### ICT Business

Trade accounts receivable consists of two types of customer:

- Individual customers equal to 2% of total trade accounts receivable, provided with a credit term of 30 days
- Corporate customers and government agencies equal to 98% of total trade accounts receivable provided with a credit term of 30 – 90 days

### Media and Advertising on YellowPages Business

- 1 Full payment with a credit term of 30 days
- 2 For advertisers of YellowPages – BKK books shall pay as follows;
  - Full amount with a credit term of 30 days for advertisers which has an amount of less than Baht 35,000
  - Four installments within 120 days for advertisers which has an amount of equal or more than Baht 35,000

### Voice Info Services & Mobile Content Business

Normal credit term is 30 days

## LIQUIDITY

The liquidity of CSL remained a healthy status. As at 31 December 2014, the Company's current ratio was 0.97 times, slightly decrease from 1.16 times in Y2013. This was resulted from an increase of short-term loan from a financial institution of Baht 230 million for the working capital, and the additional drawdown of the long-term loans from a financial institution net off the principle repayment during the year in amount of Baht 100 million for an expansion in new Internet Data Center of ICT Business.

The Company had cash flow from operations for Y2014 of Baht 586 million, an increase of Baht 118 million or 25% from

the same period of last year, which was stood at Baht 468 million. This was due to a continuous growth of ICT Business.

Furthermore, the Company also had cash flow from investment for Y2014 of Baht 328 million, an increase of Baht 32 million from Y2013, which was stood at Baht 297 million. This was due to an additional expanding in new Internet Data Center Building for ICT Business which had the official launch in 3Q2014.

As at 31 December 2014, the Company had ending cash of Baht 386 million in consolidated financial statement.



# BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for CS LoxInfo Public Company Limited's financial statements and CS LoxInfo Public Company Limited and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with Thai Financial Reporting Standards, using careful judgment and the best estimations. Important information is adequately and transparently disclosed in the notes to financial statements to the Company's shareholders and investors.

The Board of Directors has provided and maintained a risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weaknesses that may be presented in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy and financial reports, internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party

transactions. All their comments on these issues have been included in the Audit Committee Report which is presented in this annual report.

The financial statements of the Company and the consolidated financial statements of Company and its subsidiaries have been examined by an external auditor, Mr. Supot Singhasaneh (CPA No. 2826) of KPMG Phoomchai Audit Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors believes that the Company's overall internal control system is sufficiently effective to ensure the integrity and reliability of CS LoxInfo Public Company Limited's financial statements and CS LoxInfo Public Company Limited and its subsidiaries' consolidated financial statements for the year ended December 31, 2014. The Board of Directors also believes that all these financial statements have been prepared in accordance with Thai Financial Reporting Standards and related regulations.

**Professor Wongkulpat Snidvongs na Ayudyha**  
Chairman of the Board of Directors

**Ms. Suphajee Suthumpun**  
Chairman of the Executive Committee





# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of CS Loxinfo Public Company Limited

I have audited the accompanying consolidated and separate financial statements of CS Loxinfo Public Company Limited and its subsidiaries (the "Group") and of CS Loxinfo Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated and Separate Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on

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

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

### Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**D. Pimhananul.**

(Supot Singhasaneh)

Certified Public Accountant

Registration No. 2826

KPMG Phoomchai Audit Ltd.

Bangkok

10 February 2015

# STATEMENT OF FINANCIAL POSITION

## CS Loxinfo Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2014	2013	2014	2013
		(in Baht)			
Current assets					
Cash and cash equivalents	5	386,197,914	281,991,496	241,585,238	108,362,631
Trade accounts receivable and accrued income	6	404,559,269	412,895,590	273,735,201	239,988,627
Other receivables	7	86,190,536	125,843,423	32,081,512	60,857,228
Inventories	8	42,824,272	68,005,994	36,099,240	62,308,815
Other current assets		1,287,985	8,387,223	719,223	4,632,597
Total current assets		921,059,976	897,123,726	584,220,414	476,149,898
Non-current assets					
Investments in subsidiaries	9	-	-	155,563,997	598,658,388
Property, plant and equipment	10	814,586,413	597,487,869	758,432,731	525,229,355
Goodwill	11	-	550,013,793	-	-
Other intangible assets	12	82,511,088	95,384,287	61,430,890	63,327,894
Deferred tax assets	13	52,981,878	53,764,629	27,278,154	25,799,915
Other non-current assets		23,623,771	23,823,535	15,329,644	15,141,249
Total non-current assets		973,703,150	1,320,474,113	1,018,035,416	1,228,156,801
Total assets		1,894,763,126	2,217,597,839	1,602,255,830	1,704,306,699

The accompanying notes are an integral part of these financial statement.

# STATEMENT OF FINANCIAL POSITION

## CS Loxinfo Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2014	2013	2014	2013
		(in Baht)			
Current liabilities					
Short-term loans from financial institutions	14	230,000,000	-	230,000,000	-
Trade accounts payable	15	265,345,856	274,063,792	238,708,312	234,300,226
Other payables	16	170,508,333	131,730,007	125,454,426	88,809,048
Current portion of long-term loans					
from financial institution	14	60,000,000	60,000,000	60,000,000	60,000,000
Current portion of finance lease liabilities	14	15,353,640	13,811,878	14,840,749	12,625,348
Unearned income and advance receipts		185,595,430	259,626,481	71,411,487	103,386,464
Income tax payable		12,045,972	21,611,696	2,677,359	-
Other current liabilities		15,070,371	11,685,533	12,508,344	8,316,912
Total current liabilities		953,919,602	772,529,387	755,600,677	507,437,998
Non-current liabilities					
Long-term loans from financial institution	14	160,000,000	60,000,000	160,000,000	60,000,000
Finance lease liabilities	14	11,595,227	25,541,439	10,701,418	21,697,526
Employee benefit obligations	17	133,679,505	123,012,100	79,035,707	69,979,991
Other non-current liabilities		23,698,038	22,874,521	20,295,824	18,925,304
Total non-current liabilities		328,972,770	231,428,060	270,032,949	170,602,821
Total liabilities		1,282,892,372	1,003,957,447	1,025,633,626	678,040,819

The accompanying notes are an integral part of these financial statement.

# STATEMENT OF FINANCIAL POSITION

## CS Loxinfo Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2014	2013	2014	2013
Liabilities and equity	Note				
		(in Baht)			
Equity	18				
Share capital					
Authorised share capital		148,628,692	148,628,692	148,628,692	148,628,692
Issued and paid-up share capital		148,628,692	148,628,692	148,628,692	148,628,692
Additional paid-in capital					
Premium on ordinary shares	18	321,205,395	462,211,565	321,205,395	462,211,565
Retained earnings					
Appropriated					
Legal reserve	19	5,339,406	31,364,288	5,339,406	31,364,288
Unappropriated		136,697,261	571,435,847	101,448,711	384,061,335
Total equity		611,870,754	1,213,640,392	576,622,204	1,026,265,880
Total liabilities and equity		1,894,763,126	2,217,597,839	1,602,255,830	1,704,306,699

The accompanying notes are an integral part of these financial statement.

# STATEMENT OF COMPREHENSIVE INCOME

## CS Loxinfo Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2014	2013	2014	2013
<i>(in Baht)</i>					
<b>Continuing operations</b>					
<b>Income</b>					
Revenue from sale of goods and rendering of services		3,013,436,880	3,013,648,227	2,222,047,826	2,055,932,237
Investment income	22	2,921,517	5,631,329	210,997,226	311,530,523
Other income	23	28,547,740	31,572,756	21,177,303	15,409,459
<b>Total income</b>		<b>3,044,906,137</b>	<b>3,050,852,312</b>	<b>2,454,222,355</b>	<b>2,382,872,219</b>
<b>Expenses</b>					
Revenue from sale of goods and rendering of services		1,800,668,379	1,708,593,609	1,461,931,373	1,374,391,621
Selling expenses		139,529,313	168,446,355	100,293,832	96,758,693
Administrative expenses		560,157,747	552,128,607	345,126,460	323,212,993
Impairment losses on goodwill and investment in subsidiary	9, 11	550,013,793	-	443,094,391	-
Management benefit expenses	4	27,215,336	27,151,502	27,215,336	27,151,502
Finance costs	26	15,184,782	9,998,087	12,993,743	8,792,212
<b>Total expenses</b>		<b>3,092,769,350</b>	<b>2,466,318,160</b>	<b>2,390,655,135</b>	<b>1,830,307,021</b>
<b>Profit (loss) before income tax expense</b>		<b>(47,863,213)</b>	<b>584,534,152</b>	<b>63,567,220</b>	<b>552,565,198</b>
Income tax expense	27	102,072,505	122,187,379	61,379,710	49,327,559
<b>Profit (loss) for the year</b>		<b>(149,935,718)</b>	<b>462,346,773</b>	<b>2,187,510</b>	<b>503,237,639</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>(149,935,718)</b>	<b>462,346,773</b>	<b>2,187,510</b>	<b>503,237,639</b>
<b>Earnings (loss) per share</b>	28				
Basic earnings (loss) per share		(0.25)	0.78	0.004	0.85

The accompanying notes are an integral part of these financial statement.

# STATEMENT OF CHANGES IN EQUITY

## CS Loxinfo Public Company Limited and its Subsidiaries

		Consolidated financial statements				
		Issued and paid-up share capital	Share premium	Retained earnings		Total equity
	Note			Legal reserve	Unappropriated	
Year ended 31 December 2013		(in Baht)				
Balance at 1 January 2013		148,628,692	462,211,565	31,364,288	495,526,849	1,137,731,394
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company	29	-	-	-	(386,437,775)	(386,437,775)
Total transactions with owners, recorded directly in equity		-	-	-	(386,437,775)	(386,437,775)
Comprehensive income for the year						
Profit or loss		-	-	-	462,346,773	462,346,773
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	462,346,773	462,346,773
Balance at 31 December 2013		148,628,692	462,211,565	31,364,288	571,435,847	1,213,640,392

The accompanying notes are an integral part of these financial statement.

# STATEMENT OF CHANGES IN EQUITY

## CS Loxinfo Public Company Limited and its Subsidiaries

		Consolidated financial statements				
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
				Legal reserve	Unappropriated	
Year ended 31 December 2014	29	(in Baht)				
Balance at 1 January 2014		148,628,692	462,211,565	31,364,288	571,435,847	1,213,640,392
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company		-	-	-	(451,833,920)	(451,833,920)
Total transactions with owners, recorded directly in equity		-	-	-	(451,833,920)	(451,833,920)
Comprehensive income for the year						
Profit or loss		-	-	-	(149,935,718)	(149,935,718)
Other comprehensive income		-	-	-	-	
Total comprehensive income for the year		-	-	-	(149,935,718)	(149,935,718)
Transfer legal reserve to compensate for the deficits		20	-	-	(31,364,288)	31,364,288
Transfer premium on ordinary shares to compensate for the deficits	20	-	(141,006,170)	-	141,006,170	-
Transfer to legal reserve	19	-	-	5,339,406	(5,339,406)	-
Balance at 31 December 2014		148,628,692	321,205,395	5,339,406	136,697,261	611,870,754

The accompanying notes are an integral part of these financial statement.

# STATEMENT OF CHANGES IN EQUITY

## CS Loxinfo Public Company Limited and its Subsidiaries

		Separate financial statements				
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
				Legal reserve	Unappropriated	
Year ended 31 December 2013	29	(in Baht)				
Balance at 1 January 2013		148,628,692	462,211,565	31,364,288	267,257,431	909,461,976
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company		-	-	-	(386,433,735)	(386,433,735)
Total transactions with owners, recorded directly in equity		-	-	-	(386,433,735)	(386,433,735)
Comprehensive income for the year						
Profit or loss		-	-	-	503,237,639	503,237,639
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	503,237,639	503,237,639
Balance at 31 December 2013		148,628,692	462,211,565	31,364,288	384,061,335	1,026,265,880

The accompanying notes are an integral part of these financial statement.



# STATEMENT OF CHANGES IN EQUITY

## CS Loxinfo Public Company Limited and its Subsidiaries

		Separate financial statements				
		Issued and paid-up share capital	Share premium	Retained earnings		Total equity
	Note			Legal reserve	Unappro- priated	
(in Baht)						
Year ended 31 December 2014						
Balance at 1 January 2014		148,628,692	462,211,565	31,364,288	384,061,335	1,026,265,880
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company	29	-	-	-	(451,831,186)	(451,831,186)
Total transactions with owners, recorded directly in equity		-	-	-	(451,831,186)	(451,831,186)
Comprehensive income for the year						
Profit or loss		-	-	-	2,187,510	2,187,510
Other comprehensive income		-	-	-	-	
Total comprehensive income for the year		-	-	-	2,187,510	2,187,510
Transfer legal reserve to compensate for the deficits	20	-	-	(31,364,288)	31,364,288	-
Transfer premium on ordinary shares to compensate for the deficits	20	-	(141,006,170)	-	141,006,170	-
Transfer to legal reserve	19	-	-	5,339,406	(5,339,406)	-
Balance at 31 December 2014		148,628,692	321,205,395	5,339,406	101,448,711	576,622,204

The accompanying notes are an integral part of these financial statement.

# STATEMENT OF CASH FLOWS

## CS Loxinfo Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2014	2013	2014	2013
		(in Baht)			
<i>Cash flows from operating activities</i>					
Profit (loss) for the year		(149,935,718)	462,346,773	2,187,510	503,237,639
<i>Adjustments for</i>					
Depreciation	10	132,702,730	137,679,791	108,196,184	112,795,252
Amortisation of intangible assets	12	20,418,358	21,713,993	11,802,732	12,355,152
Impairment losses on goodwill and investment in subsidiary	9, 11	550,013,793	-	443,094,391	-
Impairment losses on intangible assets	12	6,809,760	-	-	-
Investment income	22	(2,921,517)	(5,631,329)	(210,997,226)	(311,530,523)
Finance costs	26	15,184,782	9,998,087	12,993,743	8,792,212
Unrealised (gain) loss on exchange					
Doubtful debts expense		(1,772)	49,741	(1,772)	49,741
Allowance for decline in value of inventories		18,708,648	17,544,081	5,889,492	3,685,783
(Gain) loss on disposal of property, plant and equipment		417,953	(307,652)	90,254	(258,370)
Loss on disposal of intangible assets		84,014	5,642,504	14	1,865,710
Employee benefit expenses		14,277,674	15,053,199	6,305,052	6,070,524
Write-off of withholding tax		-	72,367	-	-
Income tax expense	27	102,072,505	122,187,379	61,379,710	49,327,559
		708,113,641	792,113,711	441,222,515	386,390,679

The accompanying notes are an integral part of these financial statement.

# STATEMENT OF CASH FLOWS

## CS Loxinfo Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2014	2013	2014	2013
		(in Baht)			
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable and accrued income		(10,372,327)	(75,649,030)	(39,636,066)	(41,796,697)
Other receivables		21,989,477	(3,045,353)	8,941,681	(9,381,641)
Inventories		24,899,291	(27,073,940)	25,927,144	(28,662,549)
Other current assets		7,099,238	(1,934,453)	3,913,374	(910,633)
Other non-current assets		199,764	(712,229)	(188,395)	(325,200)
Trade accounts payable		(8,717,936)	(55,119,145)	4,408,086	(56,268,420)
Other payables		14,064,975	(4,842,411)	13,431,923	(1,574,422)
Unearned income and advance receipts		(74,031,051)	16,402,160	(31,974,977)	13,786,348
Other current liabilities		3,384,838	(4,754,207)	4,191,432	(2,371,418)
Other non-current liabilities		823,517	(257,764)	1,370,520	(257,767)
Cash generated from operating activities		687,453,427	635,127,339	431,607,237	258,628,280
Employee benefits paid		(8,306,036)	(17,735,455)	-	(620,620)
Refundable withholding tax		31,558,870	-	22,096,990	-
Income tax paid		(124,750,938)	(149,847,186)	(62,443,546)	(56,927,247)
<b>Net cash from operating activities</b>		<b>585,955,323</b>	<b>467,544,698</b>	<b>391,260,681</b>	<b>201,080,413</b>
<i>Cash flows from investing activities</i>					
Interest received		2,921,517	5,683,375	970,753	1,451,011
Dividends received		-	-	210,026,473	310,079,512
Purchase of property, plant and equipment		(319,569,097)	(273,063,061)	(310,168,599)	(247,904,134)
Sale of property, plant and equipment		3,144,970	567,444	610,363	515,165
Purchase of intangible assets		(14,275,243)	(29,523,399)	(9,378,428)	(14,377,394)
<b>Net cash from (used in) investing activities</b>		<b>(327,777,853)</b>	<b>(296,335,641)</b>	<b>(107,939,438)</b>	<b>49,764,160</b>

The accompanying notes are an integral part of these financial statement.

# STATEMENT OF CASH FLOWS

## CS Loxinfo Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2014	2013	2014	2013
		(in Baht)			
Cash flows from financing activities					
Interest paid		(15,622,304)	(5,492,657)	(15,376,366)	(6,371,044)
Dividends paid to owners of the Company	29	(451,833,920)	(386,437,775)	(451,831,186)	(386,433,735)
Finance lease payments		(16,516,600)	(7,194,248)	(12,892,856)	(6,149,351)
Proceeds from loans from financial institution		520,000,000	160,000,000	520,000,000	160,000,000
Proceeds from loan from related party		-	-	-	140,000,000
Repayment of loans from financial institution		(190,000,000)	(118,300,000)	(190,000,000)	(118,300,000)
Repayment of loans from related party		-	-	-	(140,000,000)
Net cash used in financing activities		(153,972,824)	(357,424,680)	(150,100,408)	(357,254,130)
Net increase (decrease) in cash and cash equivalents		104,204,646	(186,215,623)	133,220,835	(106,409,557)
Cash and cash equivalents at 1 January		281,991,496	468,256,860	108,362,631	214,821,929
Effect of exchange rate changes on balances held in foreign currencies		1,772	(49,741)	1,772	(49,741)
Cash and cash equivalents at 31 December	5	386,197,914	281,991,496	241,585,238	108,362,631
Non-cash transactions					
Acquisitions of equipment through credit		28,438,121	5,118,854	26,449,472	4,583,331
Acquisitions of intangible assets through credit		1,394,084	-	1,347,314	-

The accompanying notes are an integral part of these financial statement.

# NOTES TO THE FINANCIAL STATEMENTS

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# NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 10 February 2015.

## 1. General information

CS Loxinfo Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400.

The Company was listed on the Stock Exchange of Thailand in April 2004.

The Company’s major shareholders during the financial year were DTV Service Co., Ltd., a subsidiary of Thaicom Public Company Limited, incorporated in Thailand (42.07% shareholding) and Singapore Telecommunications Limited, incorporated in Singapore (14.14% shareholding).

The principal activities of the Company are the provision of internet data centre services, internet and satellite uplink-downlink services for domestic and international communications. The principal activities of the Group also include printing and publishing of telephone directories businesses and providing mobile contents. Details of the Company’s subsidiaries as at 31 December 2014 and 2013 are given in notes 4 and 9.

The Company entered into concession agreements with CAT Telecom Public Company Limited (“CAT”) for a period of 22 years from 9 August 1994 to 8 August 2016 to provide satellite uplink-downlink and satellite internet services.

The National Broadcasting and Telecommunications Commission (“NBTC”) has current responsibility for granting licenses to provide internet access services in Thailand. The Company operates the business to provide internet and telecommunication services under licenses granted by NBTC as follows:

Type of license	Issue date	Period	Total revenue used in calculation of fees payable to NBTC	
			2014	2013
(in thousand Baht)				
Internet Operation License Type I	8 September 2014	5 years	712,367	714,231
Telecom Operation License Type I	11 October 2014	5 years	390	1,075
Internet Operation License Type II	26 April 2012	5 years	125,394	114,027
Telecom Operation License Type III	20 December 2007	15 years	13,802	13,030

The fees payable to NBTC consist of the annual license fees and the USO fees. The Notification of the NBTC dated 29 May 2012 “The Criteria and Procedures for the Payment of the Universal Service Obligation (USO)” prescribes that the authorised licensee shall pay for the USO fees at a rate of 3.75% per annum of the net income (total telecommunications business and internet service revenues after deduction of expenses as specified by the NBTC). The Notification becomes effective on the day following the date of its publication in the Government Gazette (Date of Publication: 30 May 2012).

According to the conditions specified by NBTC, provided that the authorised licensee is not in significant violation of the conditions specified in the license, NBTC will consider renewing the license as normal procedure.

## 2. Basis of preparation of the financial statements

### (a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group's operations and effective for accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TIC 32	Intangible Assets-Web Site Costs

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 34.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis, except where otherwise stated.

**(c) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

**(d) Use of estimates and judgements**

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 3(r)	Current and deferred taxation
Note 6	Allowance for doubtful accounts
Note 8	Allowance for decline in value of inventories
Note 9 & 11	Key assumptions used in discounted cash flow projections
Note 10	Utilisation of plant and equipment
Note 12	Utilisation of intangible assets
Note 13	Utilisation of tax losses
Note 17	Measurement of defined benefit obligations
Note 30	Valuation of financial instruments
Note 32	Contingent liabilities



### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

##### *Business combinations*

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the above result is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

##### *Acquisitions from entities under common control*

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

#### *Loss of control*

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

### **(b) Foreign currencies**

#### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Foreign exchange differences arising on translation are recognized in profit and loss.

### **(c) Derivative financial instruments**

The Group uses financial instruments to manage exposure to fluctuations in foreign exchange rate. These instruments, which mainly comprise forward foreign currency contracts, are recorded in the financial statements on the contract date. The purpose of these instruments is to manage risk.

Forward foreign exchange contracts protect the Group from fluctuations in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Forward contracts are recorded as forward contracts receivable and payable on inception, and are translated at the year end exchange rate. Unrealised gains or losses on transactions are recognised in profit or loss. Premiums or discounts are amortised on a straight-line basis over the contract period.

### **(d) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

### **(e) Trade and other accounts receivable**

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

### **(f) Inventories**

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of production overheads based on normal operations.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

**(g) Investments**

*Investments in subsidiaries*

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

**(h) Property, plant and equipment**

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

*Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Building and leasehold improvements	5-10 years
Internet and printing equipment	3-5 years
Furniture, fixtures and office equipment	5-18 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### (i) **Intangible assets**

##### *Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

##### *Equipment under concession agreements*

Equipment under concession agreements represents internet networks, servers, fiber optic networks and other operating equipment, which has been transferred to CAT Telecom Public Company Limited under concession agreements. Concession assets are stated at the historical cost less accumulated amortisation. They are amortised on a straight-line basis over the shorter of the estimated useful lives of these assets, ranging from five to ten years, or the remaining concession period. Concession assets are not revalued. The carrying amount of concession assets is reviewed annually and adjusted for impairment where it is considered necessary.

##### *Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

##### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

##### *Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Computer software is amortised over its useful life, which is estimated by management, of 3-10 years. Fiber optics license is amortised over the remaining concession period (end of the contract on 14 June 2021).

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(j) Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

*Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(k) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

**(l) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(m) Employee benefits**

*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

*Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

#### *Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

#### *Termination benefits*

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptance can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

#### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plan if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### **(n) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### **(o) Revenue**

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

#### *Sale of goods and services rendered*

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenue from rendering of internet services and other services is recognised when services are provided to customers. Revenue from design and implementation contract for Internet, Computer, and Telecommunication services (ICT) is recognised by reference to the stage of completion at the end of the reporting period and in the accounting period in which the services are rendered.

Revenue from sale of advertising space in telephone directories is recognised on a monthly basis over the useful life of the telephone directory. Other service income is recognised as services are provided.

Advances from customers will be released to income when services are provided.

#### *Investments*

Revenue from investments comprises dividend and interest income from investments and bank deposits.

#### *Dividend income*

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

#### *Interest income*

Interest income is recognised in profit or loss as it accrues.

### **(p) Finance costs**

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

### **(q) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

#### *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

### **(r) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accrual for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(s) Earnings (loss) per share**

The Group presents basic earnings (loss) per share (EPS) data for its ordinary shares. Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

**(t) Segment reporting**

Segment results that are reported to the Group's executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## **4. Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationships with subsidiaries are described in note 9. Relationship with other related parties were as follows:



Name of entities	Country of incorporation	Nature of relationships
DTV Service Co., Ltd. ("DTV")	Thailand	Major shareholder, 42.07% shareholding
Singapore Telecommunications Limited	Singapore	Major shareholder, 14.14% shareholding
Thaicom Public Company Limited ("THAICOM")	Thailand	Hold 99.99% in DTV and shared directors
Intouch Holdings Public Company Limited ("INTOUCH") (Formerly Shin Corporation Public Company Limited) and its related parties	Thailand	The Company is within the group companies of INTOUCH Group.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales of goods and services	Market price
Purchases of goods and services	Market price
Interest expense	Average rate of return plus 0.25%
Management fee	Mutually agreed basis as a fixed monthly fee

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Major shareholders</b>				
Sales of goods and rendering of services	39,147	29,246	39,092	29,246
Purchases of goods and services	24,150	28,955	24,121	28,926
Interest expense	2,822	2,024	2,822	2,024
Other expenses	226	658	220	301
<b>Subsidiaries</b>				
Sales of goods and rendering of services	-	-	5,022	5,144
Dividend income	-	-	210,026	310,080
Other income	-	-	-	388
Purchases of goods and services	-	-	14,457	11,580
Interest expense	-	-	-	1,125
Other expenses	-	-	300	238

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Other related parties</b>				
Sales of goods and rendering of services	389,627	543,103	10,018	8,942
Other income	1,443	25	-	-
Purchases of goods and services	19,897	54,283	18,939	51,022
Other expenses	30,947	27,605	3,705	4,387
<b>Key management personnel</b>				
Key management personnel compensation	27,215	27,152	27,215	27,152

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Trade accounts receivable</b>				
Major shareholders	10,524	3,771	10,524	3,771
Subsidiaries	-	-	545	574
Other related parties	62,888	94,060	1,867	2,743
	<b>73,412</b>	<b>97,831</b>	<b>12,936</b>	<b>7,088</b>
<b>Accrued income</b>				
Major shareholders	1,071	2,793	1,071	2,793
	<b>1,071</b>	<b>2,793</b>	<b>1,071</b>	<b>2,793</b>
<b>Total trade accounts receivable and accrued income</b>	<b>74,483</b>	<b>100,624</b>	<b>14,006</b>	<b>9,881</b>
<b>Property, plant and equipment</b>				
Major shareholders	19,291	32,321	19,291	32,321
<b>Total</b>	<b>19,291</b>	<b>32,321</b>	<b>19,291</b>	<b>32,321</b>
<b>Trade accounts payable</b>				
Major shareholders	14,556	5,343	14,547	5,331
Subsidiaries	-	-	4,106	3,424
Other related parties	9,856	25,284	6,014	19,668
<b>Total</b>	<b>24,412</b>	<b>30,627</b>	<b>24,667</b>	<b>28,423</b>
<b>Other payables</b>				
Other related parties	320	474	35	77
<b>Total</b>	<b>320</b>	<b>474</b>	<b>35</b>	<b>77</b>

Movements during the years ended 31 December of short-term loan from related party were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Subsidiary</b>				
At 1 January	-	-	-	-
Increase	-	-	-	140,000
Decrease	-	-	-	(140,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Short-term loan from a related party of Baht 140 million bore interest at 2.69% per annum and was fully repaid on 13 December 2013.

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Finance lease liabilities</b>				
Major shareholders				
Current	13,594	12,281	13,594	12,281
Non-current	7,333	20,927	7,333	20,927
<b>Total</b>	<b>20,927</b>	<b>33,208</b>	<b>20,927</b>	<b>33,208</b>

#### *Significant agreements with related parties*

- The Group has entered into agreements with I.T. Applications and Services Company Limited, a related party, to receive computer system maintenance services. The agreement has a 1-year period and is renewable on an annual basis. The contract parties have a right to terminate the agreement by giving advance written notice of 3 months.
- The Company entered into a lease agreement with THAICOM to rent satellite uplink equipment for a period of approximately 32 - 42 months. The contract parties have a right to terminate the agreement by giving advance written notice of 30 days.
- A subsidiary has entered into a service agreement with MIMO Tech Co., Ltd. ("MMT"), a related party, to provide mobile content services for its network, by sharing the revenue as agreed in each service. The agreement is renewable annually unless there is a cancellation in writing with a 30 day notice period.
- A subsidiary has entered into a service agreement with Advanced Contact Center Co., Ltd. ("ACC"), a related party, to arrange the agents and provide call centre operation to execute each of incoming call service. The contract parties have a right to terminate the agreement by giving advance written notice of 60 days.

## 5. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Cash on hand	138	130	54	77
Cash at banks - current accounts and saving accounts	266,117	172,791	191,531	108,286
Highly liquid short-term investments	119,943	109,070	50,000	-
<b>Total</b>	<b>386,198</b>	<b>281,991</b>	<b>241,585</b>	<b>108,363</b>

Cash and cash equivalents of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

The interest rates of deposits held with banks and promissory notes were ranging from 0.125% - 1.985% per annum (2013: 0.625% - 2.25% per annum).

## 6. Trade accounts receivable and accrued income

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
(in thousand Baht)					
Trade accounts receivable					
Related parties	4	73,412	97,831	12,936	7,088
Other parties		351,308	349,749	242,992	226,598
		424,720	447,580	255,928	233,686
Accrued income					
Related parties	4	1,071	2,793	1,071	2,793
Other parties		36,267	20,015	27,428	9,702
		37,338	22,808	28,499	12,495
Total trade accounts receivable and accrued income		462,058	470,388	284,427	246,181
Less allowance for doubtful accounts		(57,499)	(57,492)	(10,692)	(6,192)
Net		404,559	412,896	273,735	239,989
Bad and doubtful debts expense for the year		18,709	17,544	5,889	3,686

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Related parties</b>				
Within credit terms	53,563	78,774	5,128	3,176
Overdue:				
Less than 3 months	13,281	15,974	2,600	1,877
3-6 months	4,004	1,002	3,214	-
6 - 12 months	570	434	-	388
Over 12 months	1,994	1,647	1,994	1,647
	<b>73,412</b>	<b>97,831</b>	<b>12,936</b>	<b>7,088</b>
<b>Other parties</b>				
Within credit terms	205,537	183,050	173,283	138,510
Overdue:				
Less than 3 months	87,260	103,225	55,818	72,369
3-6 months	15,798	18,078	2,471	2,182
6 - 12 months	12,214	20,084	3,180	9,356
Over 12 months	30,499	25,312	8,240	4,181
	<b>351,308</b>	<b>349,749</b>	<b>242,992</b>	<b>226,598</b>
Less allowance for doubtful accounts	(57,499)	(57,492)	(10,692)	(6,192)
	<b>293,809</b>	<b>292,257</b>	<b>232,300</b>	<b>220,406</b>
<b>Net</b>	<b>367,221</b>	<b>390,088</b>	<b>245,236</b>	<b>227,494</b>

The normal credit term granted by the Group ranges from 15 days to 120 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Thai Baht (THB)	422,580	446,050	253,788	232,156
United States Dollars (USD)	2,140	1,530	2,140	1,530
<b>Total</b>	<b>424,720</b>	<b>447,580</b>	<b>255,928</b>	<b>233,686</b>

## 7. Other receivables

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Other parties</b>				
Prepaid expenses	26,505	18,554	19,981	14,668
Deferred costs	23,497	37,020	-	-
Tax refundable	31,981	49,644	9,001	28,835
Advance payments	3,223	17,398	3,100	17,354
Others	985	3,227	-	-
<b>Total</b>	<b>86,191</b>	<b>125,843</b>	<b>32,082</b>	<b>60,857</b>

## 8. Inventories

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Finished goods	24,930	34,877	24,504	32,833
Projects in progress	11,076	28,920	11,076	28,920
Raw materials	6,603	4,282	-	-
Supplies	830	585	830	585
	43,439	68,664	36,410	62,338
Less allowance for decline in value	(615)	(658)	(311)	(29)
<b>Net</b>	<b>42,824</b>	<b>68,006</b>	<b>36,099</b>	<b>62,309</b>
Inventories recognised as an expense in 'cost of sales of goods'	293,447	234,494	291,384	230,080

## 9. Investments in subsidiaries

	Separate financial statements	
	2014	2013
<i>(in thousand Baht)</i>		
At 1 January	598,658	598,658
Allowance for impairment	(443,094)	-
<b>At 31 December</b>	<b>155,564</b>	<b>598,658</b>

During the year ended 31 December 2014 there were no acquisitions and disposals of investments in subsidiaries.

*Teleinfo Media Public Company Limited ("TMC")*

The significant declining trend of the print advertising industry has affected the operating results of TMC. As a consequence, the Company has assessed and recorded the impairment of investment in TMC in amount of Baht 443 million in the separate financial statements for the year ended 31 December 2014.

*AD Venture Public Company Limited ("ADV")*

At the annual general meeting of the shareholders of ADV held on 3 April 2014, the shareholders approved the appropriation of dividend of Baht 83.75 per share, amounting to Baht 90 million. ADV paid the dividend to shareholders on 11 April 2014.

At the meeting of the Board of Directors of ADV held on 28 May 2014, the directors approved the appropriation of interim dividends of Baht 37.22 per share, amounting to Baht 40 million. ADV paid the dividend to shareholders on 13 June 2014.

At the meeting of the Board of Directors of ADV held on 20 August 2014, the directors approved the appropriation of interim dividends of Baht 37.22 per share, amounting to Baht 40 million. ADV paid the dividend to shareholders on 4 September 2014.

At the meeting of the Board of Directors of ADV held on 18 December 2014, the directors approved the appropriation of interim dividends of Baht 37.22 per share, amounting to Baht 40 million. ADV paid the dividend to shareholders on 26 December 2014.

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended, were as follows:

Name of subsidiary	Type of business	Separate financial statements											
		Ownership interest		Paid-up capital		Cost		Impairment		At cost – net		Dividend income	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		(%)						(in thousand Baht)					
Teleinfo Media Public Company Limited	Publishing telephone directories and advertising	99.99	99.99	156,544	156,544	562,694	562,694	(443,094)	-	119,600	562,694	-	-
AD Venture Public Company Limited	Providing mobile contents	99.99	99.99	10,748	10,748	35,964	35,964	-	-	35,964	35,964	210,026	310,080
<b>Total</b>						<b>598,658</b>	<b>598,658</b>	<b>(443,094)</b>	<b>-</b>	<b>155,564</b>	<b>598,658</b>	<b>210,026</b>	<b>310,080</b>

All subsidiaries were incorporated in Thailand.

## 10. Property, plant and equipment

	Consolidated financial statements						
	Land	Building improvements	Internet equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
	(in thousand Baht)						
<b>Cost</b>							
At 1 January 2013	630	21,501	1,169,330	477,706	15,791	26,062	1,711,020
Additions	101,046	-	69,836	54,042	5,716	78,458	309,098
Transfers	-	-	-	61,545	-	(61,545)	-
Disposals	-	-	(3,158)	(68,612)	(2,576)	-	(74,346)
<b>At 31 December 2013 and 1 January 2014</b>	<b>101,676</b>	<b>21,501</b>	<b>1,236,008</b>	<b>524,681</b>	<b>18,931</b>	<b>42,975</b>	<b>1,945,772</b>
Additions	-	29,117	75,817	44,270	5,234	197,696	352,134
Transfers	-	95,008	32,591	78,854	-	(205,223)	1,230
Disposals	-	-	(42,676)	(14,440)	(5,231)	-	(62,347)
<b>At 31 December 2014</b>	<b>101,676</b>	<b>145,626</b>	<b>1,301,740</b>	<b>633,365</b>	<b>18,934</b>	<b>35,448</b>	<b>2,236,789</b>
<b>Depreciation</b>							
At 1 January 2013	-	4,676	1,010,462	260,689	8,863	-	1,284,690
Depreciation charge for the year	-	4,338	61,064	69,762	2,516	-	137,680
Disposals	-	-	(3,156)	(68,581)	(2,349)	-	(74,086)
<b>At 31 December 2013 and 1 January 2014</b>	<b>-</b>	<b>9,014</b>	<b>1,068,370</b>	<b>261,870</b>	<b>9,030</b>	<b>-</b>	<b>1,348,284</b>
Depreciation charge for the year	-	3,291	54,902	71,441	3,069	-	132,703
Disposals	-	-	(42,305)	(13,723)	(2,756)	-	(58,784)
<b>At 31 December 2014</b>	<b>-</b>	<b>12,305</b>	<b>1,080,967</b>	<b>319,588</b>	<b>9,343</b>	<b>-</b>	<b>1,422,203</b>
<b>Net book value</b>							
<b>At 1 January 2013</b>							
Owned assets	630	16,825	158,868	217,017	1,883	26,062	421,285
Assets under finance leases	-	-	-	-	5,045	-	5,045
	<b>630</b>	<b>16,825</b>	<b>158,868</b>	<b>217,017</b>	<b>6,928</b>	<b>26,062</b>	<b>426,330</b>
<b>At 31 December 2013 and 1 January 2014</b>							
Owned assets	101,676	12,487	135,317	262,288	5,391	42,975	560,134
Assets under finance leases	-	-	32,321	523	4,510	-	37,354
	<b>101,676</b>	<b>12,487</b>	<b>167,638</b>	<b>262,811</b>	<b>9,901</b>	<b>42,975</b>	<b>597,488</b>
<b>At 31 December 2014</b>							
Owned assets	101,676	133,321	201,482	313,777	5,605	35,448	791,309
Assets under finance leases	-	-	19,291	-	3,986	-	23,277
	<b>101,676</b>	<b>133,321</b>	<b>220,773</b>	<b>313,777</b>	<b>9,591</b>	<b>35,448</b>	<b>814,586</b>



	Separate financial statements						
	Land	Building improvements	Internet equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
	(in thousand Baht)						
<b>Cost</b>							
At 1 January 2013	630	17,552	869,231	401,752	7,610	18,144	1,314,919
Additions	101,046	-	69,836	36,928	3,626	74,093	285,529
Transfers	-	-	-	50,077	-	(50,077)	-
Disposals	-	-	(3,158)	(15,380)	(2,576)	-	(21,114)
<b>At 31 December 2013 and 1 January 2014</b>	<b>101,676</b>	<b>17,552</b>	<b>935,909</b>	<b>473,377</b>	<b>8,660</b>	<b>42,160</b>	<b>1,579,334</b>
Additions	-	29,117	75,817	34,921	5,235	196,191	341,281
Transfers	-	95,008	32,591	76,173	-	(202,952)	820
Disposals	-	-	(42,676)	(12,324)	(841)	-	(55,841)
<b>At 31 December 2014</b>	<b>101,676</b>	<b>141,677</b>	<b>1,001,641</b>	<b>572,147</b>	<b>13,054</b>	<b>35,399</b>	<b>1,865,594</b>
<b>Depreciation</b>							
At 1 January 2013	-	3,491	748,421	204,528	5,727	-	962,167
Depreciation charge for the year	-	3,899	61,064	46,645	1,187	-	112,795
Disposals	-	-	(3,156)	(15,352)	(2,349)	-	(20,857)
<b>At 31 December 2013 and 1 January 2014</b>	<b>-</b>	<b>7,390</b>	<b>806,329</b>	<b>235,821</b>	<b>4,565</b>	<b>-</b>	<b>1,054,105</b>
Depreciation charge for the year	-	2,852	54,902	48,510	1,932	-	108,196
Disposals	-	-	(42,305)	(11,994)	(841)	-	(55,140)
<b>At 31 December 2014</b>	<b>-</b>	<b>10,242</b>	<b>818,926</b>	<b>272,337</b>	<b>5,656</b>	<b>-</b>	<b>1,107,161</b>
<b>Net book value</b>							
<b>At 1 January 2013</b>							
Owned assets	630	14,061	120,810	197,224	-	18,144	350,869
Assets under finance leases	-	-	-	-	1,883	-	1,883
	<b>630</b>	<b>14,061</b>	<b>120,810</b>	<b>197,224</b>	<b>1,883</b>	<b>18,144</b>	<b>352,752</b>
<b>At 31 December 2013 and 1 January 2014</b>							
Owned assets	101,676	10,162	97,259	237,556	3,307	42,160	492,120
Assets under finance leases	-	-	32,321	-	788	-	33,109
	<b>101,676</b>	<b>10,162</b>	<b>129,580</b>	<b>237,556</b>	<b>4,095</b>	<b>42,160</b>	<b>525,229</b>
<b>At 31 December 2014</b>							
Owned assets	101,676	131,435	163,424	299,810	3,412	35,399	735,156
Assets under finance leases	-	-	19,291	-	3,986	-	23,277
	<b>101,676</b>	<b>131,435</b>	<b>182,715</b>	<b>299,810</b>	<b>7,398</b>	<b>35,399</b>	<b>758,433</b>

The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2014 amounted to Baht 1,355 million and Baht 1,065 million, respectively (2013: Baht 1,176 million and Baht 899 million, respectively).

### Assets under construction and installation

Assets under construction and installation of the Company as at 31 December 2014 amounted to Baht 35 million (2013: Baht 42 million) mainly represented construction costs of building and equipment including related installation costs.

Capitalised borrowing costs relating to the acquisition of the land and the construction of the building amounted to Baht 5 million (2013: Baht 4 million), with capitalisation rate ranging from 4.5% - 4.625% per annum (2013: 4.625% - 4.75% per annum).

## 11. Goodwill

	Consolidated financial statements	
	2014	2013
(in thousand Baht)		
<i>Cost</i>		
At 1 January	550,014	550,014
At 31 December	550,014	550,014
<i>Impairment losses</i>		
At 1 January	-	-
Impairment loss	(550,014)	-
At 31 December	(550,014)	-
<i>Net book value</i>		
At 1 January	550,014	550,014
At 31 December	-	550,014

As disclosed in note 9, the significant declining trend of the print advertising industry has affected the operating results of Teleinfo Media Public Company Limited. As a consequence, the Company has assessed and recorded the impairment of goodwill in amount of Baht 550 million in the consolidated financial statements for the year ended 31 December 2014.

## 12. Other intangible assets

	Consolidated financial statements			
	Fiber optics licences	Software licences	Equipment under concession agreement	Total
<i>(in thousand Baht)</i>				
<i>Cost</i>				
At 1 January 2013	64,216	140,726	212,062	417,004
Additions	9,829	15,447	-	25,276
Disposals	-	(8,446)	-	(8,446)
<i>At 31 December 2013 and 1 January 2014</i>	<i>74,045</i>	<i>147,727</i>	<i>212,062</i>	<i>433,834</i>
Additions	6,107	9,562	-	15,669
Transfers	-	(1,230)	-	(1,230)
Disposals	-	(131)	-	(131)
<i>At 31 December 2014</i>	<i>80,152</i>	<i>155,928</i>	<i>212,062</i>	<i>448,142</i>
<i>Amortisation and impairment losses</i>				
At 1 January 2013	14,264	93,213	212,062	319,539
Amortisation for the year	6,343	15,371	-	21,714
Disposals	-	(2,803)	-	(2,803)
<i>At 31 December 2013 and 1 January 2014</i>	<i>20,607</i>	<i>105,781</i>	<i>212,062</i>	<i>338,450</i>
Amortisation for the year	7,348	13,070	-	20,418
Impairment loss	-	6,810	-	6,810
Disposals	-	(47)	-	(47)
<i>At 31 December 2014</i>	<i>27,955</i>	<i>125,614</i>	<i>212,062</i>	<i>365,631</i>
<i>Net book value</i>				
At 1 January 2013	49,952	47,513	-	97,465
<i>At 31 December 2013 and 1 January 2014</i>	<i>53,438</i>	<i>41,946</i>	<i>-</i>	<i>95,384</i>
<i>At 31 December 2014</i>	<i>52,197</i>	<i>30,314</i>	<i>-</i>	<i>82,511</i>

	Separate financial statements			
	Fiber optics licences	Software licences	Equipment under concession agreement	Total
<i>(in thousand Baht)</i>				
<i>Cost</i>				
At 1 January 2013	64,216	50,616	212,062	326,894
Additions	9,829	2,975	-	12,804
Disposals	-	(4,669)	-	(4,669)
<i>At 31 December 2013 and 1 January 2014</i>	<i>74,045</i>	<i>48,922</i>	<i>212,062</i>	<i>335,029</i>
Additions	6,107	4,618	-	10,725
Transfers	-	(820)	-	(820)
Disposals	-	(47)	-	(47)
<i>At 31 December 2014</i>	<i>80,152</i>	<i>52,673</i>	<i>212,062</i>	<i>344,887</i>
<i>Amortisation</i>				
At 1 January 2013	14,264	35,823	212,062	262,149
Amortisation for the year	6,343	6,012	-	12,355
Disposals	-	(2,803)	-	(2,803)
<i>At 31 December 2013 and 1 January 2014</i>	<i>20,607</i>	<i>39,032</i>	<i>212,062</i>	<i>271,701</i>
Amortisation for the year	7,348	4,454	-	11,802
Disposals	-	(47)	-	(47)
<i>At 31 December 2014</i>	<i>27,955</i>	<i>43,439</i>	<i>212,062</i>	<i>283,456</i>
<i>Net book value</i>				
<i>At 1 January 2013</i>	<i>49,952</i>	<i>14,793</i>	<i>-</i>	<i>64,745</i>
<i>At 31 December 2013 and 1 January 2014</i>	<i>53,438</i>	<i>9,890</i>	<i>-</i>	<i>63,328</i>
<i>At 31 December 2014</i>	<i>52,197</i>	<i>9,234</i>	<i>-</i>	<i>61,431</i>

### 13. Deferred tax

Movements in deferred tax assets during the year were as follows:

	Consolidated financial statements			
	At 1 January 2014	Recognised in:		At 31 December 2014
		Profit or loss	Other comprehensive income	
(in thousand Baht)				
Deferred tax assets				
Trade accounts receivable	9,541	397	-	9,938
Inventories	132	(9)	-	123
Property, plant and equipment	1,305	243	-	1,548
Intangible assets	1,482	896	-	2,378
Other payables	702	277	-	979
Unearned income and advance receipts	7,592	(979)	-	6,613
Employee benefit obligations	24,696	2,134	-	26,830
Tax loss carry-forwards	8,315	(3,742)	-	4,573
Total	53,765	(783)	-	52,982

	Consolidated financial statements			
	At 1 January 2013	Recognised in:		At 31 December 2013
		Profit or loss	Other comprehensive income	
(in thousand Baht)				
Deferred tax assets				
Trade accounts receivable	12,251	(2,710)	-	9,541
Inventories	503	(371)	-	132
Property, plant and equipment	525	780	-	1,305
Intangible assets	1,948	(466)	-	1,482
Other payables	383	319	-	702
Unearned income and advance receipts	9,025	(1,433)	-	7,592
Employee benefit obligations	24,237	459	-	24,696
Tax loss carry-forwards	8,423	(108)	-	8,315
Total	57,295	(3,530)	-	53,765

	Separate financial statements			
	At 1 January 2014	Recognised in:		At 31 December 2014
		Profit or loss	Other comprehensive income	
(in thousand Baht)				
Deferred tax assets				
Trade accounts receivable	1,238	901	-	2,139
Inventories	6	56	-	62
Property, plant and equipment	980	155	-	1,135
Intangible assets	1,482	(466)	-	1,016
Other payables	382	-	-	382
Unearned income and advance receipts	7,592	(979)	-	6,613
Employee benefit obligations	14,120	1,811	-	15,931
Total	25,800	1,478	-	27,278

	Separate financial statements			
	At 1 January 2013	Recognised in:		At 31 December 2013
		Profit or loss	Other comprehensive income	
(in thousand Baht)				
Deferred tax assets				
Trade accounts receivable	1,646	(408)	-	1,238
Inventories	147	(141)	-	6
Property, plant and equipment	287	693	-	980
Intangible assets	1,948	(466)	-	1,482
Other payables	352	30	-	382
Unearned income and advance receipts	8,963	(1,371)	-	7,592
Employee benefit obligations	12,421	1,699	-	14,120
Total	25,764	36	-	25,800

As at 31 December 2014 the Group recognised deferred tax assets of Baht 5 million for unused tax losses of a subsidiary as management considered it is probable that future taxable profits will be available against which they can be utilised. The tax losses expire in 2017.

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Impairment loss on investment in subsidiary	-	-	88,619	-

Deferred tax assets have not been recognised in respect of this item because it is not probable that the temporary difference will reverse in the foreseeable future.

## 14. Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Current</b>				
Short-term loans from financial institutions				
Unsecured	230,000	-	230,000	-
Current portion of long-term loans				
from financial institution				
Unsecured	60,000	60,000	60,000	60,000
Current portion of finance lease liabilities	15,354	13,812	14,841	12,625
	<b>305,354</b>	<b>73,812</b>	<b>304,841</b>	<b>72,625</b>
<b>Non-current</b>				
Long-term loans from financial institution				
Unsecured	160,000	60,000	160,000	60,000
Finance lease liabilities	11,595	25,541	10,701	21,698
	<b>171,595</b>	<b>85,541</b>	<b>170,701</b>	<b>81,698</b>
<b>Total</b>	<b>476,949</b>	<b>159,353</b>	<b>475,542</b>	<b>154,323</b>

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Within one year	290,000	60,000	290,000	60,000
After one year but within five years	160,000	60,000	160,000	60,000
<b>Total</b>	<b>450,000</b>	<b>120,000</b>	<b>450,000</b>	<b>120,000</b>

### *Long-term loan agreements with financial institution*

In December 2008, the Company had entered into a loan agreement with a financial institution in the amount of Baht 270 million with an interest rate of MLR minus 0.80% per annum. This loan is due within 60 months after the first drawdown (December 2008), payable every 3 months, totally 14 installments in the amount of 7.1% of balance of loans of each due date. The first installment commenced on the 21st month after the first drawdown. This loan has no collateral but it has the condition that the Company has to maintain the ratio of liabilities to shareholders' equity at not exceeding 2:1 through the period of the agreement. The Company has fully repaid this loan during 2013.

On 2 April 2013 the Company entered into a loan agreement with a financial institution amounting to Baht 300 million. The loan bears interest for the first to the second year at the rate of MLR minus 2.25% per annum and subsequently at the rate of MLR minus 2.00% per annum. The loan is repayable in 66 months after the first drawdown (April 2013). The first installment is due 12 months after the first drawdown and every 6 months for the remaining installments. The loan has no collateral but the Company is required to maintain the debt to equity ratio at not exceeding 2:1 through the period of the agreement.

### Credit facilities

As at 31 December 2014 the Group and the Company had unutilised credit facilities totalling Baht 660 million and Baht 500 million, respectively (2013: Baht 890 million and Baht 765 million, respectively).

### Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
<i>(in thousand Baht)</i>						
Within one year	17,125	1,771	15,354	16,900	3,088	13,812
After one year but within five years	12,249	654	11,595	30,425	4,884	25,541
<b>Total</b>	<b>29,374</b>	<b>2,425</b>	<b>26,949</b>	<b>47,325</b>	<b>7,972</b>	<b>39,353</b>

	Separate financial statements					
	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
<i>(in thousand Baht)</i>						
Within one year	16,549	1,708	14,841	15,491	2,866	12,625
After one year but within five years	11,325	624	10,701	26,320	4,622	21,698
<b>Total</b>	<b>27,874</b>	<b>2,332</b>	<b>25,542</b>	<b>41,811</b>	<b>7,488</b>	<b>34,323</b>

Interest-bearing liabilities of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.



## 15. Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
(in thousand Baht)					
Related parties	4	24,412	30,627	24,667	28,423
Other parties		240,934	243,437	214,041	205,877
Total		265,346	274,064	238,708	234,300

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Thai Baht (THB)	257,505	272,459	230,928	232,695
United States Dollars (USD)	7,841	1,605	7,780	1,605
<b>Total</b>	<b>265,346</b>	<b>274,064</b>	<b>238,708</b>	<b>234,300</b>

## 16. Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
(in thousand Baht)					
Related parties	4	320	474	35	77
Other parties					
Accrued bonus		67,696	53,978	54,070	39,762
Accrued commission		9,534	14,276	9,305	14,034
Accrued license and USO fees		14,195	12,080	14,195	12,080
Other accrued expenses		44,190	42,624	18,145	16,366
Other accounts payable		29,832	5,119	27,797	4,583
Others		4,741	3,179	1,907	1,907
		170,188	131,256	125,419	88,732
Total		170,508	131,730	125,454	88,809

The Group's and the Company's other payables as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

## 17. Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Statement of financial position</b>				
obligations for:				
Post-employment benefits	129,631	119,223	76,463	67,713
Other long-term employee benefits	4,049	3,789	2,573	2,267
<b>Total</b>	<b>133,680</b>	<b>123,012</b>	<b>79,036</b>	<b>69,980</b>

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b>Year ended 31 December</b>				
<b>Statement of comprehensive income:</b>				
Recognised in profit or loss:				
Post-employment benefits	18,605	19,142	8,750	8,202
Other long-term employee benefits	369	416	306	290
<b>Total</b>	<b>18,974</b>	<b>19,558</b>	<b>9,056</b>	<b>8,492</b>
<b>Recognised in other comprehensive income:</b>				
Actuarial losses recognised in the year	-	-	-	-
Cumulative actuarial losses recognised	52,127	52,127	28,073	28,073

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Present value of unfunded obligations	133,680	123,012	79,036	69,980
<b>Statement of financial position obligation</b>	<b>133,680</b>	<b>123,012</b>	<b>79,036</b>	<b>69,980</b>

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Defined benefit obligations at 1 January	123,012	121,189	69,980	62,109
Employee benefits paid	(8,306)	(17,735)	-	(621)
Current service costs and interest	15,114	15,159	9,056	8,492
Curtailment loss	3,860	4,399	-	-
<b>Defined benefit obligations at 31 December</b>	<b>133,680</b>	<b>123,012</b>	<b>79,036</b>	<b>69,980</b>

Expense recognised in profit or loss (note 24)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Current service costs	10,418	10,654	6,305	6,070
Interest on obligation	4,696	4,505	2,751	2,422
Curtailment loss	3,860	4,399	-	-
<b>Total</b>	<b>18,974</b>	<b>19,558</b>	<b>9,056</b>	<b>8,492</b>

The expense is recognised in the following line items in the statement of comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Cost of sales	4,549	2,379	1,347	1,036
Administrative expenses	9,729	12,674	4,958	5,034
Finance costs	4,696	4,505	2,751	2,422
<b>Total</b>	<b>18,974</b>	<b>19,558</b>	<b>9,056</b>	<b>8,492</b>

Actuarial losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Included in retained earnings:				
At 1 January	52,127	52,127	28,073	28,073
Recognised during the year	-	-	-	-
<b>At 31 December</b>	<b>52,127</b>	<b>52,127</b>	<b>28,073</b>	<b>28,073</b>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(%)</i>				
Discount rate	3.9	3.9	3.9	3.9
Future salary increases	7.0	7.0	7.0	7.0

Assumptions regarding future mortality are based on Thailand published statistics and mortality tables.

## 18. Share capital

	Par value Per share	2014		2013	
		Number	Baht	Number	Baht
(in Baht)		(thousand shares / thousand Baht)			
Authorised					
At 1 January					
- ordinary shares	0.25	594,515	148,629	597,009	149,252
Reduction of shares	0.25	-	-	(2,494)	(623)
At 31 December					
- ordinary shares	0.25	594,515	148,629	594,515	148,629
Issued and paid-up					
At 1 January					
- ordinary shares	0.25	594,515	148,629	594,515	148,629
At 31 December					
- ordinary shares	0.25	594,515	148,629	594,515	148,629

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

### *Reduction of authorised share capital*

At the annual general meeting of the shareholders of the Company held on 28 March 2013, the shareholders approved the reduction of 2,494,374 authorised ordinary shares, equivalent to 0.42% of the total authorised ordinary shares of the Company, because the warrant of the Company for ESOP-Grant V expired on 30 May 2012. The Company registered the decreased share capital with the Ministry of Commerce on 11 April 2013.

### *Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

## **19. Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

## **20. Transfer of legal reserve and premium on ordinary shares to compensate for the deficits**

At the extraordinary general meeting of shareholders of the Company held on 16 December 2014, the shareholders approved the transfer of legal reserve of Baht 31 million and premium on ordinary shares of Baht 141 million, totalling Baht 172 million, to compensate for the deficits. The transfer is allowed under section 119 of the Public Companies Act B.E. 2535 which states that where approval of the shareholder meeting has been obtained, the company may transfer the reserve fund referred to premium on ordinary shares, the reserve fund referred to legal reserve or other reserves to compensate for the deficits of the company.

## **21. Segment information**

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1     Sales and services relating to the internet business
- Segment 2     Media and advertising
- Segment 3     Voice info service and mobile contents

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

### *Geographical segments*

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

### *Major customer*

Revenues from one customer of the Group's segment 3 represents approximately Baht 333 million (2013: Baht 485 million) of the Group's total revenues.

Information about reportable segments

	Segment 1		Segment 2		Segment 3		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
<i>(in thousand Baht)</i>								
External revenue	2,217,026	2,050,788	293,968	336,294	502,443	626,566	3,013,437	3,013,648
Inter-segment revenue	5,022	5,144	174	-	148,393	150,953	153,589	156,097
Total segment revenue	2,222,048	2,055,932	294,142	336,294	650,836	777,519	3,167,026	3,169,745
Interest income	971	1,451	1,436	2,027	514	3,278	2,921	6,756
Interest expense	12,994	8,792	1,858	2,160	333	171	15,185	11,123
Depreciation and amortisation	119,998	125,150	13,140	17,395	19,983	16,849	153,121	159,394
Impairment loss on investment in subsidiary	443,094	-	-	-	-	-	443,094	-
Segment profit (loss) before income tax	63,567	552,565	4,783	(22,982)	202,302	365,031	270,652	894,614
Segment assets	1,602,256	1,704,307	95,936	147,900	212,600	288,745	1,910,792	2,140,952
Capital expenditure	352,006	312,863	2,930	26,348	13,305	9,693	368,241	348,904

Reconciliations of reportable segment revenues, profit or loss and assets

	2014	2013
<i>(in thousand Baht)</i>		
<b>Revenues</b>		
Total revenue for reportable segments	3,167,026	3,169,745
Investment income	2,921	6,756
Other revenue	28,548	31,573
	3,198,495	3,208,074
Elimination of inter-segment revenue	(153,589)	(156,097)
Elimination of interest income	-	(1,125)
<b>Consolidated revenue</b>	<b>3,044,906</b>	<b>3,050,852</b>
<b>Profit or loss</b>		
Total profit for reportable segments	270,652	894,614
Impairment loss on goodwill	(550,014)	-
	(279,362)	894,614
Elimination of dividends	(210,026)	(310,080)
Elimination of impairment loss on investment in subsidiary	443,094	-
Unallocated amounts	(1,569)	-
<b>Consolidated profit (loss) before income tax</b>	<b>(47,863)</b>	<b>584,534</b>
<b>Assets</b>		
Total assets for reportable segments	1,910,792	2,140,952
Elimination of investments in subsidiaries	(155,564)	(598,658)
Elimination of inter-segment assets	(33,365)	(79,518)
	1,721,863	1,462,776
Unallocated amounts:		
- Goodwill	-	550,014
- Other unallocated amounts	172,900	204,808
<b>Consolidated total assets</b>	<b>1,894,763</b>	<b>2,217,598</b>

## 22. Investment income

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
(in thousand Baht)					
<i>Dividend income</i>					
Subsidiaries	4	-	-	210,026	310,080
<i>Interest income</i>					
Other parties		2,921	5,631	971	1,451
Total		2,921	5,631	210,997	311,531

## 23. Other income

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
(in thousand Baht)				
Bad debt refunded	6,371	11,030	-	-
Return of capital from liquidation of subsidiary	15,455	-	15,455	-
Income from credit note of suppliers	-	9,478	-	9,478
Reversal of accrued expenses	-	1,165	-	-
Net gain on foreign exchange	273	57	206	143
Others	6,449	9,843	5,516	5,788
Total	28,548	31,573	21,177	15,409

## 24. Employee benefit expenses

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
(in thousand Baht)					
Wages, salaries and bonus	17	584,342	572,112	332,771	306,954
Defined benefit plans		14,278	15,053	6,305	6,070
Defined contribution plans		19,887	18,919	13,400	12,218
Others		75,040	69,163	44,560	37,605
Total		693,547	675,247	397,036	362,847

### Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 7% of their basic salaries and by the Group at rates ranging from 3% to 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

## 25. Expenses by nature

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
(in thousand Baht)					
Employee benefits expenses	24	693,547	675,247	397,036	362,847
Depreciation of property, plant and equipment	10	132,703	137,680	108,196	112,795
Amortisation of intangible assets	12	20,418	21,714	11,802	12,355
Operating lease expense		163,622	178,768	128,179	143,008

## 26. Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
(in thousand Baht)					
Interest expense:					
Subsidiaries	4	-	-	-	1,125
Loans payable - financial institutions		12,558	7,094	12,401	6,928
Finance lease liabilities		3,064	2,163	2,975	2,082
Interest on obligation	17	4,696	4,505	2,751	2,421
Total interest expense		20,318	13,762	18,127	12,556
Less: amounts included in the cost of qualifying assets:					
- Assets under construction	10	(5,133)	(3,764)	(5,133)	(3,764)
		(5,133)	(3,764)	(5,133)	(3,764)
Net		15,185	9,998	12,994	8,792



## 27. Income tax expense

### Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
(in thousand Baht)					
Current tax expense					
Current year		100,087	116,557	61,655	49,364
Adjustment for prior years		1,203	2,100	1,203	-
		101,290	118,657	62,858	49,364
Deferred tax expense	13				
Movements in temporary differences		783	3,530	(1,478)	(36)
		783	3,530	(1,478)	(36)
Total		102,073	122,187	61,380	49,328

### Reconciliation of effective tax rate

	Consolidated financial statements			
	2014		2013	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		(47,863)		584,534
Income tax using the Thai corporation tax rate	20	(9,573)	20	116,907
Expenses not deductible for tax purposes		440		3,180
Impairment loss on goodwill		110,003		-
Under provided in prior years		1,203		2,100
<b>Total</b>	<b>213</b>	<b>102,073</b>	<b>21</b>	<b>122,187</b>

	Separate financial statements			
	2014		2013	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		63,567		552,565
Income tax using the Thai corporation tax rate	20	12,713	20	110,513
Income not subject to tax		(42,005)		(62,016)
Expenses not deductible for tax purposes		850		831
Impairment loss on investment in subsidiary for which no deferred tax asset was recognised		88,619		-
Under provided in prior years		1,203		-
<b>Total</b>	<b>97</b>	<b>61,380</b>	<b>9</b>	<b>49,328</b>

#### Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

## 28. Earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2014 and 2013 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht / thousand shares)</i>				
Profit (loss) attributable to ordinary shareholders of the Company (basic)	(149,936)	462,347	2,188	503,238
Number of ordinary shares outstanding	594,515	594,515	594,515	594,515
Earnings (loss) per share (basic) (in Baht)	(0.25)	0.78	0.004	0.85

## 29. Dividends

At the annual general meeting of the shareholders of the Company held on 28 March 2013, the shareholders approved the appropriation of dividend of Baht 0.30 per share, amounting to Baht 178 million. The dividend was paid to shareholders on 23 April 2013.

At the meeting of the Board of Directors of the Company held on 8 August 2013, the directors approved the appropriation of interim dividend of Baht 0.35 per share, amounting to Baht 208 million. The dividend was paid to shareholders on 5 September 2013.

At the annual general meeting of the shareholders of the Company held on 27 March 2014, the shareholders approved the appropriation of dividend of Baht 0.35 per share, amounting to Baht 208 million. The dividend was paid to shareholders on 22 April 2014.

At the meeting of the Board of Directors of the Company held on 7 August 2014, the directors approved the appropriation of interim dividend of Baht 0.41 per share, amounting to Baht 244 million. The dividend was paid to shareholders on 4 September 2014.

## 30. Financial instruments

#### Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

#### Capital management

The primary objective of the Company's capital management is to provide good returns to shareholders and benefits to other stake holders and to maintain an optimal capital structure in order to support an asset management plan and new investment opportunities which will create value and strengthen the financial position for the whole group.

#### Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (note 14).

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Consolidated financial statements			
	Effective interest rate	Within 1 year	After 1 year but within 5 years	Total
	(% per annum)	(in thousand Baht)		
<b>2014</b>				
<b>Current</b>				
Loans payable - financial institutions	3 - 5.01	290,000	-	290,000
<b>Non - current</b>				
Loans payable - financial institutions	5.01	-	160,000	160,000
<b>Total</b>		<b>290,000</b>	<b>160,000</b>	<b>450,000</b>
<b>2013</b>				
<b>Current</b>				
Loans payable - financial institutions	5.24	60,000	-	60,000
<b>Non - current</b>				
Loans payable - financial institutions	5.24	-	60,000	60,000
<b>Total</b>		<b>60,000</b>	<b>60,000</b>	<b>120,000</b>

	Separate financial statements			
	Effective interest rate	Within 1 year	After 1 year but within 5 years	Total
	(% per annum)	(in thousand Baht)		
<b>2014</b>				
<b>Current</b>				
Loans payable - financial institutions	3 - 5.01	290,000	-	290,000
<b>Non - current</b>				
Loans payable - financial institutions	5.01	-	160,000	160,000
<b>Total</b>		<b>290,000</b>	<b>160,000</b>	<b>450,000</b>
<b>2013</b>				
<b>Current</b>				
Loans payable - financial institutions	5.24	60,000	-	60,000
<b>Non - current</b>				
Loans payable - financial institutions	5.24	-	60,000	60,000
<b>Total</b>		<b>60,000</b>	<b>60,000</b>	<b>120,000</b>

#### Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies.

#### Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high quality financial institutions.

#### Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

#### Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings approximate the fair value due to the short maturities of these instruments.

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair values of non-current borrowings, together with the carrying value at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	Carrying value	Fair value	Carrying value	Fair value
<i>(in thousand Baht)</i>				
As at 31 December 2014				
Long-term loan	220,000	200,513	220,000	200,513

### 31. Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<i>Capital commitments</i>				
Contracted but not provided for:				
Buildings and other constructions	2,464	53,359	2,464	53,359
<b>Total</b>	<b>2,464</b>	<b>53,359</b>	<b>2,464</b>	<b>53,359</b>
<i>Non-cancellable operating lease commitments</i>				
Within one year	38,305	50,610	16,220	32,440
After one year but within five years	8,366	36,892	-	16,220
<b>Total</b>	<b>46,671</b>	<b>87,502</b>	<b>16,220</b>	<b>48,660</b>
<i>Other commitments</i>				
Bank guarantees	25,200	17,007	22,200	14,007
<b>Total</b>	<b>25,200</b>	<b>17,007</b>	<b>22,200</b>	<b>14,007</b>

### 32. Contingent liabilities

A customer filed a lawsuit against the Company in respect of an alleged service default on an agreement seeking damages amounting to Baht 8 million (2013: Baht 8 million). The claim is currently being considered by the relevant court. Based on appropriate legal advice, it is management's opinion that the resolution of this claim will not give rise to any significant loss.

### 33. Events after the reporting period

At the meeting of the Board of Directors of the Company held on 10 February 2015, the directors approved the appropriation of dividend of Baht 0.16 per share, amounting to Baht 95.12 million. The proposed dividend must be approved by the shareholders at their meeting.

### 34. Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 13	Fair Value Measurement	2015
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 31 (revised 2014)	Revenue – Barter Transactions Involving Advertising Services	2015
TSIC 32 (revised 2014)	Intangible Assets-Web Site Costs	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.



# DIVIDEND POLICY & ANNUAL AUDIT FEE

## DIVIDEND POLICY

- **The Company's dividend policy**

The Company's dividend policy is to pay dividend no less than 40 percent of net profit after deduction of all taxes, legal reserves and other reserves specified by law and the Company regulations of the stand alone profit and loss statement, if the fund is not required elsewhere and subject to the economic and future project of the Company and the subsidiaries and the payment would have no significant effect on the running of the Company.

- **The subsidiaries of the Company's dividend policy**

Teleinfo Media Public Company Limited and AD Venture Company Limited its subsidiaries of the Company have the dividend policy is to pay dividend no less than 40 percent of net profit after deduction of all taxes, legal reserves and other reserves specified by law and the subsidiaries regulations of the stand alone profit and loss statement, if the fund is not required elsewhere and subject to the economic and future project of the subsidiaries and the payment would have no significant effect on the running of the subsidiaries.

## ANNUAL AUDIT FEE

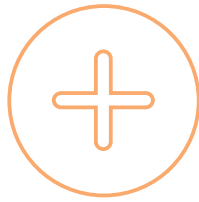
1. **Audit Fee**

In 2014, the Company and its subsidiaries paid auditor fee as follows:

- The Company paid audit fee to the auditor's firm in the amount of Baht 1,523,000 (excluded out of pocket expenses).
- The Subsidiaries paid audit fees to the auditor's firm in the amount of Baht 880,000 (excluded out of pocket expenses).

2. **Non-audit Service fee**

- In 2014, the Company and its subsidiaries had no any paid the non-audit service fee to the auditor's firm.
- The Company and its subsidiaries had non-audit service fee from uncompleted service in 2014 in the amount of Baht 192,500.



# GENERAL INFORMATION ON REFERENCE PERSONS

## SECURITY REGISTRAR

### **Thailand Securities Depository Company Limited**

62 The Stock Exchange of Thailand Building,  
Ratchadapisek Road, Klongtoey, Klongtoey, Bangkok 10110  
Tel: (66) 2229 2800  
Fax: (66) 2359 1259  
Website: [www.tsd.co.th](http://www.tsd.co.th)

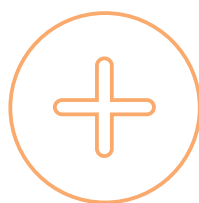
## AUDITOR

### **Mr. Supot Singhasaneh**

Certified Public Accountant Registration Number 2826  
KPMG Phoomchai Audit Limited  
Empire Tower, 50<sup>th</sup>- 51<sup>st</sup> Floors  
195 South Sathorn Road, Bangkok 10120  
Tel: (66) 2677 2000  
Fax: (66) 2677 2222  
Website: [www.kpmg.co.th](http://www.kpmg.co.th)

KPMG Phoomchai Audit Limited (KPMG) and the auditor are independent and have no conflict of interest with the Company, subsidiaries, the management, the major shareholders or any related person.





# INVESTOR INFORMATION

Investors should contact the Investor Relations Department to request information about CS LOXINFO or its subsidiaries and associate companies:

## INVESTOR RELATIONS DEPARTMENT

CS LoxInfo Public Company Limited  
90 Cyber World Tower A, 17<sup>th</sup> -20<sup>th</sup> Floor, Ratchadapisek Road,  
Huai Khwang, Bangkok 10310, Thailand  
Tel : (66) 2263 8000 Ext. 5184  
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E-mail : [ir@csloxinfo.net](mailto:ir@csloxinfo.net)  
Website : [www.csloxinfo.com](http://www.csloxinfo.com)

## CS LOXINFO is listed on the Stock Exchange of Thailand (SET)

SET ticker	CSL
Reuters	CSL.BK
Bloomberg	CSL TB

Foreign limit : 49%  
Fiscal year ends : December 31  
External Auditor : KPMG Phoomchai Audit Ltd.







**CS LOXINFO PUBLIC COMPANY LIMITED**

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