

ANNUAL  
REPORT

Annual Report  
2016

# DIGITAL THAILAND

CS LOXINFO  
PUBLIC COMPANY LIMITED



One Stop ICT Service





With deepest sorrow and condolences  
on the passing of our beloved  
King Bhumibol Adulyadej



The Board of Directors, Management and Staff  
CS LoxInfo Public Company Limited



CS LOXINFO

# CAUTIONARY STATEMENT

Certain statements in this report are forward-looking; these statements include, without limitation, expected growth in revenue, EBITDA, earnings per share, potential risks, market environment, market positioning, strategies and targets.



Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to be correct. This is due to the risks and uncertainties involved, in which consequently the actual results may differ materially from those expressed or implied.

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



# INTRODUCTION

WELCOME TO 2016  
ANNUAL REPORT OF  
CS LOXINFO PUBLIC  
COMPANY LIMITED

Our Annual Report is divided into 3 major sections as follow:

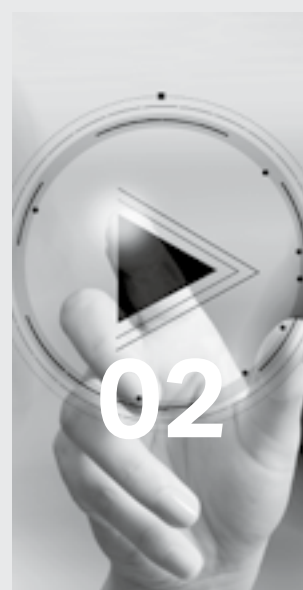


## SUMMARY OF THE COMPANY OVERVIEW

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

## IMPORTANCE INFORMATION OF THE COMPANY

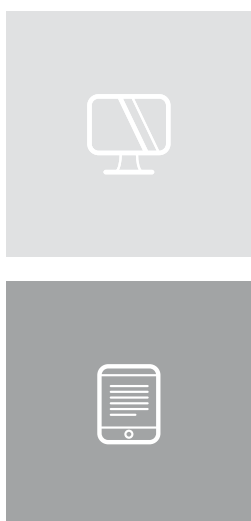
This section contains detailed information of business description of the Company and its subsidiaries, including information about potential and/or opportunities in business expansion, general information for investors' reference i.e. detailed information Which may relevant to shareholders, investors, security registrar, auditor and share registration on the Stock Exchange of Thailand, 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.



## FINANCIAL REPORTS

This section reports the financial status of the Company in 2016, 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.

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*We are in the throes of a transition where every publication has to think of their digital strategy.*



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### FINANCIAL REPORTS

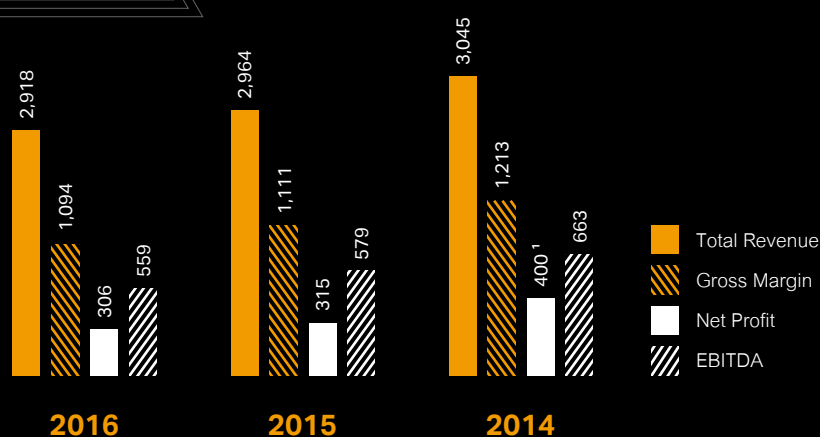
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# FINANCIAL HIGHLIGHTS

## DIVIDEND PAYMENT

Overall Business Performance of Core Products (Consolidated Financial Statement)

Unit: Million Baht



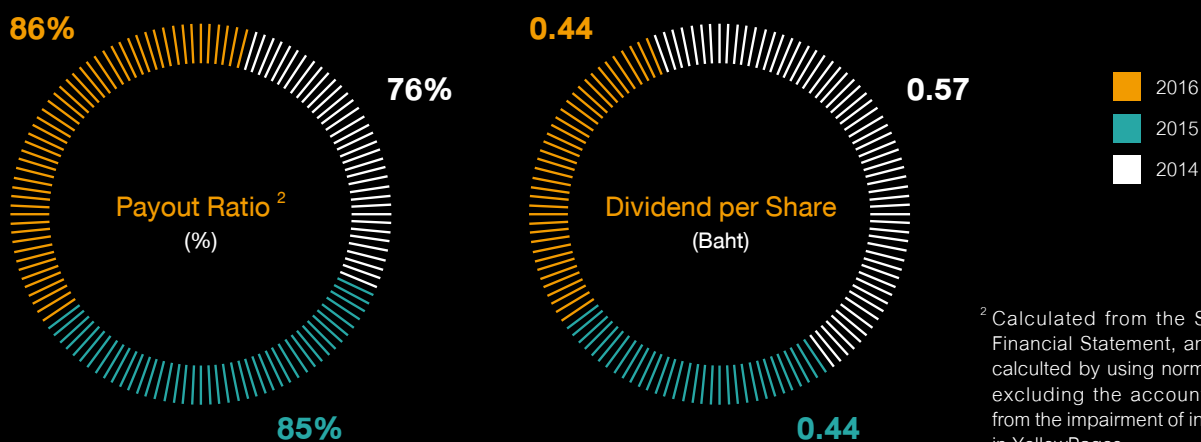
Total Revenue		Gross Margin	
2016	2,918	2016	1,094
2015	2,964	2015	1,111
2014	3,045	2014	1,213

Net Profit		EBITDA	
2016	306	2016	559
2015	315	2015	579
2014	400 <sup>1</sup>	2014	663

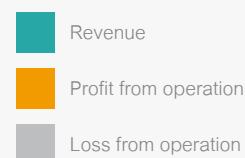
<sup>1</sup> Presented as a normal business profits excluding the impairment loss of goodwill for YellowPages Business (if included, it would become to net loss 150 million baht)

The Company's dividend payments during the past three years are as follows:

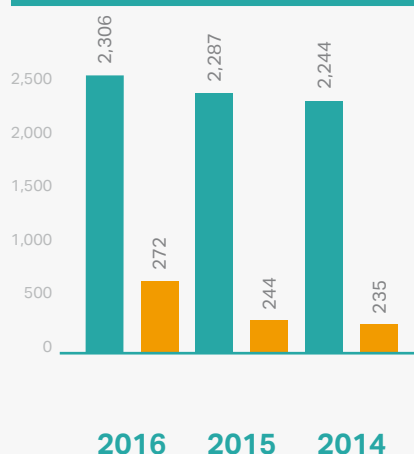


<sup>2</sup> Calculated from the Separate Financial Statement, and Y2014 calculated by using normal profits excluding the accounting loss from the impairment of investment in YellowPages

# THE COMPANY'S OPERATING RESULTS FOR 2016



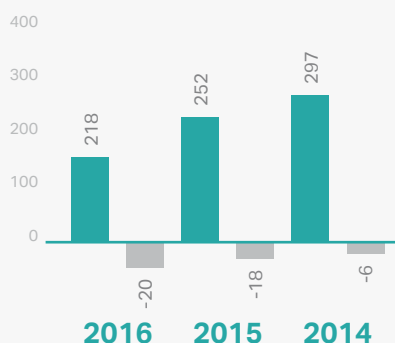
Unit: Million Baht



## ICT Business

Revenue and profit from operation for year 2016 grew up 1% and 11%, respectively. This was mainly come from the continuous growth of Data Center, ICT Solution and Cloud Computing and high-speed Internet networks for condominiums, which had good response from our customers, in parallel with, an efficient in cost management and SG & A control.

At the end of Y2016, CSL had started to construct the 2<sup>nd</sup> Data Center building at a cost of 60 million Baht, which is expected to be completed in the beginning of Y2017. Moreover, CSL also plans to invest in Data Center and Cloud Service systems at an approximate cost of 100-200 million Baht, depending on business growth and will continue to expand into High-Speed Internet services for Condominiums with an anticipated investment of 30 million Baht in 2HF2016.

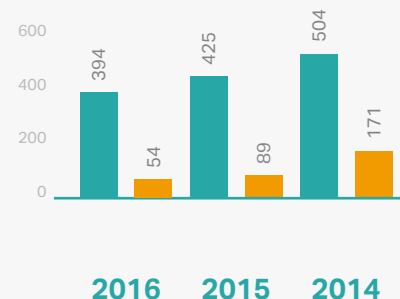


## YellowPages Business

Revenue from publishing the Thailand YellowPages has continued to decline. Revenue from YellowPages Business decreased 13% and had net loss 20 million Baht. This was due to a change in advertisers' behavior and downtrend of print media industry which had been replaced by online media.

Currently, for YellowPages Business, it is still continual in developing new contents/products in order to match with current situation. In parallel with, stringent in cost and SG&A control to minimize the impact on overall consolidated profit.

However, although the performance of YellowPages Business still decline but Teleinfo Media Plc. ("TMC"), which operates YellowPages Business, still had overall net profit for the year 2016 approximately 3 million Baht. This was resulted from the Call Center Business performance can offset loss of YellowPages Business segment.



## Voice Info Services & Mobile Content Business

Revenue and profit from operation for year 2016 decreased 7% and 39%, respectively. This was due to technology and mobile phone users' behavior change and lower purchasing power.

Thus, the Company is Company is still continual in developing new contents/products in order to match with customers' behavior by focusing in online products and applications for smart phone users and corporate clients. In parallel with, stringent in cost and SG&A control to minimize the impact on overall consolidated profit.

# PERFORMANCE HIGHLIGHTS

## GENERAL INFORMATION

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 with focusing on quality services and flexibility to meet customers' need. 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 providing information, entertainment and application 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 Info Services & Mobile Content Business segment in order to make it easy for overall business understanding.

## THE INVESTMENT

In last year, mostly investment was continued to expand its Data Center and High-Speed Internet services in targeted areas for condominium-based customers, which has had good user response. In parallel with, continues to seek for the new investment involved in the cloud computing and digital economy in order to extend the Group's business.

## SOCIO-ECONOMIC DEVELOPMENT

The company adheres to the guiding principles of Corporate Social Responsibility established by the Securities and Exchange Commission of Thailand in order to meet our key objectives and lead to sustainable development. We focus on providing a comprehensive range of sales and services to satisfy our customers' needs. In 2016, the company has implemented its plan as follows:

- Learning abreast of nearby communities in collaboration with the Office of the Non-Formal and Informal Education (NFE Huaykhwang) to support teachers with knowledge and trainings on creation of simple website platforms by a prefabricated website management system, and to train learners and students to use fundamental functions of Microsoft Word, Microsoft Excel, and Microsoft PowerPoint programs.
- Learning abreast of communities in remote areas to give them appropriate assistance consistent with our specialized expertise in a good partnership with the Office of the Non-Formal and Informal Education of Lampang Province (NFE Lampang) in an aim to develop people in order to strengthen the communities with knowledge, wit on changes, and ability of self-reliance.
- Organizing "the 2<sup>nd</sup> Year of Fit@work" health activity to provide health and nutrition knowledge along with "the Office Syndrome: Things we must know" activity where specialist keynote speakers from hospitals are invited to give knowledge on treatment of chronic pain caused by hasty and work-made lifestyle in limited space sticking to desks and computer monitors.
- Encouraging our staff and people in communities to participate in making good causes for the communities, and raise environmental awareness by collaborating to plant trees on the road sides "the 2<sup>nd</sup> Year of Planting Golden Shower Trees on the Road Sides, Planting Tree Shadows for Our King Project" that is held on the sides of rural roads no. 4024 and 2037 in Tha Tako District, Nakhon Sawan Province.



## CORPORATE GOVERNANCE

To comply with the good corporate governance and for the benefit of stakeholders, for the year 2016, the Board of Directors has implemented

- The revision of Corporate Governance Policy are as follows;
  - The independent directors can serve a maximum of three consecutive terms, or no longer than 9 years.
  - It is the Board's policy that an individual who will be 72 years of age or older at the time of appointment shall not be nominated as a director. The Board may approve the nomination for re-appointment of directors who will be 72 years of age or older at the time of appointment for only one more term.
  - At least two-thirds of the directors must be present at a meeting to constitute a quorum.
- The whistle blowing and Misconduct & Fraud Investigation Policy has been revised and separated into two policies which are : 1) Whistle-blowing Policy and 2) Misconduct & Fraud Investigation Policy. Its contents in many sections have been adjusted for more transparency and standard in practical.
- Control Self Assessment-CSA: The Company has implemented the control self assessment or CSA since the year 2014 to support the good internal control of the company and it has continued to expand in every year. For the year 2016, there are 8 processes have been implemented and the total are 18 processes. The work process which has been implemented the CSA was discovered that it has been improved and developed for more effective and efficient.

## BUSINESS DIRECTION

ICT service business: focusing on sales in ICT products/services and continue to expand its Data Center and High-Speed Internet services in targeted areas for condominium-based customers, which has had good user response. Additionally, CSL will focus on efficiency in cost management and expense controls.

For YellowPages Business and Voice Info Services & Mobile Content Services Business, the Company is still continual in developing new contents/products in order to match with customers' behavior by focusing in online products and applications for smart phone users and corporate clients. In parallel with, stringent in cost and SG&A control to minimize the impact on overall consolidated profit.

## PRESTIGIOUS AWARDS NACC Integrity Awards

CS LOXINFO were granted 5<sup>th</sup> and 6<sup>th</sup> Consolation Prize of Transparency (the NACC Integrity Awards) from the Office of National Anti-Corruption Commission (the NACC) in 2015 and 2016 consecutively. We also became a certified member of the Private Sector Collective Action Coalition Against Corruption at Thailand's 5<sup>th</sup> National Conference on Collection Action Against Corruption under the topic "Tacking Corruption Through Public-Private Collaboration".





In addition to our emphasis in corporate governance, we always focus in providing high quality internet services to meet corporate clients' needs, we emphasize on offering a comprehensive array of ICT services including internet, computer, and communications by placing a huge importance on the quality of our services rather than competition on prices. A crucial marketing strategy considered as our heart of services is that we have a diversity of business partnerships in order to serve different types of our customers' needs. We have good and open-minded relationships with both domestic and foreign business partners whether it be in-country or overseas service providers, or world-class ICT product owners. However, we do not adhere to any single technology or service provider as we essentially take into account our customers' needs with an aim for optimal efficiency of their utilization. In the recent year, we, CS LOXINFO, have been granted, from our business partners, a number of awards that guarantee our quality of services delivered to our customers, for example:

### Top Award IT Green 2016

This award was granted to a business partner achieving the highest sale revenue by IT Green Pcl., one of our business partners, an IT product distributor for corporate clients. The majority of purchase orders placed by CS LOXINFO with IT Green are ICT devices in the Firewall and Access Point categories.



### Fortinet Platinum Partner of the Year Thailand 2016

This award was granted by our business partner, Fortinet International Inc. (Thailand), a corporate IT product manufacturer and distributor which is one of CS LOXINFO's business partners. In 2016, CS LOXINFO has achieved the highest ICT product sale performance of the year in the Firewall category under the Fortinet brand.

# VISION

Strive towards long term sustainability  
By continuous development and innovation,  
And with social responsibility  
To bring happiness to our customers and employees  
And make reasonable profits for our shareholders



# LONG TERM GOAL

Our corporate objective or long term goal is to develop and provide quality product and service, in order to be the leading ICT service provider, satisfied and trusted by our customers, in accordance with our vision



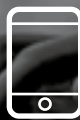
# MISSION



**CSL**

CS LOXINFO PUBLIC  
COMPANY LIMITED

A leading provider of ICT  
in Thailand



**ADV**

AD VENTRUE PUBLIC  
COMPANY LIMITED

A famous application service  
provider via mobile phones



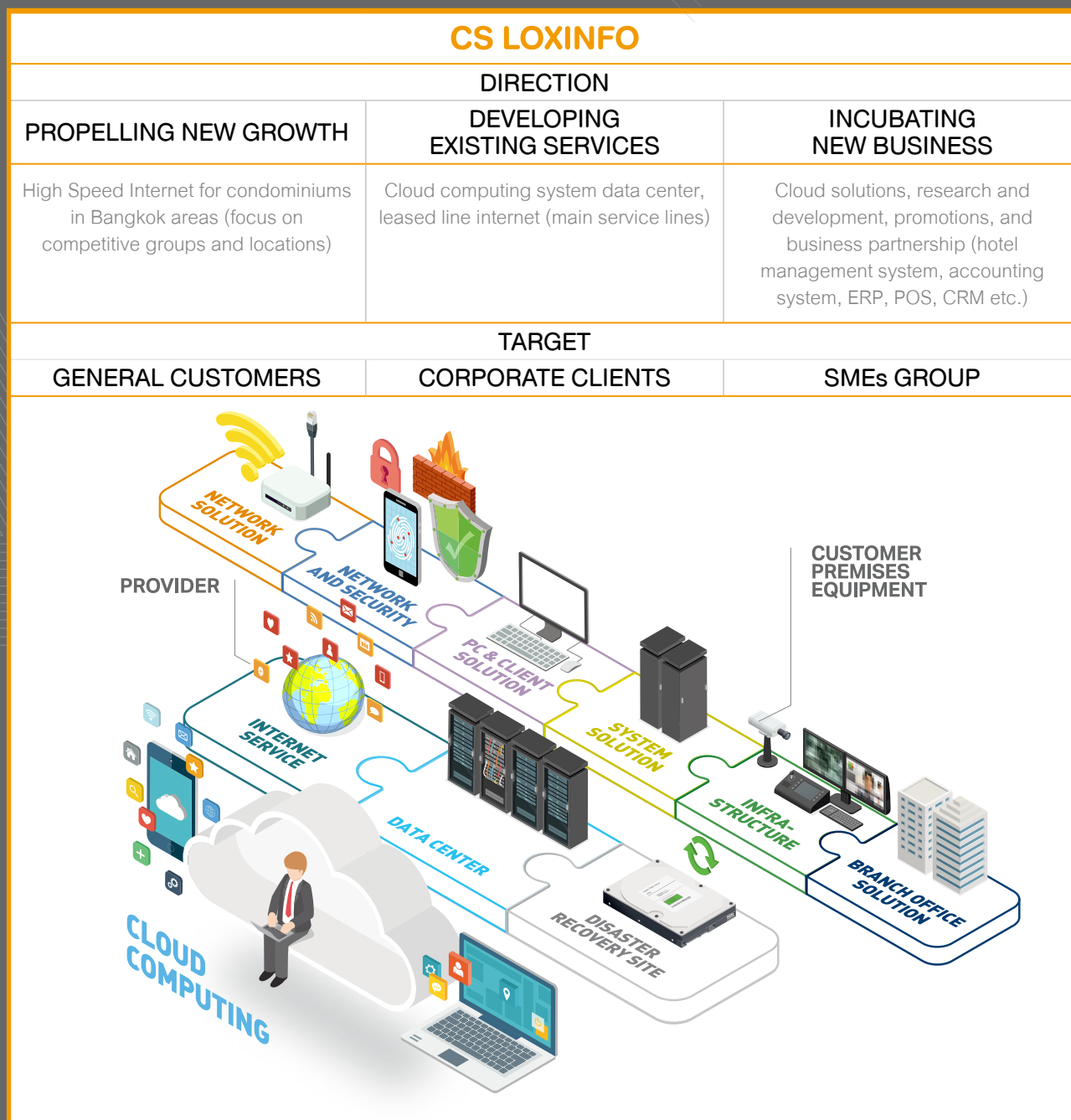
**TMC**

TELEINFO MEDIA PUBLIC  
COMPANY LIMITED

The number one media  
provider of telephone  
directories of individuals,  
agencies and organizations

# OVERALL BUSINESS DIRECTIONS

Mainly moving toward ICT strength and penetrating into potential target groups



TMC/ADV
DIRECTION
TO DEVELOP PRODUCTS & SERVICES COORDINATING WITH ICT BUSINESS
Cloud solutions for advertising, e-commerce, cloud solutions for mobile office
TARGET
SMEs GROUP

# MESSAGE FROM CHAIRMAN

OF THE BOARD OF DIRECTORS AND  
CHAIRMAN OF THE EXECUTIVE COMMITTEE



**Mr. Wichian Mektrakarn**

Chairman of the Board of Directors  
CS LoxInfo Public Company Limited


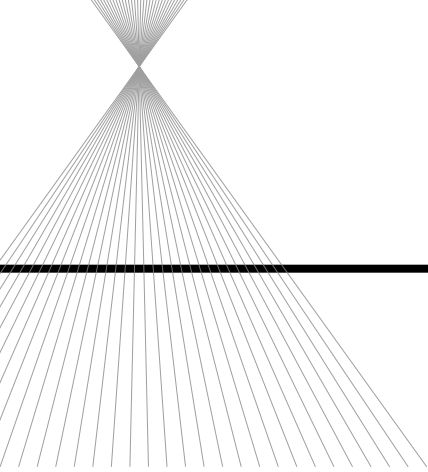


**Mr. Paiboon Panuwattanawong**

Chairman of the Executive Committee  
CS LoxInfo Public Company Limited








In 2016, CS LOXINFO PUBLIC COMPANY LIMITED has generated revenue of THB 2,918 Million and net profit of THB 306 Million, as a result the earnings per share are THB 0.51. The revenue is driven by Company's major products and services which consist of Internet Services, Cloud Computing and Data Center. Towards the end of 2016, the Company has invested in building the second Data Center which will be completed by April 2017. This investment is to pave way for the Company's dynamic expansion in the Cloud Computing sector. In addition, we have initiated the new service which is targeting the new customer base. Medium and big size companies used to be our focused segment, but over this year we have reached out to the condominiums' residents who use broadband. We believe this sector has high potential and the Company poses the competitive edge. Currently, there are more than 10,000 customers using the services and we still observe the accelerated trend.

In terms of long term growth, the Company strategizes to develop new products and services in Cloud Computing such as software solution for hotel management. Tourism industry in Thailand and the region are substantial. It is the continually growing markets as we can see from the significant increasing numbers of the new hotels opening. We believe this hotel management software solution will be the core revenue-generating product in the future.

In addition, the Company has researched and followed new technology which aligns with Thai government's long term policy in improving the digital market economy which is called "Thailand 4.0". This is to drive the economy by using the essential innovations such as Digital, IoT, Artificial Intelligence & Embedded Technology.

The Company's vision is to progress through innovation and sustainable development, for long term benefit of shareholders and strengthening the society. Hence, Board of directors and management have strictly followed company governance policy and incorporated several corporate social responsibility activities. Additionally, we have supported the anti-corruption campaign with a joint pledge and participation from management and employees to stop corruption. This is in line with the concept of "Kam Sa-Nhong Kong" launched by Anti-Corruption Organization of Thailand.

CS LOXINFO Group's current year's success is achieved by support from customers, Company's business partners, government, shareholders and investors and also by the contribution and dedication from the management and all employees. We would like to express our sincere gratitude for your continued trust in CS LOXINFO Group and everyone's effective collaboration and teamwork in the Company. We will continue to strive for excellence and offer consistently high-quality products and services.



# BUSINESS OVERVIEW & REVENUE STRUCTURE RATIO

## CS LOXINFO PUBLIC COMPANY LIMITED (CSL)

We define our vision on ICT services as a leader of comprehensive ICT service providers for corporate organizations thanks to our advantage on the fact that we own ICT infrastructures including internet gateways, data centers, cloud computing, and network infrastructures of internet connections together with prompt availability of our professional engineer teams capable of collaborating with both our domestic and foreign business partners by not adhering to any one particular brand; therefore, we have been entrusted. With our extensive experiences for over 20 years, we have a very good understanding towards our customers. This is deemed an important aspect of our business operations, enabling us to design and develop our products and services that precisely respond to customers' needs at a range of reasonable prices.

## CS LOXINFO'S PRODUCTS AND SERVICES

### 1. Internet services for corporate organizations

Our main revenue derives from internet services for corporate clients or leased line that is considered a high-quality internet service. It is also flexible for diversified needs of customers. Although domestic customers' traffic consumption has increased, the overall revenue otherwise remains steady due to unfavorable economic conditions and price competition from giant business operators. In consequence, the prices have continuously been reduced.

Even though our revenue on internet services for corporate organizations tends to grow slowly, we can boost the number of customers (cycles) on a regular basis. In addition, there have been consistent cycles of use from corporate clients. We emphasize on providing quality internet services for corporate clients. This is deemed our strategy to expand this group of our customer base rather than competition on prices of compromised quality.

#### Strategies of internet services for corporate organizations

- Increase the number of bandwidth in the existing customer base in order to serve growing use of mainstream technology of social networking, cloud computing, big data, and mobility;
- Expand the number of networks in the existing customer base by providing more backup internet services enabling customers to consistently use the internet in spite of crisis on their existing internet network being in obstacle issues;
- Launch ICT solution products and services to serve branch expansions in the existing customer base in an internet center connecting the head office and branches in favor of more efficiency in overall internal management of corporate clients;
- Progressively present internet services for corporate organizations to new corporate customer groups previously using high-speed internet, but in need of internet services of better quality in order to improve their operational efficiency within their organizations;



- Collaborate with both our domestic and foreign business partners in order to develop our services to fit customers' changing needs i.e. use of online software or cloud for prevention against network attack etc.

Relatively, we conduct a survey on corporate clients' satisfaction. It explores their satisfaction on their consumption of our services, including consecutive surveys 4 times a year on satisfaction towards customer services of CS LOXINFO's customer services, conducted by third party companies, in order to view the actual information for further development on CS LOXINFO's products, services, and personnel in the interest of better efficiency.

## 2. ICT solution services for corporate clients

The ICT solution services for corporate clients have a potential to grow as the ICT solution market size and its customers' needs have dramatically expanded. This is because every single organization, nowadays, implements the ICT system in an aim to reduce their expenditure and enhance their competitiveness, regardless of internet, computers, and communications. In this market, there are 2 groups of service providers. The first group is the international service providers that are usually from overseas. They present their products and services, and have a fixed management. Likewise, they barely have a comprehensive array of services to provide. In contrast, they present it at rather expensive prices that merely fit giant corporate organizations. The second group is the local service providers that usually are small-to-medium service providers with technical specialization. This may result in uncomprehensive response to customers' needs. By all means, CS LOXINFO is a service provider that is ready to provide the services in both mentioned groups in presence of our professional teams along with readiness of our network infrastructure at a range of reasonable prices that satisfy customers' needs at best.

### Types of domestic customers' needs

- The corporate organizations in need of one stop ICT service to reduce their inconsistent operational risks in issues of ICT system, internet network, and data center, and cloud computing (Infrastructure as a Service – IaaS).
- The corporate organizations in need of using hardware, software of different yet compatible brands by selecting them based on their best functionality in response to their organization's needs rather than lower prices.
- The corporate organizations in absence of readiness of IT personnel, yet in need of using a diversity of specialized skills of internet, computer, and communications for synchronization of ICT system operations.
- The corporate organizations requiring credible domestic service providers with availability of standard security system, quick after-sale services as well as ability to solve any problems in due time.

### Strength enabling CS LOXINFO to lead the ICT business market for a long time

- We own the main infrastructure including internet gateway, data center, and cloud computing system;
- We have a diversity of both domestic and foreign business partners capable of selecting products that suit customers' needs of use by not adhering to any one particular brand.
- We have a variety of specialist engineers with extensive professional experiences and certificates that guarantee their capability to master both hardware and software devices from different yet appropriately compatible brands.
- We have a range of secure operational systems of quality in accordance with the standards i.e. accredited certifications including ISO27001-Information Security Standards, ISO9001-Quality Management Standards, and ISO20000-IT Service Standards, and our call center system available to provide technical assistance 24/7.

### Examples of ICT services provided by CS LOXINFO

Network Infrastructure		
Needs	Services Covered	Business Partners
Wired/wireless infrastructure for office and new factory use	Survey, and design with selection of standard materials and devices and professional quality control system for customers to maintain by themselves	Panduit, Systimax, Amp
WiFi system in hotel, factory, educational facilities	Design in accordance with locations and functions by using components from suitable brands in appropriate quantity	Aruba, Ruckus, Cisco, HP
Corporate security infrastructure	Available teams of specialists of management in enterprise level; they understand and select suitable customized solutions for each individual client.	Cisco, HP, Fortinet, Juniper, PaloAlto, Sophos, Huawei, Checkpoint
Efficiency enhancement system	Selection of equipment in precise response to use, and customers' budget to reduce expenses but enhance network efficiency	Riverbed, Silver Peak, Sangfor

### Cloud & Computer Infrastructure

Needs	Services Covered	Business Partners
Virtualization system to reduce the quantity of server units	Teams of specialists to assist customers to combine server units to reduce expenses, and make them easy to maintain and energy-saving	VMware, Microsoft, Citrix
Server & Storage	Availability of a variety of trustworthy solutions not adhering to any one particular brand	HP, IBM, Dell, Cisco, EMC, NetApp, Huawei
Server room with consistent functionality	Design suitable for use, selection of standard and reliable materials and devices and control system for customers to use	APC, Emerson Panduit, Systimax, Amp – Schneider
DR Site/Backup Site	Diversified solutions along with infrastructure to serve as backup site, especially internet, cloud computing, and data center	Veeam, VMware, Symantec, CA ARCserve

### Business Communication

Needs	Services Covered	Business Partners
CCTV, digital security system	Survey and design to serve with flexible functionality by using diversified CCTV brands based on their specific strength, and standard software control	Axis, Bosch, Panasonic, Sony, Samsung
Video Conference, for cross-communications between branches	Compatibility of connection to both domestic and overseas equipment and availability of standard accessories and internal signal channel management service	Polycom, Cisco, Avaya, Lifesize, Sony

## 3. Data Center

Recently, the data center has sharply grown on a continuous basis in response to the market's increasing needs in many industries.

### Customer groups of CS LOXINFO's data center services

- The corporate client group in need of their IT system migration into a data service center so that their IT system runs efficiently with more security, and that the investment in purchase of hardware and software, or in construction of server room or their own data center is reduced. The construction of data center requires standard electrical system, cooling system. Therefore, it cost a very high investment.
- The corporate client group in the content industry that has expanded as a result of consumers' currently increasing popularity in watching streaming shows via PCs in their residence or on smartphones and tablets.
- The financial institution client group in need of creating their backup system or backup site in response to possible disaster or unexpected events or to enhance their transactional service efficiency via internet.
- The customer group providing their online services i.e. games, E-commerce, social applications etc. tends to grow on a quantum leap due to Thai people's increased confidence in online transactions via internet.

In today's data center service business, there are a number service providers opening their new data centers in other provinces. Nonetheless, they fail to satisfy their customers' needs on conveniently accessible and comprehensive data center that is considered our strength.

### Standards of CS LOXINFO's data center services

- Availability of professional management certified by the standards of ISO9001, ISO27001-Information Technology Security Standards, and ISO20000-IT Service Standards.
- The data center locations in the inner areas of Bangkok that are secure, convenient to travel, and at ease for IT system management.
- The direct network connection to both domestic and international internet gateways owned by CS LOXINFO, ensuring a great number of end-users' efficient accessibility to the system.
- Neutrality: customers can select to lease any infrastructure from every main service providers i.e. Symphony, i-Link, True or USH.
- The security system, electrical system, air-conditioning system of international standards etc. are available, enabling the server to operate continuously and securely throughout 24 hours.
- The accessory services to satisfy each individual customer are available i.e. data backup service, security service, disaster recovery site.

At present, we have 3 data centers including THE CLOUD Building on Ratchadapisek-Ramindra Road, CW Building on Ratchadapisek Road, and CAT Building on Bangrak Road. Regarding The Cloud Building, the new main data center, we own the land and specifically designed this data center building. Therefore, it can serve to satisfy all groups of customers' needs, and it suffices for all of the needs on the international standards.

#### 4. High-speed internet service for condominium residents

In 2016, we launch our high-speed internet service for condominium residents living at more than 250 spots along the BTS lines. We have a good feedback as we have the infrastructure and resources that are available to provide the internet services. Otherwise, we have a decreasing rate of bandwidth consumption at night because most customers are corporate organizations mainly using internet at day time. Therefore, we can run our marketing on the condominium resident customer group at a range of lower prices. Nonetheless, we can maintain the quality and speed of internet that manages to satisfy our customers in absence of any tied-in and unnecessary services.

Today, our proportion of revenue from the high-speed internet service for this customer group accounts for 2% of the total of our revenue. We plan to expand more service areas for the condominium resident group. In consequence, this service tends to sharply grow and may become a main source of our revenue afterwards.

#### 5. Software as a Service for SMEs group

In foreign countries, the online software service, the Software as a Service in particular, is truly on-trend. It is highly popular amongst the SME group as it can be used in the similar way of hydrant water and electrical power supply in absence of requirement on investment. It can be turned on for immediate use, and it has a starting service fee accepted by the SME group in order to reduce their hardware and software license costs, and to scale down the complexity of IT management. For several years, international giant software or internet companies such as Microsoft, Google etc. have had their interest in online software services as well.

In view of Thailand, the online software service market remains small and very new. Despite the country's better communication infrastructure and internet and more foreign service providers starting to become interested in providing the Software as a Service in Thailand, the service format dwells for giant corporate organizations at a range of expensive prices. In addition, the SME entrepreneurs prefer using the old-school operation system although several Thai software owners have tried their services in the cloud computing system, but the feedback has not been good as it should have been. This is because, despite

their software specialization, the small entrepreneurs lack specialization in the field of hardware, infrastructure, and security. Therefore, it is difficult for them to be entrusted by customers.

We expect our long-term growth in the Software as a Service business. Further, we have a competitive advantage as a cloud computing data service provider (Infrastructure as a Service) offering secure internet services. In addition, we have our specialist personnel, management system of international quality, and strong brand image entrusted by the corporate client group. Therefore, we collaborate with our main business partners that own Software as a Service software to develop our products and online software services, and of which the businesses tend to grow. We begin to try on the corporate enhancement software market i.e. sale management software (CRM), accounting software, point of sale (POS) software, human resources management (HRM) software, and enterprise resources planning (ERP) software with an emphasis on satisfying the needs of domestic SME customer group both in terms of prices and utility. Besides, we carried out a test on the hotel management software, a specialized software for the hospitality industry that relatively tends to grow.

Having been pioneered and developed in its initial stage, the Software as a Service marketing provides a variety of services reflecting great response from niche users i.e. 2-to-3-star hotels. Despite this humble number of users, this market tends to grow the country's travel industry tends to grow following the country's growing travel industry. Although our revenue from this service remains humble, this is deemed an opportunity to generate long-term income to us.

In addition to presenting products and services that satisfy each individual group of customers, we place importance to development of products and services that are concurrently good for society and environment.

#### 1. Positive presentation of products and services to society:

- Our internet services, data center, and ICT services are the services that enhance business operations. They can work from anywhere anytime, which is a crucial part enabling the country to sustainably compete in the long term.
- The data center is designed to efficiently manage electrical power consumption and cooling system to reduce global warming.
- Our internet services, data center, and ICT services promote use of electronic system, abates paper consumption, and decreases waste and consequential pollutions.
- The cloud computing service (Software as a Service) is a fundamental service that help SME entrepreneurs improve their works in order to compete with giant or foreign business operators in the long term by relieving their burden of investment.



## 2. Promotion of accessibility of necessary products and services:

- Regarding openness of technology use from different resources, no limitation of alternatives, and customers' accessibility to suitable services i.e. internet services for corporate organizations or data center, we openly allow customers to select a variety of internet cycle services. Otherwise, we recommend solutions that meet customers' needs by not adhering to any one particular brand for each type of ICT products and services.
- The high-speed internet services in the condominium market is a new alternative for customers to use quality services at reasonable price range.
- The Software as a Service assists SME entrepreneurs to get an opportunity to access software at inexpensive monthly expenses. It is unnecessary for them to invest in hardware, or purchase licensed software, or invest in IT system by themselves.

**3. We place importance to after-sale** service in the form of 24x7 services. In addition, we emphasize on preparation of documents, manual and sticker labels on equipment etc. in order that customers can use them conveniently, correctly, and that they can do maintenance by themselves.

**4. We focus on sustainable market development in collaboration** with our partners both in government sector,

educational institutions, and product owners. We organize free-of-charge trainings both in theory and in practice for corporate clients as well as SME entrepreneurs to provide knowledge and understanding so they can move their usage forward to encourage customers to select suitable technology for actually beneficial use in a sustainable way.

**5. We continuously support human resources development** on knowledge and expertise in international level i.e. certification examinations of external organizations, organization and creation of internal knowledge certification system within our organization etc. in order to bring about career stability for our personal, economic stability for their family, which are a fundamental stability for society afterward.

**6. We openly and straightforwardly collaborate with our trading partners for sustainable collaborative market development.** We adopt open marketing approach by not adhering to any one particular trading partner. Meanwhile, we give feedback on customers' needs to each of our trading partners so they can improve their suitable product development to be able to complete in a sustainable way.

**7. We support free and fair trade competition** in absence of below-cost sales to cut under other competitors and tied-in products, which destroy the market competition structure in the long term.

## INDUSTRY AND COMPETITION CLIMATE

The telecommunication and ICT market is intensely competitive as the economic conditions remains down. This causes corporate clients to decelerate their investment. Nonetheless, we absolutely endeavor to maintain our revenue growth and develop more and more diversified products and services to alleviate risks of dependency on the internet services that are solely our main service line.

- The internet market for corporate clients is highly competitive, especially the price competition against 4-5 giant telecommunication entrepreneurs. We endeavor to maintain our revenue and remain in the leader position in the high-quality internet services for them. We emphasize on the quality and services rather than the price competition as our strength is the domestic and international internet gateway management where we mainly persist in corporate clients' needs. Further, we carry out the expenditure cost control to be able to maintain our competitiveness against the giant telecommunication service providers at reasonable prices for them to receive utmost quality services. We continuously expand our customer base with a focus on quality internet services.

- The data center market is competitive in presence of 4-5 main entrepreneurs. Otherwise, we can maintain our rank in the level of leaders providing data center services. This is a market opportunity to expand our revenue base as the data center market has sharply expanded due to considerable growth of online services, social media, digital content as well as implementation of backup system to carry out business continuity. An advantage of the data center is that its service fee does not tend to decrease when compared to other telecommunication services. The focus is on strength in selection of networks provided by any service providers for efficiency of connectivity to our internet gateways as we have the expertise for over 20 years and are experienced in building and managing our own data centers. Today, foreign companies have invested in building their service centers of large-sized data center in upcountry areas that are different in locations. Otherwise, we view that target customers are in different groups.
- The ICT market is a very huge and highly competitive market amongst a great number of giant entrepreneurs from overseas and small domestic service providers. Therefore, we use our longtime business cooperation



experiences focusing on services with understanding for our existing customer base, which is an advantage rather than the price competition. We have teams of professional engineers entrusted by customers, and we have our business partners who own their globally accepted product brands carrying customers' favor with their service experiences. Therefore, we acquire confidence from customers in providing ICT services in the form of "One Stop ICT Service" that suits their needs.

- The high-speed internet market for the condominium group in Bangkok metropolitan is competitive amongst 3-4 giant entrepreneurs. They usually compete in the internet speed (bandwidth) and additional services (or tied-in services) i.e. movie shows etc. that are unnecessary for many customers. With our corporate customer as our main customer base of which the majority is based in Bangkok metropolitan, and they have a potential to use internet in this area, we provide our services to customers who reside in condominiums located in Bangkok metropolitan at reasonable price ranges. This has a very good feedback and exhibits our revenue growth.

- The online software (Software as a Service) market has sharply grown in developed countries. In overseas, telecommunication companies and giant software companies have turned their interest in providing cloud computing services. In contrast, in Thailand, this market has only begun and is very small, yet has a potential to grown in the long term. Therefore, we collaborate with our business partners that own service development software to provide SME entrepreneurs with it at reasonable prices. Our strength is we own good infrastructure and highly efficient management system necessary to provide this service line i.e. data center, visualization computer system, security system, after-sale service system etc. In the recent year, we provided our main software services including hotel management software, sale management (CRM) software, accounting software, point-of-sale (POS) software, human resources management (HRM) software, and enterprise resource planning (ERP) software with a focus on enhancing understanding for customers and looking forward to receiving feedback for our long-term service development afterward.

## MARKETING STRATEGY

In addition to our leadership in providing high-quality internet services that respond to corporate clients' needs, we aim at providing a comprehensive range of ICT services including internet, computer and communication with an utmost focus on the quality and services rather than the price competition. Our main marketing strategy include:

### 1. Perseverance on services satisfying customers' needs to maintain the quality trusted by customer

For over a decade, we have positioned our internet services with a focus on being a premium internet service provider in order to satisfy different types of needs of corporate clients. Although we expanded our comprehensive ICT services derived from our former business, the internet services, we persist in accessing to customers' needs by mastering our expertise and responsibility for both before-sale and after-sale services at the level when customers can experience satisfaction.

### 2. Aim to develop the product and service quality with availability of comprehensive solutions that satisfy customers' needs

We intend to manage both domestic and international internet exchange so it is adequate for customers' use and business growth. Meanwhile, we collaborate with our business partners to continuously develop domestic and international networks. In addition, we collaborate with our

internationally accepted ICT business partners to improve solutions that satisfy customers' needs under the ISO9001 quality control, the ISO27001 information safety and security system standard, and the ISO20000 information service management system standard that clearly specify the parameters and performance review.

### 3. Keeping good relationship with customers

We focus on creating utmost customer satisfaction on a continuous basis. Further to responding to needs of inclusive use, we proactively provide our corporate clients with technical services i.e. being a ICT consultant or ICT problem solver. As such, we organize seminars providing technological knowledge around the nation, regular customer visits, and survey and research on customer satisfaction.

### 4. Collaboration with business partners to serve various needs of customers

We have good and open relationships with both our domestic and international business partners, regardless of domestic and international network service providers, or all world-class ICT product owners by not adhering to any one particular brand as we mainly take into consideration our customers' needs for utmost efficiency and suitability for their use.



## 5. IT specialist development

The most important thing is IT specialist development. We have a great number of engineers and specialist who take care of the system and huge networks. They also take care of diversified customers. Our human resources

have practical expertise, and we have performance review examinations for our human resources. We have our management system of clear parameters and performance reviews. We always have business partners who own technologies in support of knowledge.

## TARGET CUSTOMER GROUPS

The target customer groups are corporate clients using internet and ICT services to enhance their business operations. This customer group needs both advice before use of services and trustworthy after-sale service so their business can be run continuously and efficiently. Therefore, they give importance to services' quality and efficiency rather than prices. They tend to use services on a continuous basis.

As our services cover internet, ICT and data center services, our target customer group is diversified and spreads in many business fields i.e. a customer group that has branches in need of using internet to reduce their inter-

branch communication expenditure, a customer group that provides e-commerce services in need of using data center services, a customer group that cooperates its business with their foreign partners and needs to run their business on a continuous basis with backup systems in different locations, a customer group that has good conditions of system but needs to implement cloud computing system to reduce their hardware investment expenditure, a customer group that needs to install wireless system to provide their services to customers, a customer group that installs CCTVs at their warehouses or offices along with monitors through internet, tablets or smartphones etc.

## DISTRIBUTION AND DISTRIBUTION CHANNELS

Direct sale is our main distribution channel. We have teams of sale representatives and in-house engineers in Bangkok and the main regions of the country, who are available to provide consultation and recommendation to our corporate clients.

In addition to our customer visit paid by our direct sale representative, we have journals and emails informing of news sent to our customers and prospects on a regular basis. We organize activities for our corporate clients throughout the year both in Bangkok and major provinces.

These activities are organized by our specialists and our domestic and foreign business partners with a focus on technological seminars or new knowledge based on our service experiences or on our partner specialists, or our practical workshops to bring about practical operational knowledge. Further to our customers' acquisition of confidence and reliance in the long term, they, who participate in our seminars, are our prospect group having a real interest and will convey an opportunity for use to generate increasing sale revenue.

## BUSINESS OPPORTUNITIES

We see a business expansion opportunity into corporate clients who have invested in ICT to enhance their working efficiency. In the meanwhile, they also use ICT systems with confidence, and they are not worried about any technology issues i.e. unforeseen disaster. In addition, we significantly focus on development of products and services that meet corporate client's work requirements. We have also expanded our customer base into individual customer group (condominium residents) and SME entrepreneurs.

- **ICT Service** is a comprehensive service range including internet, computer and communication that can meet customers' needs with workforce limitation despite economic slowdown. However, use of ICT system has increased, based on prevalence of internet use, mobile phones or tablets. The popularity in online social media use encourages corporate clients to expand their ICT investment activities to serve increasing demand of use. Moreover, the fact that the government is moving



forward the digital economy policy and its proposal on the Cybercrime Act will tentatively result in their ICT investment expansion in the near future, especially in cloud computing and security, which will allow them to keep investing in ICT on regular basis and in the long term. To this point, we have collaborated with our leading business partners to serve needs of all levels of customers.

- **Data Center (DC)** has high growing rates as Thailand still does not have much customer base and begins facing disaster problems. Therefore, in-office server system relocation to data center that can securely and consecutively operate is currently in demand in addition to expansion of online services, social network, digital programs and digital economic system promotion by the government. In consequence, demand of data center from both public and private sectors tends to grow.
- **Cloud Computing** is a leased processing or application system including infrastructure as a Service (Virtual server and cloud storage) and software as a Service (Online Business Software). Even though this business is

in its early stage in Thailand, it tends to have increasingly grown. It is also a large market that would replace purchase of hardware equipment and software. In addition, we have developed this system and service providing by ourselves. We collaborate with plenty of business partners and provide SME entrepreneurs with trial services such as accounting software, sale staff management (CRM) software, point-of-sale (POS) software, human resources management (HRM) software, and enterpriser resource planning (ERP) software etc. We have developed them and their additional services to serve increasing market demands in the future.

- **High-speed internet for condominium customer group** is a service that we started providing since 2014. At present, this service is provided to more than 250 condominiums. The majority of them include condominiums in the inner areas of Bangkok or along the BTS lines where condominium buildings are dense. This is considered an alternative for consumers who demand quality high-speed internet service at accessible prices.

## TELEINFO MEDIA PUBLIC COMPANY LIMITED (TMC)

Teleinfo Media Public Company Limited (TMC) is Thailand's leading total solution directory publisher. Its database consists of all the products and services categories nationwide such as business information for business to business (B2B) and business to customers (B2C) as well as public agencies and others. Moreover, TMC have developed total services solution to cope with business in the digital era which supported on smartphone and tablet (Mobile Responsive). The database is valuable resource for the development of various products and services under the brand "Thailand YellowPages". TMC aim to develop product to response to changing toward digital era and to be the leader of data centric to drive digital economy under the government policy, Thailand 4.0, which will lead to a sustainable economy in the Asian region (AEC) and applies to SME owners with comprehensive services.

## TMC CORE BUSINESSES

### 1. Publishing

- **"Thailand YellowPages"** business directories comprise of:
  - **Thailand YellowPages-Bangkok Thai edition** distributed to businesses and residents in Bangkok Metropolitan in 4 book issues.
  - **Thailand YellowPages-Bangkok English edition** distributed to business travelers and expatriates living in Thailand.
  - **Thailand YellowPages-Regional edition** distributed to businesses and residential in 5 regions and totally 20 book issues which are North, Northeast, Central, East and South.
  - **DVD YellowPages** -Consist of Bangkok YellowPages, Provincial YellowPages and English YellowPages.
- **Factory Supply Guide:** Free annual book included the collection of industrial products and services for customers who are manufacturers or suppliers of materials, equipment and tools within the plant as well as various industrial service providers.
- **Builder & Construction Guide:** Free annual book included the collection of products and services for construction for contractors, construction companies and companies sell equipment construction tools and construction-related services.

## 2. Voice Service

- The personnel of **1188 YellowPages Call Center** are response your need with information center answering inquiries about the business's number, shop and person in Thailand. Moreover, there are covering all products, services, and any information about consumer's lifestyle for more comfortable by staffs/agents who can communicate in both Thai and English.
- "2Get 2Load", **the service that response customers** need and want by dialing 1900 222 XXX and infotainment \*49XXX including live horoscope with the famous fortune teller team, soulmate and love prediction, Lottery check - GSB and BAAC, reporting services for sport competition programs and result, listening to the voice service from dub boxing, horror story telling, and a variety of information and entertainment services. You can also choose your entertainment all time by telephone and mobile phone such as horoscope, lottery result, sport program, and any service via SMS. This choice is the best way to support your lifestyle.

## 3. Online YellowPages and other web-based services

- **www.yellowpages.co.th** provides source of business products and services directory which help to create business opportunities easily in a digital world and support Digital Economy. The website is Mobile Responsive supported both smartphone and tablet. This aligns with digital economy and society trends. The website has more than 85 million pageviews per year or average 200,000 pageviews per day from average 77,000 UIPs per day. The website has been listed on the top 5 of Truehits.net for a long time by providing advertising services as following;
  - **Landing Page and Microsite:** Landing Page displays the information of customers' product and service including company profile, logo, picture of product and services, video, map, and etc. The system also provides the backend for customers who want to add/edit more details by themselves.
  - **Online Catalog:** Online Catalog is a product and service showroom on **www.yellowpages.co.th**. It offers clear information and pictures. This makes the end-user life easier to search and inquire for the products and services they are interesting at.
  - **Adsearch:** The online marketing tool in the format of advertisement banners on the top of search results based on end-users' entered keyword.
  - **YellowPages Map Search:** It provides location search for business listings of **www.yellowpages.co.th** on a digital map. The search result is directly linked to Landing Page.

- **AdBanner:** AdBanner Provides exciting and eye-catching multimedia banner advertising on site **www.yellowpages.co.th**.
- **Priority Listing:** Priority Listing is the special position of advertising. When end-users search on **www.yellowpages.co.th**, the customer with priority listing will be put on the prime and eye-catching location
- **Thailand YellowPages Mobile Application:** Any users can download the application and search for business information and other related information anywhere on their mobile phones. Such information also consists of locations on map, emergency contact numbers, and promotions of products and services. The users can make a call directly from the application. It is available on both iOS and Android platform.
- **TYPLive E-mail:** TYP-Live Email is value-added service for advertisers' business. This is used via mobile phones to increase business agility not to miss any contact.
- **TYPLive Connect (Chat):** The online chat channel for advertisers to communicate with their customer directly.
- **www.aroi.com** and the Aroi mobile application provides information about food and restaurants. Furthermore, there are restaurant reviews and coupon discount. The mobile application is available on both iOS and Android.

## 4. Business Consultant Service

- **Enterprise Business Management Solutions (EBMS)** not only provides a large management system to help to manage merchandise more than 1 million items and connects to buyer network, branches; partner and producers directly, but also manage fast and precise selling and more effective. With 6 main modules to increase limitation capability of entrepreneurs to run their business and open an online business with e-Commerce, which specially designed for B2B enterprise including;
  1. **Customers Account Management Module** to manage group of customers and branches
  2. **e-Supplier Module** to manage group of suppliers to service purchasing order or production order to support quantity of business selling
  3. **e-Inventory Module** to manage inventory correctly and precisely with ability to support more than 10,000 merchandises
  4. **Logistics Module** to manage delivery cost and increase effectiveness of delivery process
  5. **Payment Module** to manage payment and to connect to online payment gateway
  6. **Analytics Module** to analyze Real-Time selling report
- **Direct Marketing** and Database rental service ranging from database lease, management and maintenance of database, mailing list, telemarketing service, letter-shopping service to outsourcing call center.

- **YellowPages Customer Service** is developed as one of a kind service to strengthen every business like profession, “YellowPages Customer Service”, which helps to coordinate seller and buyer through “Information Inquiry” in the showroom and online catalog on [www.yellowpages.co.th](http://www.yellowpages.co.th). This service is aimed for successful negotiation and deal closing, so buyers will not miss any single opportunity.

## 5. 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. It has been entrusted to the various agencies, such as food delivery business, life insurance, embassies, telecommunications, superstore and land leasing, etc.

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 outgoing 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

## MARKETING ACTIVITIES AND COMPETITIVENESS

TMC was restructured to cope with digital business plan that aim for developing digital service to response to business and consumer needs by improving quality of product and services as follow:

### Quality of publishing media

- To develop publishing media for specific group such as Factory Guide Book, gathering list of industrial producers, sellers and services, Builder & Construction Guide Book, gathering list of builder & construction products and services, to be specific media for advertiser and product and service sources.
- To make Thailand Yellow Pages ease of use by modernizing the book and reorganize categories

### Quality of digital media

- With TMC policy to encourage SME entrepreneurs in Thailand to conveniently move forward to digital economy by providing services on [www.yellowpages.co.th](http://www.yellowpages.co.th) web site, which helps SME entrepreneurs to create their own web site with worthwhile budget. Moreover, TMC have developed new function to support for online business transaction such as Mobile Responsive, Online Catalog, Quotation creating, inquiry through the system
- To provide Customer Service as a medium to coordinate for sources and advertiser, and to increase benefits and satisfaction for advertisers, so they want to renew the advertising contracts.
- To continually develop new digital services by adding System Management for medium to large products to support B2B e-Commerce and creating leadership images for B2B and e-Business.

## OPPORTUNITIES FOR BUSINESS GROWTH

According to supporting of Thai government's policy to push forward the country to enter the digital economy, all enterprises are encouraged to realize the necessary of competition. TMC not only foresees the opportunities to connect enterprises together and to trade on

[www.yellowpages.co.th](http://www.yellowpages.co.th), which user base has growing steadily and covers all business sectors, but also has a lot of SME database which is useful for the other digital services of TMC. Therefore, there is a lot opportunity of TMC business to grow further.

## AD VENTURE COMPANY GROUP (ADV)

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". Moreover, ADV is the application developer for smartphone users and can develop the customized applications as customers' needs.

## 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 2 formats of ringtone services: 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 Grahpic & 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 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.

**1.2 IVR & 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 WatPra 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. Smartphone Application Business for Corporate Customers

There are 3 services of ADV to provide many smartphone applications for corporate customers as following.

- **Deals application** is the application that member can collect points and exchange for goods as they want. Member must register and join the activities in this application to collect points and redeem for prizes. In addition to, this is the new ways to generate more revenue for ADV from the part of advertising sale in this application.

- Developing applications via mobile phone for corporate customer.

- Application for communication within the company in form of Office in Your Hand

**1. VERK Application** is the application for communication within the company

**2. Online Memo** is the application for other approvals via smartphone and can be used by approval requesters and the authorized executives.

**3. Online Recruitment** is the application for requesting the new officers approval and can be used by approval requesters and the authorized executives.

**4. Online Leave** is the application for requesting the working leave approval and can be used by approval requesters and the authorized executives.

**5. Online Meeting Room Reservation** is the application for booking the meeting room via smartphone.

**6. Online Poll/Survey** is the application for marketing survey via smartphone.

## 3. Website Business

ADV provides a web portal service under the name 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.
- **Webboard:** is a chat room opened for opinions and discussion on miscellaneous topics. The service is free of charge.
- **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.
- Developing new services and expanding the market to corporate customers.



## 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 and application services; as a result, it acts quickly and accurately to deliver excellent service to customers.

### 2. After-sale Service

Mobile-content and application 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. Moreover, it also focuses on optimizing the performance for corporate customers.

## 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. Moreover,

ADV has a plan to develop application for corporate customers, which are tending to increase cost efficiency, to expand the customer base over all markets from individual customers to corporate customers.

Regarding the website business, the growth of internet user via mobile phone rate leads way to interactive custom and up-to-date searching system especially for entertainment news. Therefore, ADV developed Hunsa website in part of entertainment contents to have more modern contents and popular among users, so it can be one of new channels to 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 2014, 2015 and 2016 can be classified as follows:

Units : Million Baht

DESCRIPTION	PROCESS BY	HOLDING BY CSL (%)	CONSOLIDATED FINANCIAL STATEMENT (AUDITED)					
			2014		2015		2016	
Revenue from Internet Services	CSL	-						
- via Telephone Line			19	1%	22	1%	20	1%
- via Leased Line			1,364	44%	1,398	47%	1,381	47%
- via Broadband			46	2%	36	1%	59	2%
Total revenue from Internet Services			1,429	47%	1,456	49%	1,460	50%
Data Center (DC)			226	7%	262	9%	290	10%
IT hardware and solutions			536	18%	525	18%	511	18%
Revenue from Television Transmission (Uplink-Downlink)			32	1%	31	1%	25	1%
Revenue from YellowPages	TMC	99.99%	289	9%	237	8%	211	7%
Revenue from Voice Info Services and Mobile Content Business	ADV	99.99%	502	17%	423	14%	393	13%
<b>Total Revenue from Sales and Services</b>			<b>3,014</b>	<b>99%</b>	<b>2,934</b>	<b>99%</b>	<b>2,890</b>	<b>99%</b>
Other Income			31	1%	30	1%	28	1%
<b>Total Revenue</b>			<b>3,045</b>	<b>100%</b>	<b>2,964</b>	<b>100%</b>	<b>2,918</b>	<b>100%</b>

# RISK FACTORS

In 2016, the business units that contributed materially to the revenue and profit of the Group were;

1. ICT Business with 79% of total revenue and 89% of total profit of the Group
2. YellowPages business with 7% of total revenue and have net loss of Baht 20 million or -7% of total profit of the Group.
3. Voice Info Services and Mobile Content Business with 14% of total revenue and 18% of total profit 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. Recently, the Company expanded the Data Center, Cloud Computing Services, High Speed Internet in selected segment & area and Software as a Service or Online Software in order to diversify the risk and increase opportunity to sell products and services.

### YellowPages Business

is not under this regulation. Therefore, the company has no risk is this area.

### Voice Info Services and Mobile Content Business

The regulations and requirements of the telecommunications industry from Mobile operators and The National Broadcasting and Tele Communications Commission (NBTC) have an effect to the mobile business, especially on marketing channel, such as privacy control which does not allow sending advertising SMS to users.

Therefore, ADV has studied consumer behavior and continuously developed products and services to serve current lifestyle of consumers, and developed new mobile applications to expand market to corporate customers as well.

## 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, Data Center (IDC), Cloud Computing, High Speed Internet in selected segment & area and Software as a Service or Online Software such as Hotel in one (the Propriety Management System). This is to both enhance and protect the revenue base that is subject to competitive pricing erosion.

### YellowPages Business

Regarding the transforming of advertising industry from print to digital media and the declining in print industry.

To accommodate the changes in the industry, TMC has developed digital media to serve customers' need by using the advantage of having the largest Business to Business (B2B) database for sourcing of products and services. In the year 2016, TMC launched new service: Enterprise Business Management Solutions (EBMS), a total solution for enterprise which consists of online shop, online inventory management system, real-time report analytic which is necessary information to assist business owner to make decision.

### Voice Info Services and Mobile Content Business

Due to technology and market changes, smartphone penetration rate becomes higher, and various media have been used in order to take advantages over other competitors. As a result, ADV creates new communication and service channels to reach more consumers through mobile operators and maintain competitive advantages. ADV has not only developed new services for smartphone users, market expansion to corporate users was considered and started off in the year 2016 to move forward to serve corporate customer as well.

## 3. ECONOMIC AND POLITICAL RISK

### ICT Business

From the economic slowdown of the world and the country and the economic, social and politic restructuring of the 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 2017.

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

### YellowPages Business

Good business profits and economy situation are the important factors for advertisement spending. Therefore, changes in Thailand politics and world economic depression affect the spending decisions in the past year.

As a result, TMC has been launching more new service: Enterprise Business Management Solutions (EBMS) and Vertical Books which are the beneficial products to serve niche businesses, which are-Industrial Guide Book, Internet and mobile related products.

## 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 4G 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.

In 2016, the Company has regularly been keeping track of the overall ICT technology such as Internet of Things and Software as a Service 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

Because the internet technology in digital era has played important role as a tool and channel for business in many industries, including consumers as well, TMC has launched new service called Enterprise Business Management Solutions (EBMS), a total solution for product and service selling, consisted of online shop, online inventory management system and information to assist decision making for entrepreneur.

In addition, TMC has also used the bundling strategy to support the business migration from printing to digital.

### Voice Info Services and Mobile Content Business

The shifting in technologies to 3G and 4G has influenced consumers to upgrade their phones to smart phones. This also changes consumer behavior in searching and accessing technologies and content, which result in the downturn of SMS usage and ADV's services.

In order to mitigate such potential disintermediation impact, since 2013 ADV has set up a unit to continually conduct consumer surveys to enable the development of products and services that consistently meet consumer needs. Mobile Application Development team has also developed mobile application for corporate customers to be ready to response to their needs as well.

However, in order to consider an investment in the Company' subsidiaries which are YellowPages Business and Infotainment via mobile phone Business, the Company had conducted a review for impairment of investment in subsidiaries on a quarterly basis based on the procedures that disclosed in the auditor's report. As a result of the impairment of investment in subsidiaries reviewed by the Company's auditor during the year, there is no impairment loss was recognized as at 31 December 2016, and the Management feel confident that there is no risk from an impairment of investment for the Company's financial statement, in all material respects.

# GENERAL INFORMATION OF THE COMPANY AND SUBSIDIARIES

**CS LOXINFO  
PUBLIC COMPANY  
LIMITED (CSL)**

Symbol	CSL
Registration No.	0107546000377
Year of Establishment	1994
First Trade Date	8 April 2004
Nature of Business	Provide our corporate customers with solutions for brand range of internet-based services
Head Office	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Branch Office	90 CW Tower A, 17 <sup>th</sup> -20 <sup>th</sup> Floor, Ratchadapisek Road, Huai Khwang, Bangkok, 10310
Home Page	<a href="http://www.csloxinfo.com">www.csloxinfo.com</a>
Telephone	(66) 2263 8000
Fax	(66) 2263 8132
Registered Capital	594,514,769 Shares
Paid-up Capital	Baht 148,628,692.25
Par Value	Baht 0.25
Industry	Technology
Sector	Information & Communication Technology
Foreign Limit	49% of paid-up capital



## GENERAL INFORMATION OF SUBSIDIARIES

### TELEINFO MEDIA PUBLIC COMPANY LIMITED (TMC)

Nature of Business		Provide advertising platform through Print, Website, PC, Mobile and Laptop for business and individual user	
Head Office		414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	
Branch Office		1126/2 Vanit Bldg. 2, 27 <sup>th</sup> - 28 <sup>th</sup> Floor, New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok 10400	
Registration No.	0107548000609		
Telephone	(66) 2262 8888	Fax	(66) 2262 8899
Home Page	www.teleinfomedia.net, www.typlive.com		
Registered Capital	15,654,400 shares	Par Value	Baht 10
Paid-up Capital	Baht 156,544,000		
Percent of Investment of CSL		99.99 %	

Nature of Business		Content provider through mobile phone and community portal services	
Head Office		414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400	
Branch Office		Room 2101, 21 <sup>st</sup> Floor, 1126/2 Vanit Bldg. 2, New Phetchaburi Road,Makkasan, Ratchathewi, Bangkok 10400	
Registration No.	0107552000197		
Telephone	(66) 2262 8888	Fax	(66) 2262 8899
Home Page	www.shinee.com		
Registered Capital	1,074,813 Shares	Par Value	Baht 10
Paid-up Capital	Baht 10,748,130		
Percent of Investment of CSL		99.99 %	

### AD VENTURE PUBLIC COMPANY LIMITED (ADV)

# 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 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 YellowPages 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 23 August 2016, 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 2016, Internet Access and ICT Services Business contributes 79% of consolidated revenue and 89% of consolidated profit. The main revenue streams were Leased Line Services, Data Center (DC) Services, ICT Solution and Cloud Computing Services, which was contributed 95% of ICT revenue.

## Media and Advertising on YellowPages 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 2016, Media and Advertising on YellowPages Business contributes 7% of consolidated revenue and had net loss Baht 20 million or -7% of consolidated profit.

## Voice Info Services & Mobile Content Business (Voice Info Services & 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 2016, Voice Info Services & Mobile Content Business contributes 14% of consolidated revenue, and 18% of consolidated profit.

# THE COMPANY'S PROGRESS & DEVELOPMENT

## IN THE PAST 4 YEARS

### 2013

- CSL had invested in new Data Center in order to expand and support the growth Data Center and build the Stand Alone Data Center to meet international best practice. Total investment was approximately Baht 350 million, including land and other supporting facilities & equipment. The sources of fund for this investment are come from loan from the financial institution and the Company's working capital.

- 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.
- In December, CSL transferred the Company's legal reserve of Baht 31 million and premium on ordinary shares of Baht 141 million to offset the retained loss arising from the recognition of impairment of goodwill and investment of Yellow Pages business.

### 2014

- CSL has started offering the High-Speed Internet services in some specific areas (Condominium's customers). The first phase trial serves as condominiums along the Skytrain and Subway lines such as Sukhumvit, Ratchadaphisek, Lat Phrao and Phahon Yothin areas etc., which has good response from users. CSL believes that this service has a potential to grow and can be competitive in the future.

- CSL has continued to expand its Data Center and High-Speed Internet services in targeted areas for condominium-based customers. At the end of year 2016, CSL has started to construct a 2<sup>nd</sup> Data Center building at a cost of 60 million Baht, which is expected to be completed within six months. Moreover, CSL has continued to expand into High-Speed Internet services for Condominiums with an anticipated investment of 30 million Baht depending on customers' response.

### 2015

### 2016

# MAJOR SHAREHOLDERS

## CS LOXINFO PUBLIC COMPANY LIMITED

NUMBER OF SHARES  
**397,816,320**

% OF TOTAL SHARES  
**66.914**

The first top 10 shareholders on the closing date of the registration book as of August 23, 2016 are as follows:

<b>42.068 %</b>		<b>DTV SERVICE COMPANY LIMITED</b> 250,099,990 Shares
<b>14.139 %</b>		<b>SINGAPORE TELECOMMUNICATION LIMITED</b> 84,057,030 Shares
<b>4.037 %</b>		<b>THAI NVDR COMPANY LIMITED</b> 24,000,600 Shares
<b>2.055 %</b>		<b>KRUNGSRI DIVIDEND STOCK LTF</b> 12,219,300 Shares
<b>1.000 %</b>		<b>KRUNGSRI DIVIDEND STOCK FUND</b> 5,942,900 Shares
<b>0.950 %</b>		<b>DR. CHATCHAWIN CHAROEN-RAJAPARK</b> 5,650,000 Shares
<b>0.824 %</b>		<b>CAT TELECOM PLC</b> 4,900,000 Shares
<b>0.639 %</b>		<b>MR. SUROJ TRILOJWONG</b> 3,800,000 Shares
<b>0.613 %</b>		<b>MR. THAWAT TANTIMATE</b> 3,646,500 Shares
<b>0.589 %</b>		<b>MR. THAWATCHAI TACHAASSAVATHAM</b> 3,500,000 Shares

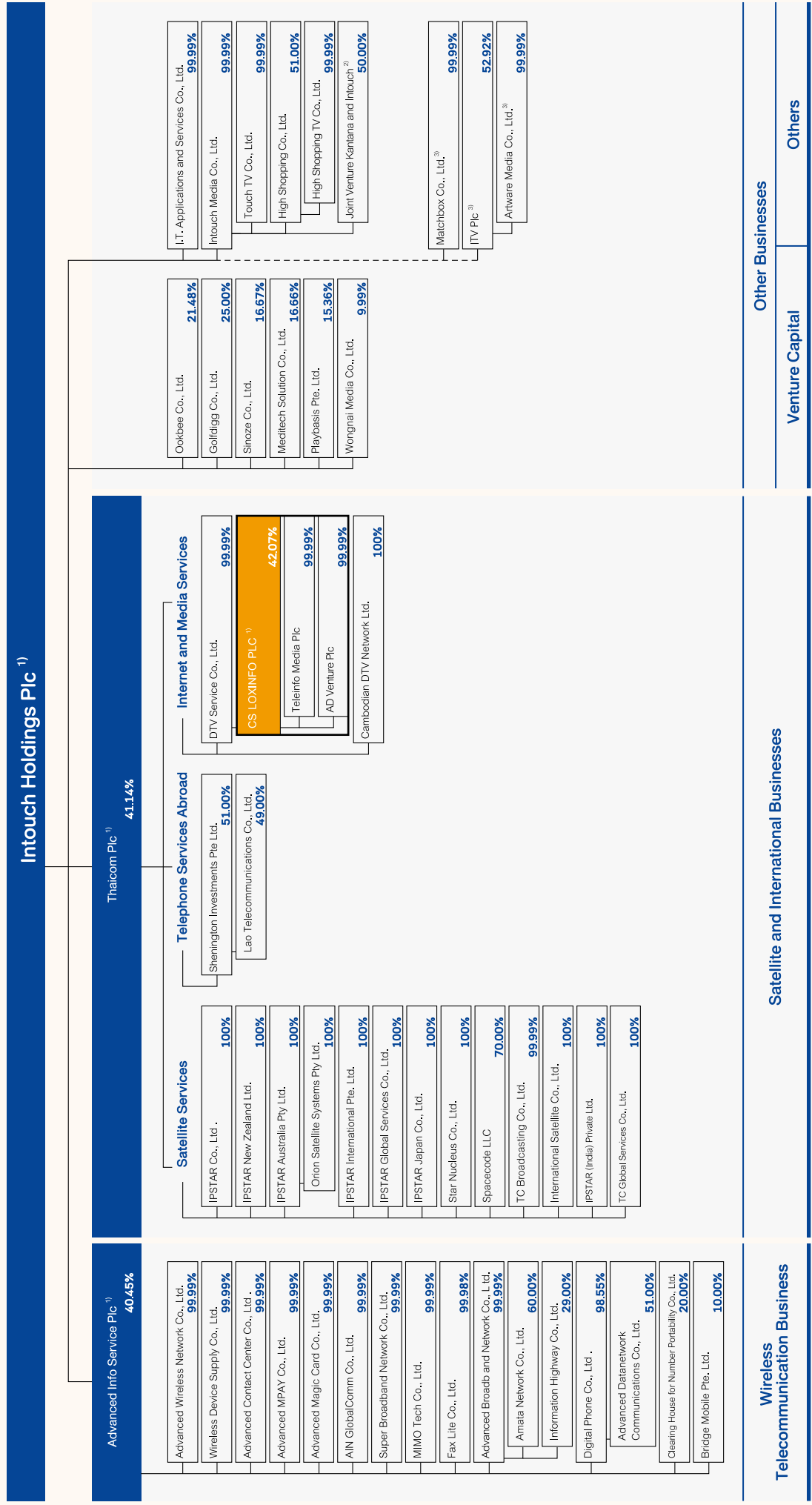
Source Major Shareholders' report as of August 23, 2016 prepared by Thailand Securities Depository Co., Ltd.

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 2017 date.

The major shareholders whose behaviors have had a significant influence on the operational policies or management of the Company.

DTV Service Company Limited held by Thaicom Public Company Limited in the amount of 39,879,140 shares, or 99.99 percent of the paid-up capital.

# INTOUCH GROUP'S INVESTMENT STRUCTURE



1) Listed Company on the Stock Exchange of Thailand      2) Currently on the liquidation process      3) Currently not in operation



# REFERENCE PERSONS INFORMATION

## SECURITY REGISTRAR

### THAILAND SECURITIES DEPOSITORY COMPANY LIMITED

93 The Stock Exchange of Thailand Building,  
Ratchadaphisek Road, Dindaeng, Bangkok  
10400, Thailand

Tel: (66) 2009 9000  
Fax: (66) 2009 9991  
SET Contact Center: (66) 2009 9999  
E-mail: SETContactCenter@set.or.th  
Website: www.set.or.th/tsd

## AUDITOR

### MR. CHAVALA TIENPASERTKIJ

Certified Public Accountant Registration Number 4301  
Deloitte Touche Tohmatsu Jaiyos Co.,Ltd.  
AIA Sathorn Tower, 23<sup>rd</sup>-27<sup>th</sup> Floor  
11/1 South Sathorn Road, Yannawa  
Sathorn, Bangkok, 10120

Tel: (66) 2034 0000  
Fax: (66) 2034 0100  
Website: www.deloitte.com

Deloitte Touche Tohmatsu Jaiyos Co.,Ltd. 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 CW Tower A, 17<sup>th</sup>-20<sup>th</sup> Floor, Ratchadapisek Road,  
Huai Khwang, Bangkok 10310, Thailand

Tel: (66) 2263 8000 Ext. 5184  
Fax: (66) 2263 8037  
E-mail: ir@csloxinfo.net  
Website: 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: Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

# DIVIDEND POLICY

## 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.



# MANAGEMENT STRUCTURE

## BOARD OF DIRECTORS

The Board consists of nine qualified and experienced directors in the relevant fields, including telecommunications, legal, and accounting, as well as finance and business 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; one is non-executive committee; three are independent directors, who together account for thirty three point three 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, 2016)
1. Mr. Wichian Mektrakarn <sup>2</sup>	Chairman of the Board	None
2. Mr. Sitthichai Chantravadee	Independent Director / Chairman of the Audit Committee / Member of the NCG Committee	None
3. Dr. Sillapaporn Srijunpetch <sup>3</sup>	Independent Director / Member of the Audit Committee / Chairman of the NCG Committee / Member of the Remuneration Committee	None
4. Mr. Suraphol Pluemarom	Independent Director / Member of the Audit Committee / Chairman of the Remuneration Committee	None
5. Mr. Hansa Chevapurke	Director / Representative of CAT Telecom Plc.	None
6. Mr. Goh Boon Huat <sup>4</sup>	Director / Member of the Executive Committee / Member of the Remuneration Committee / Member of the NCG Committee / Representative of major shareholder	None
7. Mr. Paiboon Panuwattanawong	Director / Chairman of the Executive Committee / Member of the NCG Committee / Member of the Remuneration Committee / Representative of major shareholder	None
8. Mr. Anant Kaewruamvong	Director / Member of the Executive Committee / Chairman of the Risk Management Committee / Chairman of the Sustainability development Committee / Representative of major shareholder	609,000 shares
9. 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 on December 31, 2016

<sup>2</sup> Being appointed as a Director by the AGM Meeting 2016 on March 28, 2016 to replace Prof. Wongkulpat Snidvongs na Ayudhya who retired by rotation for the year 2016 that completed maximum term under Corporate Governance Policy and being appointed as a Chairman of the Board by the resolution of the Board Meeting no.4/2016 on March 28, 2016

<sup>3</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.

<sup>4</sup> Being appointed as a Director, Member of the Executive Committee, Member of the Remuneration Committee and Member of the NCG Committee by the resolution of the Board Meeting no.6/2016 on August 8, 2016 to replace Mr. Lee Han Kheng who resigned with effective on 1 August 2016

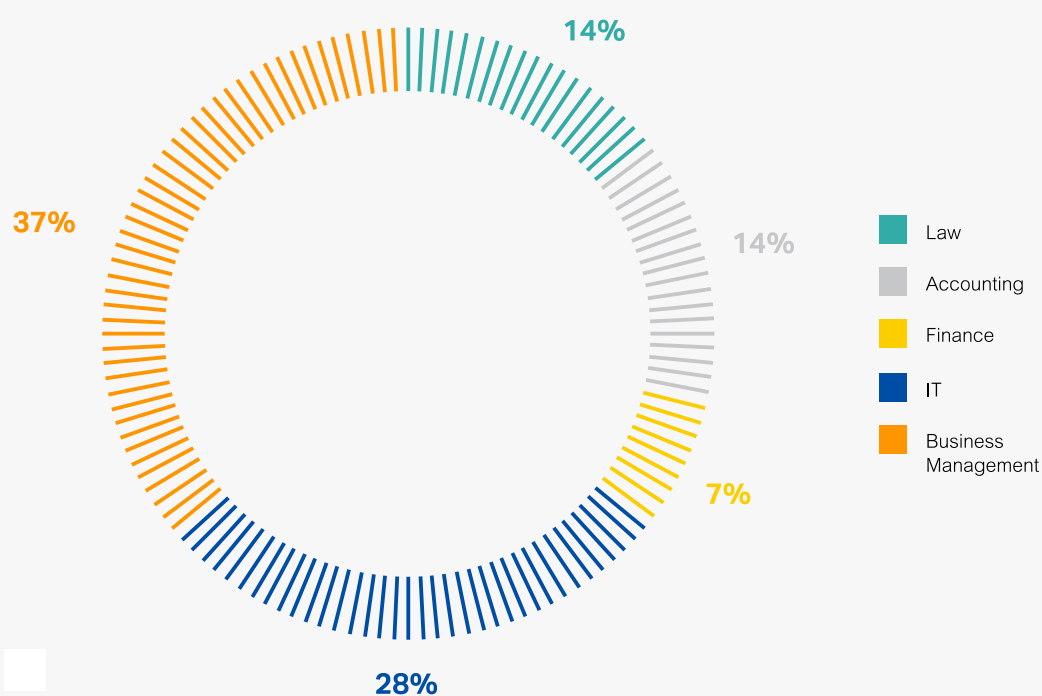
Total shares hold by The Board of Directors is less than 25 percent of the paid-up capital. (The paid-up capital, as of December 31, 2016 was 594,514,769 shares)

## 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;

Directors	Field of Expertise
1. Mr. Wichian Mektrakarn	IT
2. Mr. Sitthichai Chantravadee	Accounting
3. Mr. Suraphol Pluemarom	Law and Business Management
4. Dr. Sillapaporn Srijunpetch	Accounting
5. Mr. Paiboon Panuwattanawong	IT
6. Mr. Vuthi Asvasermcharoen	Finance and Business Management
7. Mr. Goh Boon Huat	IT and Business Management
8. Mr. Anant Kaewruamvongs	IT and Business Management
9. Mr. Hansa Chevapurke	Law and Business Management



### The Authorized Directors

Mr. Paiboon Panuwattanawong, Mr. Vuthi Asvasermcharoen, Mr. Anant Kaewruamvongs or Mr. Goh Boon Huat, 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 2016.

Board Meeting	Performance	Proposed By
No.1/2016	<p>To consider and approve</p> <ul style="list-style-type: none"> <li>The appointment of the Company's auditors for the year 2016 and fixing of their remuneration</li> </ul> <p>To consider and acknowledge</p> <ul style="list-style-type: none"> <li>Related Party Transaction</li> <li>Internal Audit Report</li> <li>The 2015 annual performance of Internal Audit Office</li> <li>A review the AC &amp; IA Charter</li> <li>Information be disclosed in form 56-1 and form 56-2 (Annual Report in the part of "Risk Factor and Internal Control and Risk Management"</li> <li>The adequacy of Internal Control of the Company 2015</li> </ul>	Audit Committee
	<p>To consider and approve</p> <ul style="list-style-type: none"> <li>The Corporate Governance Policy (revised version)</li> </ul> <p>To consider and acknowledge</p> <ul style="list-style-type: none"> <li>A review the size, structure, composition and term of the Board and the Board's sub-committees</li> <li>Consider person being nominated by minority shareholders to be elected as a director by Shareholders' meeting</li> <li>A review the Company's represent in the boards of its subsidiaries</li> <li>A review the successors for the position of CEO and Senior Management</li> <li>A review 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</li> </ul>	Nomination and CG Committee
	<p>To consider and approve</p> <ul style="list-style-type: none"> <li>The 2016 CSL Group Budget</li> </ul> <p>To consider</p> <ul style="list-style-type: none"> <li>Information be disclosed in form 56-1, 56-2 (Annual Report) "Risk factors and legal disputes"</li> <li>The notification "The prohibition of acts that appear to be dominated by Foreigner"</li> </ul> <p>To consider and acknowledge</p> <ul style="list-style-type: none"> <li>The disquisition for directors and independent directors</li> </ul>	Executive Committee
	<p>To consider and acknowledge</p> <ul style="list-style-type: none"> <li>HR Report Q4/2015</li> </ul>	Management



Board Meeting	Performance	Proposed By
No.2/2016	<p><b>To consider and approve</b></p> <ul style="list-style-type: none"> <li>The financial statements for the year 2015 ended on December 31, 2015</li> <li>The revision of AC charter</li> </ul> <p><b>To acknowledge</b></p> <ul style="list-style-type: none"> <li>Related Party Transaction</li> <li>A review the Risk Management of CSL &amp; Subsidiaries (TMC/ADV)</li> <li>Meeting with Auditors</li> <li>The 2015 Audit Committee Self-Assessment</li> </ul>	Audit Committee
	<p><b>To consider and acknowledge</b></p> <ul style="list-style-type: none"> <li>A review 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 compare with previous year</li> <li>The knowledge sharing program (a part of succession plan)</li> </ul> <p><b>To Consider</b></p> <ul style="list-style-type: none"> <li>To consider the director candidates to replace the director who retired by rotation</li> <li>Form 56-1 and form 56-2 (Annual Report) in the part of "Management Structure" and "Corporate Governance"</li> </ul>	Nomination and CG Committee
	<p><b>To consider and acknowledge</b></p> <ul style="list-style-type: none"> <li>The 2015 Bonus payment of the Company &amp; Subsidiaries</li> <li>The 2015 Performance and bonus of Executive</li> <li>The 2015 Performance and bonus of Directors</li> <li>The results of emendation of the Remuneration Committee Charter</li> </ul> <p><b>To Consider</b></p> <ul style="list-style-type: none"> <li>Remuneration Policy and Directors remuneration budget for the year 2016</li> </ul>	Remuneration Committee
	<p><b>To consider and approve</b></p> <ul style="list-style-type: none"> <li>The allocation of net profit as legal reserve fund and consider dividends payment of the year 2015</li> </ul> <p><b>To consider and acknowledge</b></p> <ul style="list-style-type: none"> <li>The 2015 Annual Operating Results of the Company and its subsidiary companies (TMC/ADV)</li> <li>Form 56-1 and form 56-2 (Annual Report) in the part of the commitment statements of financial report of the board of directors</li> </ul>	Executive Committee
	<p><b>To consider and acknowledge</b></p> <ul style="list-style-type: none"> <li>Risk Mapping and Risk Treatment Plan of CSL &amp; Subsidiaries (TMC/ADV)</li> </ul>	Risk Management Committee

Board Meeting	Performance	Proposed By
No.2/2016	<p>To consider and approve</p> <ul style="list-style-type: none"> <li>The calling of the Annual General Meeting of Shareholders for the year 2016 and the designation of the closing date of the Shares Registration Book</li> </ul> <p>To consider and acknowledge</p> <ul style="list-style-type: none"> <li>The report on the directors' and executives' shareholding in the Company</li> <li>The report of CSL's Securities Holding of the designated persons to comply with Securities Trading Policy</li> <li>New rules, regulations and notifications of the SET and the SEC</li> <li>Market Consensus and Investment Strategy Summary</li> </ul>	Management
No.3/2016	<p>To acknowledge</p> <ul style="list-style-type: none"> <li>Meeting with Auditors</li> </ul>	Audit Committee
	<p>To consider and approve</p> <ul style="list-style-type: none"> <li>Step KPI 2016 of the Company and its subsidiary companies (TMC/ADV)</li> <li>Form (56-1) to be disclosed to SEC, SET and Shareholders</li> </ul>	Executive Committee
	<p>To Consider</p> <ul style="list-style-type: none"> <li>The additional information for presenting in AGM meeting 2016 and answering the questions which were submitted in advance by the shareholders</li> </ul>	Management
No.4/2016	<p>To Consider and approve</p> <ul style="list-style-type: none"> <li>To consider and elect the Chairman of the Board</li> </ul>	Company Secretary
No.5/2016	<p>To consider and approve</p> <ul style="list-style-type: none"> <li>Company's Interim Financial Statements for the three-month periods ended March 31, 2016</li> </ul> <p>To acknowledge</p> <ul style="list-style-type: none"> <li>Internal Audit Report</li> <li>Related Party Transaction</li> <li>A Review the Risk Management of CSL &amp; Subsidiaries (TMC/ADV)</li> <li>To consider the whistle blowing policy and misconduct &amp; fraud investigation policy</li> </ul>	Audit Committee
	<p>To consider and acknowledge</p> <ul style="list-style-type: none"> <li>Risk Mapping and Risk Treatment Plan of CSL &amp; Subsidiaries (TMC/ADV)</li> </ul>	Risk Management Committee
	<p>To consider and approve</p> <ul style="list-style-type: none"> <li>Step KPI 2016 of the Company and its subsidiary companies (TMC/ADV)</li> <li>Form 56-1 and Form 56-2 (Annual Report) to be disclosed to SEC, SET and Shareholders</li> </ul> <p>To consider and acknowledge</p> <ul style="list-style-type: none"> <li>The Operating Results of the Company and the subsidiary companies (TMC/ADV) for Q1/2016</li> </ul>	Executive Committee

Board Meeting	Performance	Proposed By
No.5/2016	<p>To acknowledge</p> <ul style="list-style-type: none"> <li>• HR Report Q1/2016</li> <li>• The report on the directors' and executives' interest in CSL</li> <li>• The report of CSL's Securities Holding of the designated persons to comply with Securities Trading Policy</li> <li>• New rules, regulations and notifications of the SET and the SEC</li> <li>• Market Consensus and Investment Strategy Summary</li> </ul>	Management
No.6/2016	<p>To consider and approve</p> <ul style="list-style-type: none"> <li>• Company's Interim Financial Statements for the three-month and six-month periods ended June 30, 2016</li> <li>• Related Party Transaction between the Company &amp; TC Broadcasting Co., Ltd. (TCB) [Selling asset-Satellite Uplink Equipment]</li> <li>• The whistle blowing policy and misconduct &amp; fraud investigation policy</li> </ul> <p>To acknowledge</p> <ul style="list-style-type: none"> <li>• A Review mission, strategy of IA and feedback on medium term plan (3 years)</li> <li>• The development of internal audit work</li> <li>• Related Party Transaction</li> <li>• A Review the Risk Management of CSL &amp; Subsidiaries (TMC/ADV)</li> </ul>	Audit Committee
	<p>To consider and approve</p> <ul style="list-style-type: none"> <li>• The change of director and authorized director</li> </ul>	Nomination and CG Committee
	<p>To consider and acknowledge</p> <ul style="list-style-type: none"> <li>• Risk Mapping and Risk Treatment Plan of CSL &amp; Subsidiaries (TMC/ADV)</li> </ul>	Risk Management Committee
	<p>To consider and approve</p> <ul style="list-style-type: none"> <li>• An interim dividend payment</li> <li>• The increasing Credit Facility Letter of Guarantee</li> </ul> <p>To consider</p> <ul style="list-style-type: none"> <li>• The 2016 half year strategic review of CSL &amp; Subsidiaries (TMC/ADV)</li> </ul> <p>To consider and acknowledge</p> <ul style="list-style-type: none"> <li>• The Operating Results of the Company and the subsidiary companies (TMC/ADV) for Q2/2016</li> </ul>	Executive Committee
	<p>To consider and acknowledge</p> <ul style="list-style-type: none"> <li>• HR Report Q2/2016</li> </ul> <p>To acknowledge</p> <ul style="list-style-type: none"> <li>• The AGM results 2016 by Thai Investors Association</li> <li>• The report of CSL's Securities Holding</li> <li>• The report of CSL's Securities Holding of the designated persons to comply with Securities Trading Policy</li> <li>• SET/SEC regulations updates</li> <li>• Market Consensus and Investment Strategy Summary</li> </ul>	Management

Board Meeting	Performance	Proposed By
No.7/2016	<b>To consider and approve</b> <ul style="list-style-type: none"> <li>Company's Interim Financial Statements for the six-month and nine-month periods ended 30 September 2016</li> </ul> <b>To acknowledge</b> <ul style="list-style-type: none"> <li>Internal audit report</li> <li>Related Party Transaction</li> <li>A Review the Risk Management of CSL &amp; Subsidiaries (TMC/ADV)</li> </ul>	Audit Committee
	<b>To acknowledge</b> <ul style="list-style-type: none"> <li>Risk Mapping and Risk Treatment Plan of CSL &amp; Subsidiaries (TMC/ADV)</li> </ul>	Risk Management Committee
	<b>To consider and approve</b> <ul style="list-style-type: none"> <li>Appointment of Sustainable Development Committee</li> <li>Sustainable Development Committee Charter</li> </ul>	Sustainable Development Committee
	<b>To consider and approve</b> <ul style="list-style-type: none"> <li>The 2017 Strategic Direction and KPI items &amp; Weight of the Company and subsidiaries (TMC/ADV)</li> </ul> <b>To consider and acknowledge</b> <ul style="list-style-type: none"> <li>Q3/2016 Operating Results of the Company and subsidiary companies (TMC/ADV)</li> <li>Actual status of Business Action Plan 2016 (CSL/TMC/ADV)</li> </ul>	Executive Committee
	<b>To acknowledge</b> <ul style="list-style-type: none"> <li>HR Report Q3/2016</li> <li>The report on the directors' and executives' interest in CSL</li> <li>The report of CSL's Securities Holding of the designated persons to comply with Securities Trading Policy</li> <li>SET/SEC regulations updates</li> <li>Market Consensus and Investment Strategy Summary</li> </ul>	Management
No.8/2016	<b>To consider and approve</b> <ul style="list-style-type: none"> <li>The 2017 Strategic Direction and KPI items &amp; Weight of the Company and subsidiaries (TMC/ADV)</li> </ul>	Executive Committee
	<b>To acknowledge</b> <ul style="list-style-type: none"> <li>Briefing new service of the Company and subsidiary</li> </ul>	Management

## MEETING PARTICIPATION

In summary, the Board and Sub-committee meetings in 2016 are as follows;

Director	Meeting					
	Shareholder	BOD	AC	NCG	RC	EXCOM
	No. of Meeting Participation / No. of Meeting in 2016 (%)					
Non-Executive Directors						
1. Prof. Wongkulpat Snidvongs na Ayudhya, MD. <sup>1</sup>	1/1 (100)	3/3 (100)				
2. Mr. Wichian Mektrakarn <sup>2</sup>		5/5 (100)				
3. Mr. Sitthichai Chantravadee	1/1 (100)	8/8 (100)	8/8 (100)	3/3 (100)		
4. Dr. Sillapaporn Srijunpetch	1/1 (100)	8/8 (100)	8/8 (100)	3/3 (100)	2/2 (100)	
5. Mr. Suraphol Pluemarom	1/1 (100)	8/8 (100)	8/8 (100)		2/2 (100)	
6. Mr. Hansa Chevapurke	1/1 (100)	7/8 (87.5)				
Executive Directors						
7. Mr. Paiboon Panuwattanawong	1/1 (100)	8/8 (100)		3/3 (100)	2/2 (100)	10/11 (90.9)
8. Mr. Anant Kaewruamvongs	1/1 (100)	8/8 (100)				11/11 (100)
9. Mr. Vuthi Asvasermcharoen	1/1 (100)	8/8 (100)				10/11 (90.9)
10. Mr. Lee Han Kheng <sup>3</sup>	0/1 (0)	3/5 * (60)		2/2 * (100)	1/2 * (50)	7/7 * (100)
11. Mr. Goh Boon Huat <sup>4</sup>		3/3 (100)				4/4 * (100)

\* Participate the meeting via tele conference

<sup>1</sup> Was retired by rotation from 28 March 2016 and completed the maximum terms in accordance with the good corporate governance policy

<sup>2</sup> Being appointed as a Director by the AGM Meeting 2016 on March 28, 2016 to replace Prof. Wongkulpat Snidvongs na Ayudhya, MD. who retired by rotation for the year 2016 that completed maximum term under Corporate Governance Policy and being appointed as a Chairman of the Board by the resolution of the Board Meeting no.4/2016 on March 28, 2016

<sup>3</sup> Director resigned with effective on 1 August 2016

<sup>4</sup> Being appointed as a director by the Board Meeting no.6/2016 on 8 August 2016 to replace Mr. Lee Han Kheng with effect from August 1, 2016



**Non-Executive Directors Meeting** For the Year 2016, there was 1 meeting of Non-Executive Directors on November 25, 2016. The Committee discussed and expressed with details as follows;

- The Composition of the Board of Directors, the proportion of independent directors on the entire Board comply with the law. Even it does not comply with the guideline of the good corporate governance but the proportion of non-executive directors which consisting more than one half ensure a good balance.
- The Corporate governance policy in the part of 1.) The maximum tree consecutive terms, or no longer than 9 years for independent directors, 2.) Age limit for Directors, 3.) A Director can hold the position of board member in not more than 5 listed companies. There were completely specified to comply with the good corporate governance.
- The adequacy of the information for consideration in the meeting agenda.
- Recommendation for the management to prepare for improving a financial report in order to comply with the regulatory that will be changed.
- The Company financial standard should comply the basis for Due Diligence to represent more transparent.
- The change of legislation of the Computer Crime Act., which will directly affect with the company. NED Committee recommended the management should identify problems and/or failure to comply with such laws to the commissioner.
- The role of the Audit Committee for IT monitoring to keep pace with changing technology.
- The adequacy of the risk factors.

## EXECUTIVES

The Company's first four management personnel as of December 31, 2016, under the definition of SEC, are as follows;

Name	Position
1. Mr. Paiboon Panuwattanawong	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 and 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 10, 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.

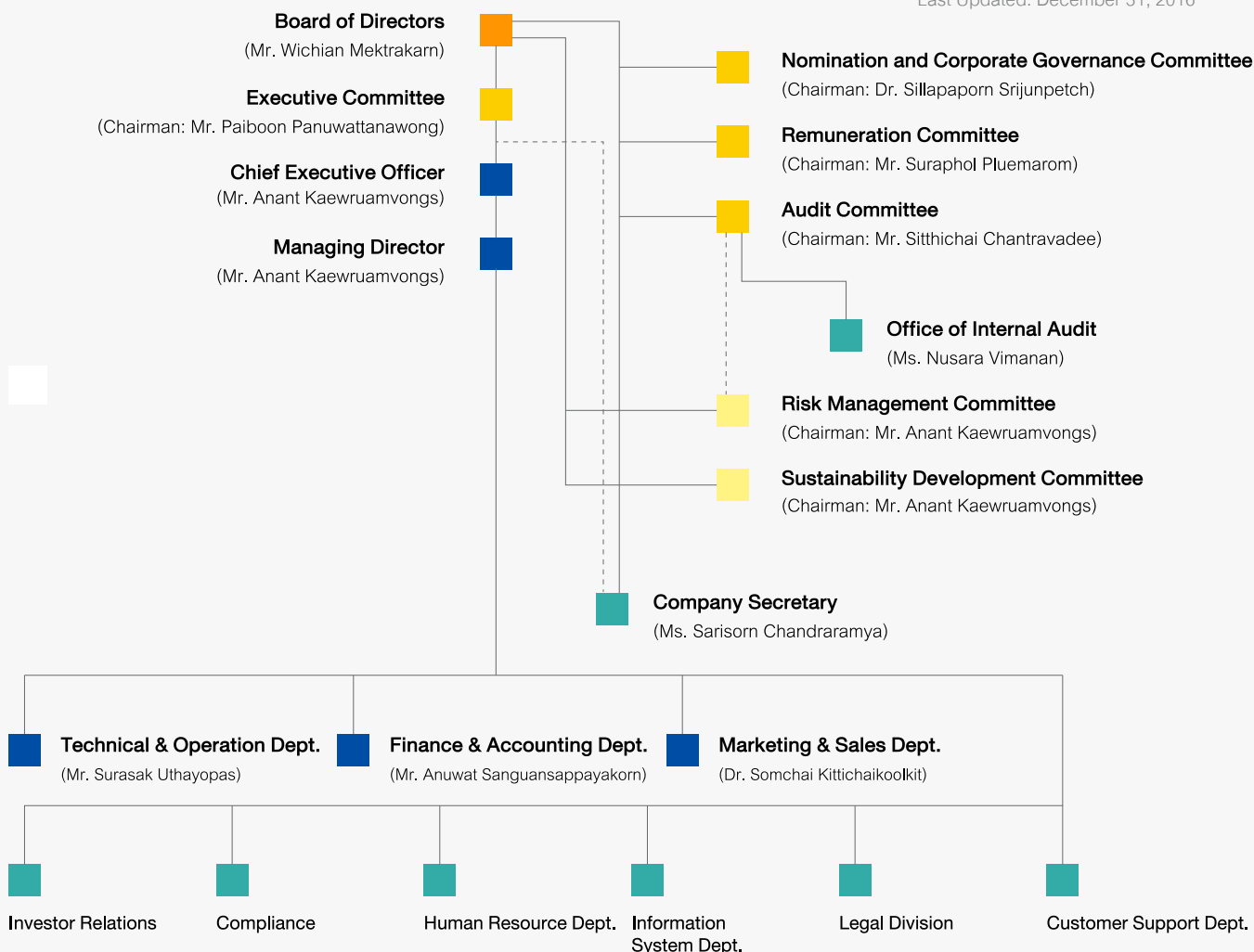
### Approval authority of the MD

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, 2016 is as follows;

## ORGANIZATION STRUCTURE CS LOXINFO PUBLIC COMPANY LIMTIED

Last Updated: December 31, 2016



## COMPANY SECRETARY

The Board has appointed Ms. Sarisorn Chandramya as a Company Secretary, details of her profile and qualifications are shown on page 60 Roles of Company Secretary are provided under Corporate Governance Chapter 1: Board of Directors section 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	2016 Remuneration (Baht)			2015 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	✓	25,000	30,000	✓
Member	20,000	25,000	✓	20,000	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 2016, 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, 2016 comprised of director monthly retainer, annual remuneration and meeting allowance totaling Baht 6,399,994 for six directors with details as follows;

Name Surname Position	Board		Sub Committee							Total Remuneration <sup>2</sup>
			Audit Committee		Nomination and CG Committee	Remuneration Committee	Non-Executive Director	Other Remuneration	Directors Bonus 2016 <sup>1</sup>	
	Monthly Retainer	Meeting Allowance	Monthly Retainer	Meeting Allowance	Meeting Allowance	Meeting Allowance	Meeting Allowance			
Prof. Wongkulpat Snidvongs na Ayudhya, MD. * Independent Director and Chairman of the Board	348,387	-	-	-	-	-	-	106,897	-	455,284
Mr. Wichian Mektrakam ** Director and Chairman of the Board	1,095,484	-	-	-	-	-	-	-	570,000	1,665,484
Mr. Sitthichai Chantravadee Independent Director and Chairman of the AC	-	200,000	300,000	240,000	75,000	-	25,000	-	430,000	1,270,000
Dr. Sillapaporn Srijunpetch Independent Director and Member of the AC	-	200,000	240,000	200,000	90,000	50,000	25,000	-	430,000	1,235,000
Mr. Suraphol Pluemarom Independent Director and Member of the AC	-	200,000	240,000	200,000	-	60,000	25,000	9,313	430,000	1,164,313
Mr. Hansa Chevaprueke Director	-	175,000	-	-	-	-	25,000	9,313	400,000	609,313
Total	1,443,871	775,000	780,000	640,000	165,000	110,000	100,000	125,523	2,260,000	6,399,394

\* Director retired by rotation in 2016

\*\* Being appointed as a Director by the AGM Meeting 2016 on March 28, 2016 to replace Prof. Wongkulpat Snidvongs na Ayudhya who retired by rotation for the year 2016 that completed maximum term under Corporate Governance Policy and being appointed as a Chairman of the Board by the resolution of the Board Meeting no.4/2016 on March 28, 2016

<sup>1</sup> Bonus for the period from January to December 2016 which would be paid in March 2017

<sup>2</sup> Director monthly retainer and meeting allowance for the period from January to December 2016, and accrued bonus which would be paid in March 2017

## 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, 2016, comprising of salary, bonus, provident fund, and other fringe benefits, was Baht 20,550,000 (excluding the Executive Chairman who receives remuneration from Thaicom Plc., the indirect shareholder of the Company).

## HUMAN RESOURCES

As at December 31, 2016, the Company and its subsidiaries had a total of 815 employees in major departments as follows;

Main Departments	Number of Employees (Persons)	
	CSL	TMC & ADV
Marketing and Sales	163	58
Technical and Operation / Production	158	75
Customer Service	109	58
Others example; Executive, Finance & Accounting, Human Resources etc.	131	62
<b>Total</b>	<b>561</b>	<b>253</b>

Total remunerations for personnel of the Company and its subsidiaries consist of salary, bonus, contribution to the provident fund and other benefits amounted to Baht 732 Million.



## HUMAN RESOURCES POLICY

CS LoxInfo 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. We aim to recruit, retain and develop the most talented people we can find. We also strive to create sustainable success and maximize individual capabilities as well as promoting the organization's corporate culture and values. The 'Human Resources Policy' contains the sections as follows;

### 1. Organization Structure and Manpower

The structure of the organization, position titles, job grades and manpower are reviewed every year in order to ensure alignment with the Company's business direction and strategy, and respond to any changes. Additional reviews may be conducted from time to time if required.

### 2. Fairness of Recruitment and Selection

Selection of the Company's employees is based not only on job profile and specification, but also on individual capability and future potential to develop. In order to implement this policy fairly and efficiently, various assessment tools are used and the results are considered by a selection committee. This ensures that the best people for the positions, who are most likely to fit into the Company's culture, are hired.

### 3. Equal Opportunities

The Company is an equal opportunities employer, and all staff members are provided opportunities for development and advancement based on their capability, commitment, and achievement. The Company maximizes human resource utilization without regard to personal characteristics such as race, nationality, religion, sex, age, marital status or disability.

### 4. Human Rights

The Company supports and respects, within its sphere of influence, the principles of human rights defined in the United Nations Universal Declaration of Human Rights. The Company shall not be complicit in the violation of human rights in any form.

### 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 in order to benefit people, society, and/or the nation, 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 its employees and will not disclose any personal information such as salaries, medical records or family data to anyone who does not have a right to that information unless it is required to do so by law.

### 7. Fairness of Compensation Management

The Company has implemented the Job Evaluation System to determine the value or worth of a particular job in relation to other jobs within the organization in order to provide fair compensation. Regular salary and benefit surveys are conducted to benchmark the Company against the market while the cost-of-living index is taken into account to ensure that compensation packages and rewards are fair and competitive. The Company considers it a 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 (Position, Performance and Person):

- 1) Pay for Position: compared fairly to create internal equity by determining the value of a particular job and job benchmarking with the external market.
- 2) Pay for Performance: based on the performance of each employee's team and rewarded by the annual merit-based salary increase and bonus.
- 3) Pay for Person: based on each employee's knowledge and skills, required skills and level of competency.

The Company also uses a performance management system, which aims to align its business objectives at all levels and help employees understand their value and contribution to the organization. This system also reinforces individual accountability for achieving goals, tracks individual and organizational performance results, and provides feedback and coaching to develop competencies and improve performance.





## 8. Welfare, Health, Environment and Safety

The Company constantly promotes a safe and healthy working environment as required under occupational health and safety legislation. Moreover, the Company provides additional facilities and wellbeing of all employees as recommended by health and safety standards.

The Company has also set up a provident fund, run by a professional fund management company certified by the Securities and Exchange Commission, to help prepare its employees for retirement.

## 9. Employee Development

The Company supports and invests in continuous employee development with a systematic approach whereby managers have to consistently plan, review and report on development activities for their staff that are aligned with their business direction. This development covers Managerial Knowledge and Skills, Leadership, Professional/Functional Knowledge & Skills, and Perspective Development. The Company provides a career path for advancement, supported by its succession plan and talent development program in order to achieve its objectives, fulfill its commitments to shareholders, customers and society, and improve its corporate culture and overall management.

The Company support employees to acquire any kind of knowledge and encourages its employees to learn as much as they can about their respective functions so they can advise or coach other people in the organization and apply their knowledge for the benefit of all.

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. The Company provides scholarships for higher education and supports research and development that will benefit the organization, society in general and the environment.

## 10. Succession Planning

The Company has implemented a systematic succession plan and has appointed the committee to nominate successors and monitor their development in order to ensure that the plan is effective and transparent, providing career advancement on both the professional and management tracks.

This plan covers all senior management across the group down to the assistant vice-president level and aims to mitigate the inherent risk associated with business continuity as well as retain and foster leaders within the organization in order to ensure the Company's long-term growth and success.

## 11. Management Role

The Company encourages managers at all levels of the organization to undertake the following human resource management roles:

- Strengthen the understanding between the Company and its employees by building good relationships between management and staff.
- Increase staff morale by listening to employees, responding to their concerns, and providing helpful advice.
- Treat employees who encounter personal difficulties in a fair and humane manner as long as any assistance provided is in accordance with the law, the Human Resources Rules & Regulations, and the Corporate Governance Policy.

## 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.

# DIRECTORS AND MANAGEMENT TEAM

01



02



**01 Mr. Wichian Mektrakarn**  
Chairman of the Board of Directors

**02 Mr. Sitthichai Chantravadee**  
Independent Director / Chairman of the Audit Committee / Member of the Nomination and CG Committee

**03 Dr. Sillapaporn Srijunpetch**  
Independent Director / Member of the Audit Committee / Member of the Remuneration Committee / Chairman of the Nomination and CG Committee

03



04



**04 Mr. Suraphol Pluemarom**  
Independent Director / Member of the Audit Committee / Chairman of the Remuneration Committee

05



**05 Mr. Hansa Chevapurke**  
Director / Representative of CAT Telecom Plc.

**06 Mr. Goh Boon Huat**  
Director / Member of the Executive Committee / Member of the Remuneration Committee / Member of the Nomination and CG Committee / Representative of major shareholder / Authorized Directors

06



07



**07 Mr. Paiboon Panuwattanawong**

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

08



**08 Mr. Vuthi Asvasermcharoen**

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

**09 Mr. Anant Kaewruamvongs**

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

09



**10 Mr. Anuwat Sanguansappayakorn**  
Chief Financial Officer

**11 Mr. Surasak Uthayopas**  
Vice President-Technical and Operations

10



11



12



13



**12 Dr. Somchai Kittichaikoolkit**  
Vice President-Marketing and Sales

**13 Ms. Sarisorn Chandaramya**  
Company Secretary

01

Mr. Wichian Mektrakarn <sup>2)</sup>Age 62,  
Thai

<b>Position</b>	Chairman of the Board of Directors
<b>Appointment date</b>	28 March 2016
<b>Shareholding <sup>1)</sup></b>	None
<b>Relationship with Management</b>	None
<b>Highest Education</b>	<ul style="list-style-type: none"> <li>Bachelor Degree BS EEE - Electrical &amp; Electronics Engineering (Honor), California Polytechnic University, USA</li> <li>Mini MBA, Chulalongkorn University</li> </ul>
<b>Training : Thai Institute of Directors (IOD) and Other</b>	DCP : Director Certification Program Class 107/2008 Year 2009 : CMA : Capital Market Academy Class 8/2009 by Stock Exchange of Thailand
<b>Experience</b>	Mar 16 - Present Chairman of the Board of Directors, CS LoxInfo Plc.  <b>Position in other business</b> <b>Listed Companies in the Stock Exchange of Thailand</b> 2015 - Present Independent Director, Aapico Hitech Plc. 2015 - Present Chairman of the Board of Directors, Aira & Aiful Plc. 2014 - Present Director and Member of the Audit Committee, Thanachart Insurance Plc. Director, Pruksa Real Estate Plc.  <b>Non - Listed Companies in the Stock Exchange of Thailand</b> 2014 - Present Qualified Director, International School of Engineering, Chulalongkorn University 2013 - Present Director, Wiang Samran Hotel  <b>Past Experience</b> 2011 - 2016 Member of the Executive Committee, Intouch Holdings Plc. 2014 - 2016 Advisor, Advanced Info Service Plc. 2009 - 2014 Chief Executive Officer, Advanced Info Service Plc.
<b>Illegal Record in past 10 years</b>	None

02

Mr. Sitthichai Chantravadee

Age 65,  
Thai

<b>Position</b>	Independent Director / Chairman of the Audit Committee / Member of the Nomination and CG Committee
<b>Appointment date</b>	30 March 2011
<b>Shareholding <sup>1)</sup></b>	None
<b>Relationship with Management</b>	None
<b>Highest Education</b>	Master Degree in Accounting, Chulalongkorn University
<b>Training : Thai Institute of Directors (IOD) and Other</b>	ACP : Audit Committee Program Class 12/2006 DAP : Director Accreditation Program Class 49/2006 DCP : Director 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 DCPU : Director Certification Program Update Class 5/2015 AACCP : Advanced Audit Committee Program Class 21/2015
<b>Experience</b>	2015 - Present Independent Director and Chairman of the Audit Committee, CS LoxInfo Plc.  <b>Position in other business</b> <b>Listed Companies in the Stock Exchange of Thailand</b> 2012 - Present Director and Chairman of Remuneration Committee, Thai British Security Printing Plc. 2002 - Present Independent Director, Member of the Audit Committee and Risk Management, Sammakorn Plc. 2011 - Present Audit Advisor, S&P Syndicate Plc.  <b>Non - Listed Companies in the Stock Exchange of Thailand</b> 2012 - Present Independent Director, Thai Cane Paper Plc.  <b>Past Experience</b> 2011 - 2015 Independent Director and Member of the Audit Committee, CS LoxInfo 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
<b>Illegal Record in past 10 years</b>	None

1) Includes holdings by spouse and minor children as at December 31, 2016

2) Being appointed by the AGM Meeting 2016 on March 28, 2016 as Director to replace Prof. Wongkulpat Snidvongs na Ayudyha, M.D. who retired by rotation in 2016

03

Dr. Sillapaporn Srijunpetch

Age 53,  
Thai

<b>Position</b>	Independent Director / Member of the Audit Committee / Member of the Remuneration Committee / Chairman of the Nomination and CG Committee
<b>Appointment date</b>	10 November 2005
<b>Shareholding <sup>1)</sup></b>	None
<b>Relationship with Management</b>	None
<b>Highest Education</b>	Doctorate Degree in Accounting, Manchester Business School, University of Manchester, UK
<b>Training : Thai Institute of Directors (IOD) and Other</b>	DAP : Director Accreditation Program Class 51/2006
<b>Experience</b>	2005 - Present Independent Director and Member of the Audit Committee, CS LoxInfo Plc.
<b>Position in other business</b>	
<b>Listed Companies in the Stock Exchange of Thailand</b>	None
<b>Non - Listed Companies in the Stock Exchange of Thailand</b>	1997 - Present Lecturer, Faculty of Commerce and Accountancy, Thammasat University
<b>Past Experience</b>	
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
<b>Illegal Record in past 10 years</b>	None

04

Mr. Suraphol Pluemarom

Age 61,  
Thai

<b>Position</b>	Independent Director / Member of the Audit Committee / Chairman of the Remuneration Committee
<b>Appointment date</b>	25 March 2015
<b>Shareholding <sup>1)</sup></b>	None
<b>Relationship with Management</b>	None
<b>Highest Education</b>	Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
<b>Training : Thai Institute of Directors (IOD) and Other</b>	DAP : Director Accreditation Program class 67/2007 DCP : Director Certification Program Class 229/2016
<b>Experience</b>	2015 - Present Independent Director and Member of the Audit Committee, CS LoxInfo Plc.
<b>Position in other business</b>	
<b>Listed Companies in the Stock Exchange of Thailand</b>	
2007 - Present	Independent Director and Audit Committee, Draco PCB Plc.
<b>Non - Listed Companies in the Stock Exchange of Thailand</b>	
2001 - Present	Managing Director, Professional Alliance Legal Advisory Limited  Executive Directors, The Institute of Advocacy Training of the Law Council of Thailand
<b>Past Experience</b>	
1994 - 2001	Managing Director, Crown Development Co., Ltd.
1978 - 1994	Vice President of Legal & Tax Affairs, Berli Jucker Plc.
<b>Illegal Record in past 10 years</b>	None

1) Includes holdings by spouse and minor children as at December 31, 2016

05

Mr. Hansa Chevapurke

Age 57,  
Thai

<b>Position</b>	Director / Representative of CAT Telecom Plc.
<b>Appointment date</b>	12 March 2010
<b>Shareholding <sup>1)</sup></b>	None
<b>Relationship with Management</b>	None
<b>Highest Education</b>	<ul style="list-style-type: none"> <li>Master of Public and Private Management Program, Graduate School of Public Administration, National Institute of Development Administration (NIDA)</li> <li>Graduate Diploma in Politics and Governance in Systems for Executives Class 14, King Prajadhipok's Institute</li> <li>National Defense College class 54</li> <li>Diploma, The 6th Course on Administrative Justice for Executive, The Administrative Court</li> </ul>
<b>Training : Thai Institute of Directors (IOD) and Other</b>	<p>DCP : Director Certification Program Class 132/2010</p> <p>SFE : Successful Formulation &amp; Execution of Strategy Class 17/2013</p>
<b>Experience</b>	<p>2010 - Present Director, CS LoxInfo Plc.</p> <p><b>Position in other business</b></p> <p><u>Listed Companies in the Stock Exchange of Thailand</u></p> <p>None</p> <p><u>Non - Listed Companies in the Stock Exchange of Thailand</u></p> <p>2011 - Present Senior Executive Vice President, CAT Telecom Plc.</p> <p><b>Past Experience</b></p> <p>2007 - 2009 Vice President, Business Partner Contract Management Department, CAT Telecom Plc.</p> <p>2009 - 2011 Executive Vice President, Legal Counsel CAT Telecom Plc.</p>
<b>Illegal Record in past 10 years</b>	None

06

Mr. Goh Boon Huat <sup>3)</sup>Age 48,  
Singaporean

<b>Position</b>	Director / Member of the Executive Committee / Member of the Remuneration Committee / Member of the Nomination and CG Committee / Representative of major shareholder / Authorized Directors
<b>Appointment date</b>	8 August 2016
<b>Shareholding <sup>1)</sup></b>	None
<b>Relationship with Management</b>	None
<b>Highest Education</b>	Post Graduate - MBA, Imperial University, London, UK
<b>Training : Thai Institute of Directors (IOD) and Other</b>	-
<b>Experience</b>	<p>Aug 16 - Present Director and Member of the Executive Committee, CS LoxInfo Plc.</p> <p><b>Position in other business</b></p> <p><u>Listed Companies in the Stock Exchange of Thailand</u></p> <p>None</p> <p><u>Non - Listed Companies in the Stock Exchange of Thailand</u></p> <p>2010 - Present Vice President of Product Management, Group Enterprise Singapore Telecommunications Ltd.</p> <p><b>Past Experience</b></p> <p>2001 - 2010 Product Director, Singapore Telecommunications Ltd.</p>
<b>Illegal Record in past 10 years</b>	None

1) Includes holdings by spouse and minor children as at December 31, 2016

3) Being appointed by the Board Meeting No. 6/2016 on August 8, 2016 as Director to replace Mr. Lee Han Kheng who resigned with effect from August 8, 2016



07

Mr. Paiboon  
PanuwattanawongAge 57,  
Thai

<b>Position</b>	Director / Chairman of the Executive Committee / Member of the Remuneration Committee / Member of the Nomination and CG Committee / Representative of major shareholder / Authorized Directors		
<b>Appointment date</b>	1 October 2015		
<b>Shareholding <sup>1)</sup></b>	None		
<b>Relationship with Management</b>	None		
<b>Highest Education</b>	<ul style="list-style-type: none"> <li>• Master of Science in Electrical Engineering (M.S.E.E.) Carnegie Mellon University, Pittsburgh, PA, USA</li> <li>• National Defense College class 57</li> </ul>		
<b>Training : Thai Institute of Directors (IOD) and Other</b>	DCP : Director Certification Program class : 119/2009		
<b>Experience</b>	<p>2015 - Present Director and Chairman of the Executive Committee, CS LoxInfo Plc.</p> <p><b>Position in other business</b></p> <p><u>Listed Companies in the Stock Exchange of Thailand</u></p> <p>Feb 16 - Present Member of Executive Committee, Advanced Info Service Plc.</p> <p>2015 - Present Director, Chief Executive Officer, Thaicom Plc. and Director of the subsidiaries and associates Company for 12 Companies</p> <p>2011 - Present Member of Executive Committee, Thaicom Plc.</p> <p><u>Non - Listed Companies in the Stock Exchange of Thailand</u></p> <p>None</p> <p><b>Past Experience</b></p> <p>2009 - 2015 Chief Technical Officer, Thaicom Plc.</p> <tr> <td><b>Illegal Record in past 10 years</b></td><td>None</td></tr>	<b>Illegal Record in past 10 years</b>	None
<b>Illegal Record in past 10 years</b>	None		

08

Mr. Vuthi Asvasermcharoen

Age 49,  
Thai

<b>Position</b>	Director / Member of the Executive Committee / Representative of major shareholder / Authorized Directors		
<b>Appointment date</b>	9 May 2012		
<b>Shareholding <sup>1)</sup></b>	None		
<b>Relationship with Management</b>	None		
<b>Highest Education</b>	MBA, Indiana University of Pennsylvania, USA		
<b>Training : Thai Institute of Directors (IOD) and Other</b>	DCP : Director Certification Program Class 168/2013		
<b>Experience</b>	<p>2012 - Present Director and Member of the Executive Committee, CS LoxInfo Plc.</p> <p><b>Position in other business</b></p> <p><u>Listed Companies in the Stock Exchange of Thailand</u></p> <p>2011 - Present Chief Financial Officer, Thaicom Plc. and Director of the subsidiaries and associates Company for 12 Companies</p> <p><u>Non - Listed Companies in the Stock Exchange of Thailand</u></p> <p>None</p> <p><b>Past Experience</b></p> <p>2011 - 2011 Chief Financial Officer (CFO), GMM Grammy Plc.</p> <p>2004 - 2010 Deputy Chief Financial Officer, Sahaviriya Steel Industries Plc.</p> <p>2001 - 2004 Vice President, Bangkok Bank Plc.</p> <tr> <td><b>Illegal Record in past 10 years</b></td><td>None</td></tr>	<b>Illegal Record in past 10 years</b>	None
<b>Illegal Record in past 10 years</b>	None		

1) Includes holdings by spouse and minor children as at December 31, 2016

09

Mr. Anant Kaewruamvongs

Age 55,  
Thai

<b>Position</b>	Director / Member of the Executive Committee / Representative of major shareholder / Chief Executive Officer and Managing Director / Authorized Directors
<b>Appointment date</b>	9 June 2011
<b>Shareholding <sup>1)</sup></b>	0.1024% or 609,000 shares
<b>Relationship with Management</b>	None
<b>Highest Education</b>	<ul style="list-style-type: none"> <li>Master Degree in Management, SASIN Graduate Institute of Business Administration of Chulalongkorn University</li> <li>Diploma, National Defence College, The Joint State - Private Sector Course (JSP) Class 26</li> </ul>
<b>Training : Thai Institute of Directors (IOD) and Other</b>	<p>DCP : Director Certification Program Class 66/2005  DAP : Director Accreditation Program Class 45/2005  SFE : Successful Formulation and Execution of Strategy Class 6/2010  HRP : How to Develop a Risk Management Plan Class 9/2016  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</p>
<b>Experience</b>	<p>2013 - Present Chief Executive Officer and Managing Director, CS LoxInfo Plc.</p> <p>2011 - Present Director and Member of the Executive Committee, CS LoxInfo Plc.</p>
<b>Position in other business</b>	
<b>Listed Companies in the Stock Exchange of Thailand</b>	None
<b>Non - Listed Companies in the Stock Exchange of Thailand</b>	None
<b>Past Experience</b>	<p>2005 - 2013 Managing Director, CS LoxInfo Plc.</p> <p>2007 - 2007 Director and Member of the Executive Committee, CS LoxInfo Plc.</p> <p>1999 - 2005 Deputy Managing Director, CS LoxInfo Plc.</p> <p>1997 - 1999 General Manager, CS Satellite Phone Co., Ltd.</p> <p>1993 - 1997 General Manager, Lao Telecommunications Co., Ltd.</p>
<b>Illegal Record in past 10 years</b>	None

10

Mr. Anuwat Sanguansappayakorn

Age 51,  
Thai

<b>Position</b>	Chief Financial Officer
<b>Appointment date</b>	1 May 2003
<b>Shareholding <sup>1)</sup></b>	None
<b>Relationship with Management</b>	None
<b>Highest Education</b>	Master Degree in Accounting, Chulalongkorn University
<b>Training : Thai Institute of Directors (IOD) and Other</b>	<p>DCP : Director Certification Program Class 88/2007  Year 2012 : TLCA Executive Development Program (EDP) Class 9 by Thai Listed Companies Association  Year 2015 - 2016 : Diploma, ISP Class 116, Institute of Security Psychology, National Defence Studies Institute, Royal Thai Armed Forces Headquarters</p>
<b>Experience</b>	2003 - Present Chief Finance Officer, CS LoxInfo Plc.
<b>Position in other business</b>	
<b>Listed Companies in the Stock Exchange of Thailand</b>	None
<b>Non - Listed Companies in the Stock Exchange of Thailand</b>	None
<b>Past Experience</b>	<p>1998 - 2003 Accounting Manager, CS Communications., Ltd.</p> <p>1997 - 1997 Planning Manager, Thai Capital Final Finance &amp; Securities Co., Ltd.</p> <p>1996 - 1997 Investment banking Manager, Krung Thai Finance &amp; Securities Co., Ltd.</p> <p>1994 - 1996 Accounting Manager, Multi Credit Corporation of Thai</p> <p>1988 - 1993 Senior Auditor, Deloitte Touche Tohmatsu Jaiyos</p>
<b>Illegal Record in past 10 years</b>	None

1) Includes holdings by spouse and minor children as at December 31, 2016

11

Mr. Surasak Uthayopas

Age 53,  
Thai

<b>Position</b>	Vice President - Technical and Operations
<b>Appointment date</b>	1 April 2014
<b>Shareholding <sup>1)</sup></b>	0.0008% or 5,000 shares
<b>Relationship with Management</b>	None
<b>Highest Education</b>	Master of Engineering (Electrical Engineering), Chulalongkorn University
<b>Training : Thai Institute of Directors (IOD) and Other</b>	DCP : Director Certification Program Class 177/2013 Year 2013 : TLCA Executive Development Program (EDP) Class 11 by Thai Listed Companies Association
<b>Experience</b>	2014 - Present Vice President - Technical and Operation, CS LoxInfo Plc.
<b>Position in other business</b>	
<b>Listed Companies in the Stock Exchange of Thailand</b>	None
<b>Non - Listed Companies in the Stock Exchange of Thailand</b>	None
<b>Past Experience</b>	2009 - 2014 Senior Director - Technical & Operation, CS LoxInfo Plc. 2008 - 2009 Acting Senior Director - Technical & Operation, CS 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.
<b>Illegal Record in past 10 years</b>	None

12

Dr. Somchai Kittichaikoonkit

Age 50,  
Thai

<b>Position</b>	Vice President - Marketing and Sales
<b>Appointment date</b>	1 April 2014
<b>Shareholding <sup>1)</sup></b>	0.0317% or 188,187 shares
<b>Relationship with Management</b>	None
<b>Highest Education</b>	Doctorate Degree in Electronic Engineering, Tohoku University, Japan
<b>Training : Thai Institute of Directors (IOD) and Other</b>	DCP : Director Certification Program Class 180/2013 Year 2013 : TLCA Executive Development Program (EDP) Class 10 by Thai Listed Companies Association
<b>Experience</b>	2014 - Present Vice President – Marketing and Sales, CS LoxInfo Plc.
<b>Position in other business</b>	
<b>Listed Companies in the Stock Exchange of Thailand</b>	None
<b>Non - Listed Companies in the Stock Exchange of Thailand</b>	None
<b>Past Experience</b>	2009 - 2014 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.
<b>Illegal Record in past 10 years</b>	None

1) Includes holdings by spouse and minor children as at December 31, 2016

13

Ms. Sarisorn Chandramya

Age 46,  
Thai

<b>Position</b>	Company Secretary
<b>Appointment date</b>	9 June 2011
<b>Shareholding <sup>1)</sup></b>	0.0040% or 24,000 shares
<b>Relationship with Management</b>	None
<b>Highest Education</b>	
<ul style="list-style-type: none"> <li>• Master Degree of Arts in Economic Laws, Chulalongkorn University</li> <li>• Barrister at Laws, Institute of Education, Thai Bar Association</li> <li>• Graduate Diploma in Business Law, Thammasat University</li> <li>• Bachelor Degree of Laws, Thammasat University</li> </ul>	
<b>Training : Thai Institute of Directors (IOD) and Other</b>	
CSP : Company Secretary Program Class 41/2011 EMT : Effective Minute Taking Class 20/2011 CRP : Company Reporting Program Class 2/2011 ACPG : Anti-Corruption : The Practical Guide Class 2/2013 FPCS : Fundamentals Practice for Corporate Secretaries Class 29/2014 Year 2015 : Risk Management Certificate Program Class 5 by The Faculty of Economics, Chulalongkorn University	
<b>Experience</b>	
2015 - Present Director - Legal, CS LoxInfo Plc.	
2011 - Present Company Secretary, CS LoxInfo Plc.	
<b>Position in other business</b>	
<u>Listed Companies in the Stock Exchange of Thailand</u>	
None	
<u>Non - Listed Companies in the Stock Exchange of Thailand</u>	
None	
<b>Past Experience</b>	
2014 - 2015	Assistant Director - Legal, CS LoxInfo Plc.
2003 - 2014	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
<b>Illegal Record in past 10 years</b>	None

1) Includes holdings by spouse and minor children as at December 31, 2016

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

No.	Name	Position	CS LOXINFO PLC.						TELEINFO MEDIA PCL.						AD VENTURE PCL.			
			Ordinary Shares (Shares)						Ordinary Shares (Shares)						Ordinary Shares (Shares)			
			31 DEC 2015	Changes during 2016 Increase	Decrease	31 DEC 2016			31 DEC 2015	Changes during 2016 Increase	Decrease	31 DEC 2016			31 DEC 2015	Changes during 2016 Increase	Decrease	31 DEC 2016
1	Mr. Wichian Mektrakarn <sup>1</sup> Spouse and Minor children	Chairman of the Board of Directors	-	-	-	-			-	-	-	-			-	-	-	-
2	Mr. Sitthichai Chantravadee Spouse and Minor children	Independent Director and Chairman of the Audit Committee	-	-	-	-			-	-	-	-			-	-	-	-
3	Mr. Suraphol Pluemarom 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. Hansa Chevapurke Spouse and Minor children	Director	-	-	-	-			-	-	-	-			-	-	-	-
6	Mr. Paiboon Panuattananawong Spouse and Minor children	Director and Chairman of the Executive Committee	-	-	-	-			-	-	-	-			-	-	-	-
7	Mr. Goh Boon Huat <sup>2</sup> Spouse and Minor children	Director and Member of the Executive Committee	-	-	-	-			-	-	-	-			-	-	-	-
8	Mr. Vuthi Asvasermcharoen Spouse and Minor children	Director and Member of the Executive Committee	-	-	-	-			1	-	-	1			-	-	-	-
9	Mr. Anant Kaewruamvongs Spouse and Minor children	Director and Member of the Executive Committee	609,000	-	-	609,000			1	-	-	1			1	-	-	1
10	Mr. Anuwat Sangsuanapayakorn Spouse and Minor children	Chief Financial Officer	-	-	-	-			1	-	-	1			1	-	-	1
11	Mr. Surasak Uthayopas Spouse and Minor children	Vice President - Technical and Operations	5,000	-	-	5,000			-	-	-	-			-	-	-	-
12	Dr. Somchai Kittichaikoolkit Spouse and Minor children	Vice President - Marketing and Sales	188,187	-	-	188,187			-	-	-	-			-	-	-	-
13	Ms. Sarisorn Chandramaya Spouse and Minor children	Company Secretary	24,000	-	-	24,000			1	-	-	1			1	-	-	1

<sup>1</sup> Being appointed by the AGM Meeting 2016 on March 28, 2016 as Director to replace Prof. Wongkulpat Snidvongs na Ayudhya M.D. who retired by rotation in 2016

<sup>2</sup> Being appointed by the Board Meeting No. 6/2016 on August 8, 2016 as Director to replace Mr. Lee Han Kheng who resigned with effect from August 8, 2016

# 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 1: BOARD OF DIRECTORS

### 1. Leadership and Vision

The Board positions of 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 strategy to include internet, computer and communication services (herein after referred to as ICT 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 Data Center (DC) in order to strengthen the ICT business of the Company, sufficiently supply the demand of the customers and help managing a diversification. DC 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.<sup>1</sup>

### 2.7 Age limit for Directors<sup>1</sup>

2.7.1 It is the Board's policy that an individual who will be 72 years of age or older at the time of appointment shall not be nominated as a director. When this policy becomes effective, current directors who are 72 years of age or older may still hold their positions for their remaining terms of office.

2.7.2 The Board may approve the nomination for re-appointment of directors who will be 72 years of age or older at the time of appointment for only one more term.

Presently, the Board consists of nine qualified and experienced directors in the relevant fields, including telecommunications, legal and accounting, as well as finance and business 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; one is non-executive director and three are independent directors, who together account for 33.33 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 2016, Directors have attended variety of courses related to their roles and responsibilities as follows:

1. Mr. Suraphol Pluemarom, Independent Director / Member of the Audit Committee / Chairman of Remuneration Committee
  - DCP: Director Certification Program Update Class 229/2016 by Thai Institute of Directors (IOD)
2. Mr. Anant Kaewruamvongs, Director / Member of the Executive Committee / Chairman of the Risk Management Committee / Chairman of the Sustainability Development Committee / Representatives of major shareholders
  - How to Develop a risk Management Plan Class 9/2016 by Thai Institute of Directors (IOD)

<sup>1</sup> Board Meeting No.1/2016 on 28 January 2016 approved the amendment of CG Policy as recommended by Nomination and CG Committee

### 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.

- **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 consider, to approve and review the Company's strategic direction, annual business plan, budget and key performance indicators, and monitor the management the implementation of its strategic direction and the performance against business plan and budget.<sup>1</sup>
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 six 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
- Risk Management Committee
- Sustainability Development Committee

The details will be provided below in section 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 Chandramaya. 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;

<sup>1</sup> Board Meeting No.1/2016 on 28 January 2016 approved the amendment of CG Policy as recommended by Nomination and CG Committee

- Organize and facilitate the board and the subcommittee 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.

At least two-thirds of the directors must be present at a meeting to constitute a quorum.<sup>1</sup>

In 2016, the Board met for 8 times and the Non-Executive Directors met 1 times as detailed under the topic "Management Structure: 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.

<sup>1</sup> Board Meeting No.1/2016 on 28 January 2016 approved the amendment of CG Policy as recommended by Nomination and CG Committee

For the year 2016 Nomination and CG Committee meeting No.1/2016, NCG reviewed the succession plan for the position of CEO and Senior Management. And NCG concurred with knowledge exchange program for successors within INTOUCH group.

## 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 2016, Non-executive Directors met 1 times with the details specified under the topic "Management Structure: Directors: Non-executive Directors Meeting"

## 11. Performance Assessment of the Board of Directors

The Board of Directors evaluates its own performance as a whole and individual basis (Board Self-Assessment) annually in order to assess and improve the directors' own fiduciary duties and their compliance with corporate governance policy.

For the year 2016 Board agreed with the recommendation of Nomination and CG Committee for the annual performance evaluations of the Board, Board's Sub Committees (including a review by the committee of its own performance).

### Criterion for assessment of the Board and Board Sub Committee

The evaluation forms adopted as the guideline of Securities and Exchange Commission. The differences of criterion are as follows;

The Evaluation form of the Board (As a Whole) consists of two (2) key components.

**Component I:** The evaluation is related to the following six (6) aspects of its operation:

1. Board of Directors' structure and qualifications of the Board of Directors;
2. The roles, duties and responsibilities of the Board of Directors;
3. Board of Directors' meetings;
4. The Board's performance;
5. Relationships with management;
6. Directors' self-development and executive development.

**Component II:** The opinions and suggestions provided by the Board of Directors so as to identify special issues in its performance or any aspects of the Company's operation.

The Evaluation form of the Sub Committee (As a Whole) [Nomination and CG Committee and Remuneration Committee] consists of two (2) key components.

**Component I:** The evaluation is related to the following three (3) aspects of its operation:

1. Sub Committee structure and qualifications
2. Sub Committee Meeting
3. Role, duties and responsibilities of Sub Committee

**Component II:** The opinions and suggestions

For the criterion of the evaluation form of Executive Committee same as the criterion of the other Sub Committee included 1 more aspects for evaluation the roles and duties of Executive Committees' Chairman.

The Evaluation form of the Board and Sub Committee (Individual basis) consists of two (2) key components.

**Component I:** The evaluation is related to the following three (3) aspects of its operation:

1. Structure and qualifications of the committee
2. Director performance(himself) for the committee meeting
3. Roles, duties and responsibilities of director (himself)

**Component II:** The opinions and suggestions

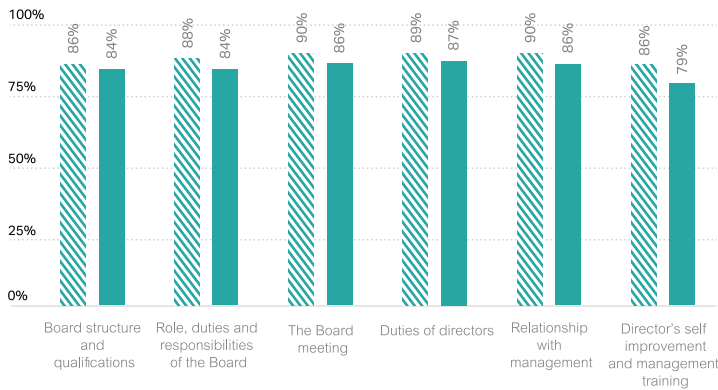
### Procedure

The Company secretary will propose the form to directors every year, then gather and report the result of assessment to the Board of Directors for consideration.

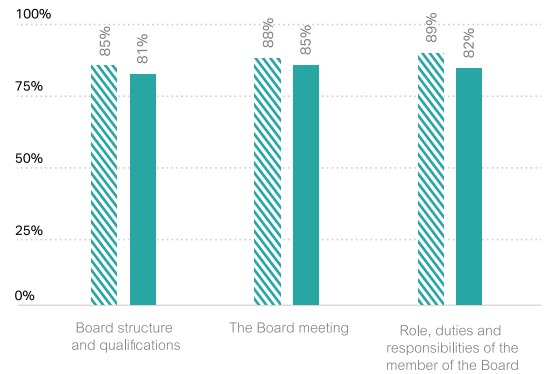
Evaluation results of Board and Sub Committee summarized of the Year 2016 compare with the year 2015 as follows;



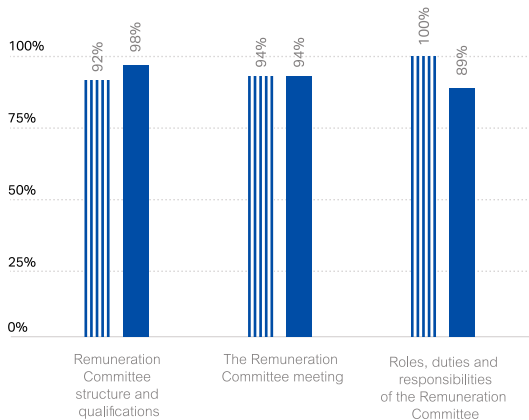
### Self-assessment of the Board as a whole Yr2016 and Yr2015



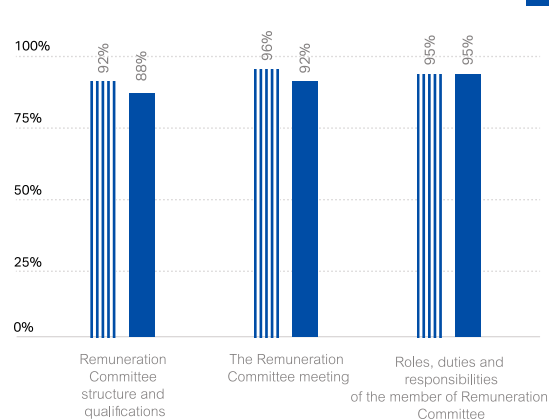
### Self-assessment of the Board on an individual basis Yr2016 and Yr2015



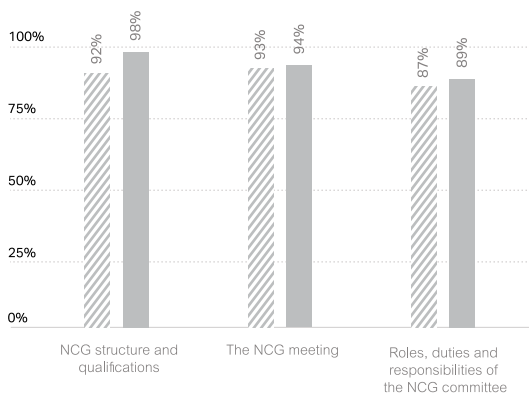
### Self-assessment of Remuneration Committee as a whole Yr2016 and Yr2015



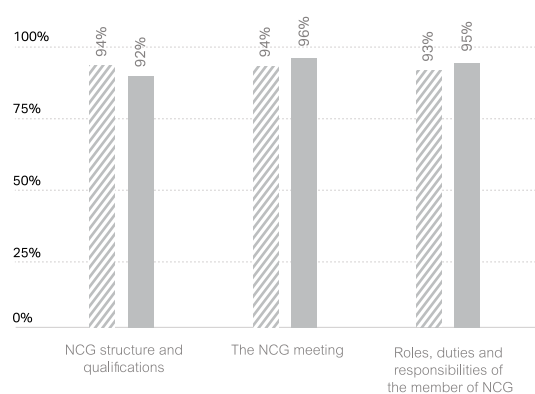
### Self-assessment of Remuneration Committee on an individual basis Yr2016 and Yr2015



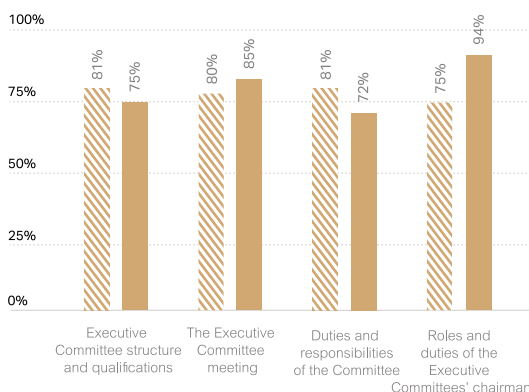
### Self-assessment of the Nomination Corporate Governance Committee as a whole Yr2016 and Yr2015



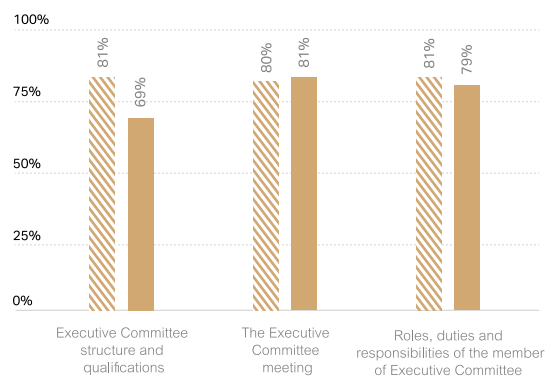
### Self-assessment of the Nomination Corporate Governance Committee on an individual basis Yr2016 and Yr2015



### Self-assessment of the Executive Committee as a whole Yr2016 and Yr2015



### Self-assessment of the Executive Committee on an individual basis Yr2016 and Yr2015





## CHAPTER 2: 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 1 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 3 months in advance.

For the Annual General Meeting of Shareholders for the Year 2016, the Company granted the right to shareholders holding not less than 1 percent of the total voting shares of the Company and must have continuously held the shares at least one year to propose the agenda or a person to be nominated as director 3 months in advance before the end of the Company's accounting period, during October 1, 2015 to December 30, 2015.

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 2016, there were one shareholders' meetings: the Annual General Meeting (AGM)

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. For example in the agenda "To consider and approve the Financial Statement for the year", "To consider and approve dividends payment of the year" and "To consider and approve the appointment of the Company's external auditors" etc.

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 2016 AGM, the Chairman of the Board and all directors attended the meeting, with details under "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.

### 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	<p>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 learning 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.</p> <p>Moreover, the Board of Directors also has a policy to take care of environment of workplace by implementing the requirements of the ISO 9001, which the Company 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.</p> <p>The Company provides employee handbook containing their rights and benefits of the employees. The handbooks are distributed publicly in prints and online at <a href="http://intranet.csloxinfo.net/">http://intranet.csloxinfo.net/</a>.</p>
CUSTOMERS	<p>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.</p> <p>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 <a href="https://intranet.csloxinfo.net/">https://intranet.csloxinfo.net/</a>.</p>



<b>PARTNERS</b>	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.
<b>CREDITORS</b>	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.
<b>COMPETITORS</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>The Company has provided Anti-Bribery and Corruption Policy to govern such issue and this is one of the code of conduct that all executives and employees should acknowledge and make into practice. In 2014, the Company was certified to be part of Collective Action Coalition.</p>
<b>SOCIETY</b>	<p>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-based society.</p> <p>In 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.</p> <p>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.</p> <p>From the year 2015, the Board recommended to make a sustainability report to be complied with the Global Reporting Initiative (GRI) Sustainability report guideline. Moreover in the year 2016 Board approved to nominate the Sustainable Development Committee is a sub-committee. The Committee has duties to assist the Board in fulfilling its social responsibilities for continuity sustainability, Set policy, strategy and budget relevant to sustainability development and corporate social responsibilities in compliance with the objective set forth. The Committee has duties to follow up and report to the Board on both current and emerging issues included their potential impact on the Company.</p>



## CHAPTER 3: 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 Disclose audit fees and other fees from auditors

4.9 Other information disclosure as stipulated by laws or related regulations

4.10 Disclose the responsibility of Director under Financial report by disclosing with Auditor's report, in annual report

4.11 Disclose 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 given 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 2016, Briefing of quarterly and yearly operating performance was also arranged to the investors, analysts, and interested people as detailed below;

#### Analyst briefing

1Q2016 Quarterly Briefing	on May 16, 2016
2Q2016 Quarterly Briefing	on August 17, 2016
2016 Annual Briefing	on February 10, 2017

#### Opportunity day

1Q2016	on June 1, 2016
2Q2016	on August 18, 2016
3Q2016	on November 15, 2016
2016 Annual Briefing	on February 20, 2017

You can contact IR of CSL at Tel. (66) 2263 8000 Extension 5184, or at email address: [ir@csloxinfo.net](mailto:ir@csloxinfo.net) for more information.

## CHAPTER 4: 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 CEO 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 5: 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.

The Company shall conduct its business with integrity and transparency, consistent with its Corporate Governance Policy. The Company denies bribery and corruption which can harm the fair and freedom of competition and damage the development of the economy and society.

The Company is a signatory to '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 the Anti-Bribery and Corruption Policy which is incorporated into its code of conduct that binds all its executives and employees.

### 2. Conflicts of Interest

Directors, management and staff members at all levels involved in any outside interest or additional source of remuneration which may impair their independence towards performing their duties, or may affect the interests of the companies in the Group or their customers, thus the policy or regulations concerning with this matters have been implemented with the main principles as follows;



- 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.
- The only exceptions are traditional, seasonal gifts which are in accordance with normal cultural practice. The value of any gift received may not be over 5,000 baht. If the value is above this amount, the recipient must declare each gift by using the declaration Form to his or her supervisor for consideration. These gifts will either be included in raffles for the Employees or donated to charity in comply with the Anti-Bribery and Corruption Policy in the additional part of the code of conduct since 2013 which approved by the Board of Directors.
- All directors, management and employees can accept invitations to seminars, business events and company visits where the traveling expenses are sponsored by a business partner, suppliers, customers, creditors or any other person they are dealing with on behalf of the Company. However, the aforementioned activities must benefit the Company's business and be authorized by the relevant authority. No director, manager or employee may accept spending money or other benefits for these events.

Therefore, The Company has drawn up the Policy & Practice Guidelines for the Board of Directors that covers the directors' activities such as gifts, accepting invitations to seminars, business events etc. This will ensure that all the directors act in a transparent and efficient manner without conflicts of interest, follow the principles of good corporate governance, abide by the Company' Anti-Bribery & Corruption Policy, and comply with all relevant laws.

- 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.

### 3. 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.

In 2015, The Company has improved the Related Party Transactions Policy, which the policy is more suitable as there are the duties, responsibilities, purpose and definition of the words. Moreover, other words and expressions associated with related-party transactions are defined in the Notification of the Capital Market Supervisory Board, Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, 2003.

**The purpose of the policy** is intended to;

- Ensure that all transactions between the Company or its subsidiaries and related persons comply with the relevant laws along with the regulations and guidelines of the regulatory agencies.
- 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).
- Define the process of identification, review, approval and disclosure of all related-party transactions made by the Company and its subsidiaries.
- Ensure that all related-party transactions are disclosed in compliance with the notifications issued by the regulatory agencies and accounting standards of the Federation of Accounting Professions.

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.

### 4. Participation in Political Activities

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 favors 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.



## 5. Human rights

The Company has a policy to support the internationally proclaimed human rights including the UN Declaration and conventions on human rights. Directors, executive directors and employees shall respect the personal dignity, privacy and the rights of each individual you interact with during the course of work and shall not in any way cause or contribute to the violation or circumvention of human rights.

## 6. 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".

In 2015, the Board has approved the Securities Trading Policy of CS LoxInfo Public Company Limited to preserve shareholder and investor confidence in trading of the Company's securities. Such Policy applies to all directors, executives and employees of the Company. Some areas of this Policy also extend to their spouses and minor children.

### Insider Trading Prohibition

All directors, executives and all designated persons must comply with the insider trading prohibition as defined in Section 241 of the Securities and Exchange Act, B.E.2535: "In the purchase or sale of securities which are listed in the Securities Exchange or traded in an over-the-counter center, no person, whether directly or indirectly, shall purchase or sell, offer to or sell or invite any other person to purchase, sell or offer to purchase or sell securities which are listed in the Securities Exchange or traded in an over-

the-counter center in such a way as to take advantage of other persons by using information material to changes in the prices of securities which has not yet been disclosed to the public and to which information he has access by virtue of his office or position, and whether or not such act is done for his own or another person's benefit, or to disclose such information so that he will receive consideration from the person who engages in the aforesaid acts."

### Blackout Periods

All directors, executives and all designated persons are prohibited from trading CSL's Securities for a period of thirty (30) days prior to the disclosure or publication of the quarterly and annual financial statements, or any other period that the Company might specify from time to time.

All designated persons must report their holdings of CSL Group's Securities (including securities held by their spouses and minor children) to the Company.

### Report of Securities Holdings

All directors and senior executives are responsible for preparing and disclosing their holdings of that Company's securities as well as any changes in their holdings to the Office of the Securities and Exchange Commission in compliance with Section 59 of the Securities and Exchange Act, B.E.2535. The Securities Trading Policy also set that all designated person (including securities held by their spouses and minor children) must report the initial reporting and reporting of changes to the Board of Directors in the specific time.

### Policy Violations

Any director, executive or employee who violates this Policy may face disciplinary action up to and including termination of employment, and may also be subject to criminal and civil liabilities under the Securities and Exchange Act, B.E. 2535.

## SUB-COMMITTEE

The Board has appointed six 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
5. Risk Management Committee
6. Sustainability Development Committee

## 1. AUDIT COMMITTEE (AC)

Name	Position
1. Mr. Sitthichai Chantravadee	Chairman of the AC / Independent Director
2. Dr. Sillapaporn Srijunpetch <sup>1</sup>	Member of the AC / Independent Director
3. Mr. Suraphol Pluemarom	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 three independent directors. The ones qualified and experienced in the financial and accounting fields are, Mr. Sitthichai Chantravadee, Dr. Sillapaporn Srijunpetch and Mr. Suraphol Pluemarom 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.

In 2016, 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;

- Review the accuracy of the Company's financial reports in accordance with financial reporting standards, and ensure there is adequate disclosure.
- Review the changes of the Company's accounting policies and financial authorities delegated to EXCOM and Managing Director and give recommendation to the Board.
- Consider and make recommendations on the appointment and remuneration of the Company's external auditor, and changing the external auditor for compliance with the good corporate governance.
- Review independence of the auditor, give policy for the approval of non-audit services and make recommendations.
- The private meeting must arrange for at least in a year with the auditor of the Company without participation of the management.
- Review to ensure that the Company's internal control systems are suitable and efficient.
- Review the internal procedure concerning whistle blowing and complaint effectiveness.
- Supervise to ensure that the internal audit systems are efficient and effective.
- Review the independence of the Internal Audit Department, as well as agree with the appointment, rotation, termination, performance appraisal and merits of Internal Audit Department Head.
- Review and evaluate the performance of the Internal Audit Department and provide internal audit quality assurance.
- Approve Internal Audit Charter, organization structure and internal audit manual.
- Approve the annual internal audit plan, budget, manpower and training and development plan of Internal Audit Department to ensure consistency with nature and the level risks of the Company.
- Evaluate the risk management system for effectiveness regarding the business of the Company.
- Review the Company's compliance with Securities and Exchange Acts, regulations of the Stock Exchange of Thailand and any other relevant laws.
- 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 reviewing for the accurate and complete disclosure.
- Investigate any circumstances reported by the external auditor where a director, executive or other person responsible for the Company's operations, is suspected of committing an offense under the Securities and Exchange Act (No4) B.E. 2551. The Committee shall report the results of the preliminary investigation to the Board, the Office of the Securities and Exchange Commission, and the external auditor within thirty (30) days from the date reported by the external auditor. The type of suspicious circumstances that must be reported and the procedures for obtaining information pertinent to these are listed in and must comply with the notifications of the Capital Market Supervisory Board.
- Annually undertake a self-assessment program to evaluate the Audit Committee's scope of work and performance.

- Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval.
- Perform other tasks requested by the Board, which agrees to by the Audit Committee
- have full access to and cooperation by management;
- 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;
- have direct access to the external auditors in the investigation of any matter within its terms of reference
- have the power to engage the consultant(s) or independent person(s) to provide opinion or advice if necessary, in accordance with the Company's regulations, and expense (with no budget provided) under the approval authority of the Managing Director; and
- Report the activities of the Audit Committee activities to the Board of Directors at least every quarter.
- To prepare the Audit Committee report to disclose in the Company's annual report and form 56-1. The report shall be signed by Chairman of the Audit Committee and shall contain at least below information;
  - (a) Opinions about completeness, accuracy, and reliability of the Financial Statements
  - (b) Opinions about adequacy of internal control system
  - (c) Opinions about compliance with SEC Acts, regulations of the SET, any other relevant laws
  - (d) Opinions about appropriateness of the external auditor
- (e) Opinions 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 opinions 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 of Audit Committee's duties, if the Audit Committee finds or suspects below 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 actions to be taken in the timeframe 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) Breaking of the SEC Acts, regulations of the SET, any other relevant laws

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 Board. The Audit Committee also has a meeting without an executive at least once a year.

The Audit Committee Report are shown in page 90-91.

## 2. REMUNERATION COMMITTEE (RC)

Name	Position
1. Mr. Suraphol Pluemarom	Chairman of the RC / Independent Director
2. Dr. Sillapaporn Srijunpetch	Member of the RC / Independent Director
3. Mr. Paiboon Panuwattanawong	Member of the RC
4. Mr. Goh Boon Huat <sup>1</sup>	Member of the RC

<sup>1</sup> Being appointed as a Director, Member of the Executive Committee, Member of the Remuneration Committee and Member of the NCG Committee by the resolution of the Board Meeting no.6/2016 on August 8, 2016 to replace Mr. Lee Han Kheng who resigned with effective on 1 August 2016.

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.

The Remuneration Committee has made the self-assessment for the year 2016 in the form of whole committee and individual basis. The evaluation results are shown under the topic "Performance Assessment of the Board of Directors" page 67 - 68.

The Remuneration Committee Report are shown in page 88.

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

Name	Position
1. Dr. Sillapaporn Srijunpetch	Chairman of the NCG / Independent Director
2. Mr. Sitthichai Chantravadee	Member of the NCG / Independent Director
3. Mr. Paiboon Panuwattanawong	Member of the NCG
4. Mr. Goh Boon Huat <sup>1</sup>	Member of the NCG

<sup>1</sup> Being appointed as a Director, Member of the Executive Committee, Member of the Remuneration Committee and Member of the NCG Committee by the resolution of the Board Meeting no.6/2016 on August 8, 2016 to replace Mr. Lee Han Kheng who resigned with effective on 1 August 2016.

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
  - Determine policies and criteria for nominating members for the Board and Sub-Committees of the Company
  - Nominate directors by considering suitable candidates for approval by the Board, and/or the Shareholders Meeting, as the case may require
  - 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.
- The Nomination and CG Committee has made the self-assessment for the year 2016 in the form of whole committee and individual basis. The evaluation results are shown under the topic „Performance Assessment of the Board of Directors" page 67 - 68.
- The Nomination and CG Committee Report are shown in page 89.

## 4. EXECUTIVE COMMITTEE (EXCOM)

Name	Position
1. Mr. Paiboon Panuwattanawong	Chairman of the EXCOM
2. Mr. Goh Boon Huat <sup>1</sup>	Member of the EXCOM
3. Mr. Anant Kaewruamvongs	Member of the EXCOM
4. Mr. Vuthi Asvasermcharoen	Member of the EXCOM

<sup>1</sup> Being appointed as a Director, Member of the Executive Committee, Member of the Remuneration Committee and Member of the NCG Committee by the resolution of the Board Meeting no.6/2016 on August 8, 2016 to replace Mr. Lee Han Kheng who resigned with effective on 1 August 2016.

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 paragraph1, 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 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 Sub-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 Executive Committee shall arrange the meeting at least once a quarter and shall make a self-assessment and report the result to the Board annually.

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

The Executive Committee has made the self-assessment for the year 2016 in the form of whole committee and individual basis. The evaluation results are shown under the topic "Performance Assessment of the board of Directors" page 67 - 68.

The Executive Committee Report are shown in page 88.

## 5. RISK MANAGEMENT COMMITTEE

Name	Position
1. Mr. Anant Kaewruamvongs	Chairman of the Risk Management Committee
2. Mr. Anuwat Sanguansappayakorn	Member
3. Mr. Somchai Kittichaikoonkit	Member
4. Mr. Surasak Uthayopas	Member
5. Mr. Pinyo Pohngern	Member
6. Mr. Kiat Intarasuriyawong	Member
7. Ms. Suwanund Jatesawangsi	Member
8. Ms. Wanida Yusamart	Member
9. Ms. Netina Boonchaiseree	Member

The Risk Management Committee consists of 9 members comprising Chief Executive Officer [CEO] and other senior management executives from each department. The scope of duties and responsibilities are as follows;

- Formulate risk management strategy and risk criteria for the Board of Director's consideration and approval
- Review the Company's risks and their mitigation measures as evaluated by the risk owners, and recommending improvements



- Oversee the effectiveness of the Company's risk management process by continuous monitoring and review
- Report risks that have "High" and "Extremely High" risk level to the Chief Executive Officer, the Audit Committee and the Board of Directors on a regular basis
- Review this Policy on a regular basis

The Risk Management Committee shall arrange the meeting least 4 times a year and shall make a self-assessment and report the result to the Board annually.

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

#### Report of the Risk Management Committee (RMC)

In 2016, the RMC met 5 times to consider the matters under scope of duties which was specified in Risk Management Committee Charter. Summarized as follows;

- Reviewed the Company's risks and their mitigation measures as evaluated by the risk owners, and recommending improvements quarterly to ensure that they are appropriately managed
- Reviewed the Risk Management Policy and the Risk Management Committee Charter
- Considered the Risk Factor which disclose in Form 56-1 and Annual Report of the Company

All activities were reported to the board, details are provided in Management Structure, topic "Role of the Board Committee" page 39 - 43.

## 6. SUSTAINABILITY DEVELOPMENT COMMITTEE (SDC)

Name	Position
1. Mr. Anant Kaewruamvongs	Chairman of the SD Committee
2. Mr. Anuwat Sanguansappayakorn	Member
3. Mr. Somchai Kittichaikoonkit	Member
4. Mr. Surasak Uthayopas	Member
5. Mr. Pinyo Pohngern	Member
6. Ms. Suwanund Jatesawangsi	Member
7. Ms. Nusara Vimanant	Member
8. Ms. Netina Boonchaiseree	Member
9. Ms. Sarisorn Chandramanya	Member/Secretary of the SD Committee

The Committee consists of 9 members comprising Chief Executive Officer [CEO] and other senior management executives from each department. The scope of duties and responsibilities are as follows;

- Prepare and review the Company's annual sustainable development policy and sustainability report
- Ensure the Company's operations comply with its sustainable development policy in social and environmental aspects, and report the results to the Board
- Review the Company's corporate social responsibility strategy, programs and budget relevant to sustainability development and corporate social responsibilities in compliance with the objective set forth
- Follow up and report to the Board on both current and emerging issues and trends in the field of sustainability development and corporate social responsibility, as well as evaluate their potential impact on the Company
- Have authority to summon members of the management or involved persons to give opinions, attend meeting, or provide pertinent on the matters under discussions
- Report regularly to the Board on important operational results, as well as any special issues that merit the Board's attention
- Annually review its own performance
- Prepare the Committee's corporate sustainability development report to be signed by the Chairman of the Committee and disclosed in the Company's annual report
- Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval
- Perform other tasks as designated by the Board

Sustainability Development Committee shall arrange the meeting 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 the Sustainability Development Committee is specifically written in the charter of the Sustainability Development Committee.

#### Report of Sustainability Development Committee

In 2016, the Sustainability Development Committee met 2 times to consider the matters under scope of duties which was specified in Sustainability Development Committee Charter. Summarized as follows;

- Reviewed Sustainability Development Committee Charter for proposing to the Board of Director for approval.
- Reviewed a sustainability development report to be disclosed in Form 56-1 and Annual Report of the Company.
- Considered the Company's sustainable development policy for the year 2017
- Considered the action plan for KPI of the Company "Staff Knowledge"

All activities were reported to the board, details are provided in Management Structure, topic "Role of the Board Committee" page 39 - 43.

#### Meeting Participation

In summary the Risk Management Committee and the Sustainability Development Committee meetings in 2016 are as follows;

Name	Meeting	
	Risk Management Committee (RMC)	Sustainable Development Committee (SDC)
	No. of Meeting Participation / No. of Meeting in 2016 (%)	
1. Mr. Anant Kaewruamvongs	5/5 (100)	2/2 (100)
2. Mr. Anuwat Sanguansappayakorn	4/5 (80)	2/2 (100)
3. Dr. Somchai Kittichaikoonkit	5/5 (100)	2/2 (100)
4. Mr. Surasak Uthayopas	5/5 (100)	2/2 (100)
5. Mr. Pinyo Pohngern	3/5 (60)	1/2 (50)
6. Ms. Suwanund Jatesawangsi	4/5 (80)	2/2 (100)
7. Ms. Netina Boonchaiseree	4/5 (80)	2/2 (100)
8. Mr. Kiat Intarasuriyawong	5/5 (100)	
9. Ms. Wanida Yusamart	4/5 (80)	
10. Ms. Nusara Vimanant		2/2 (100)
11. Ms. Sarisorn Chandramanya		2/2 (100)

**Remark:** Meeting participation of Audit Committee, Remuneration Committee, Nomination and CG Committee and Executive Committee are provided in "Management Structure" > "Role of the Board Committee" > "Meeting Participation" in page 44.

## RECRUITMENT AND NOMINATION OF DIRECTORS AND HIGH LEVEL OF EXECUTIVES

### 1. INDEPENDENT DIRECTOR

Qualification of the Independent Director has already been stated in Corporate Governance, Chapter 1, Board of Directors. For the nomination of independent director will be provided below.

### 2. DIRECTORS AND HIGH 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 1<sup>st</sup> of October to the 30<sup>th</sup> 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.

#### 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 (High 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 consider and/or approve to the connected transaction of the Company and its subsidiaries followed related notification, regulations and guidelines
- 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. Mr. Paiboon Panuwattanawong (Board and Chairman EXCOM of CSL) 2. Mr. Vuthi Asvasermcharoen (Board & EXCOM members-CSL) 3. Mr. Goh Boon Huat <sup>1</sup> (Board & EXCOM members-CSL) 4. Mr. Anant Kaewruamvongs (Board & EXCOM members, CEO and MD-CSL)	Board Member	1. Mr. Anant Kaewruamvongs (Board & EXCOM members, CEO and MD, CSL) 2. Mr. Anuwat Sanguansappayakorn (CFO-CSL)

<sup>1</sup> Being appointed as a Director, Member of the Executive Committee, Member of the Remuneration Committee and Member of the NCG Committee by the resolution of the Board Meeting no.6/2016 on August 8, 2016 to replace Mr. Lee Han Kheng who resigned with effective on 1 August 2016.

#### 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 Sanguansappayakorn, Chief Finance Officer (CFO) to act as a Finance and Accounting Director (FDA) in Teleinfo Media Public Company Limited (TMC).

#### 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.

In 2015, the Board has approved the Securities Trading Policy of CS LoxInfo Public Company Limited. This Policy intends to provide rules and guidelines for trading the Company's securities, details are provided in page 75.

## AUDIT FEE

### 1. Audit Fee

In 2016, 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 1,348,000 (excluded out of pocket expenses).
- The Subsidiaries paid audit fees to the auditor's firm in the amount of Baht 792,000 (excluded out of pocket expenses).

### 2. Non-audit Service fee

In 2016, the Company and its subsidiaries had no any paid the non-audit service fee to the auditor's firm.

## COMPLYING WITH GOOD CORPORATE GOVERNANCE IN OTHER MATTERS

The Board of Directors aims at conducting the business with the good corporate governance following responsibilities, a transparency and a sound management system by emphasizing on achieving the maximum benefits for all stakeholders. Apart from the good corporate governance policy, the Board of Directors has appointed Sub-committees to assist the Board in focusing on key areas under the Board's responsibilities. The Sub-committees shall report its performance to the Board on a regular basis. The Company is committed to providing the shareholders and the investors with accurate, adequate, timely and equal access to information, in accordance with legal and regulatory requirements in order to promote investor confidence in the integrity of the Company. Besides the disclosure responsibility on financial information and quarterly/yearly operating performance, as required by law, the Company also arranged press conference immediately on the next working day after information discloses are made to the SET. Briefing of quarterly and yearly operating performance was also arranged to the investors, analysts, and interested people, details are provided in related issues of the annual report.

For the year 2016 – 2017 the Company has developed its corporate governance work plan which was suggested by Thai Institute of Directors (IOD) according to a survey on corporate governance of listed companies for the year 2015 and 2016, the details are as follows:


- Chairman of the Sub-committees attended the Annual General Meeting of Shareholders in order to protect rights of the shareholders.
- Disclosed the remuneration policy of employees which is in line with the Company's goals in both short and long term goal
- Trained employee in safety and health as required by law
- Encouraged the energy & resource saving campaign activities within the office in order that the Board of Directors has also arranged its own meeting by paperless system for more than 3 years in order to show a clear intention from the top management.

- Added policy by stipulated that the Independent Directors can serve a maximum of 3 consecutive terms, or no longer than 9 years with no exceptional, and limited age of individual who will be 72 years of age or older at the time of appointment shall not be nominated as a director. Current directors who are 72 years of age or older may still hold their positions for their remaining terms of office.
- Added policy by stipulated that at least two-thirds of the directors must be present at a meeting to constitute a quorum and the minimum quorum for voting shall not less than two-thirds of the whole committee.
- Added in the Remuneration Committee's Charter and the Nomination and CG Committee's Charter that the committees shall arrange its meetings at least twice a year. For the year 2016, both subcommittees have arranged the meeting not less than specified terms in the charter, details are provided in the report of the subcommittee page 78 and 79 - 80 respectively.
- The Board of Directors assessed its own performance as a whole and on an individual basis (Board Self-Assessment) of the Board and Sub-committees; details are shown under the topic "Performance Assessment of the Board of Directors" page 67 - 68.



However, Thai Institute of Directors (IOD) had a suggestion on the composition of the Remuneration Committee and the Nomination and CG Committee which would comprise of Independent Directors more than 50%, the Nomination and CG Committee considered and concurred that the increasing of a number of independent directors shall have an excess effect on a number of independent directors in each Sub-committee comparing to the size of the Company, the remaining supporting reasons are specified in the report of the Nomination and CG Committee page 79 - 80.

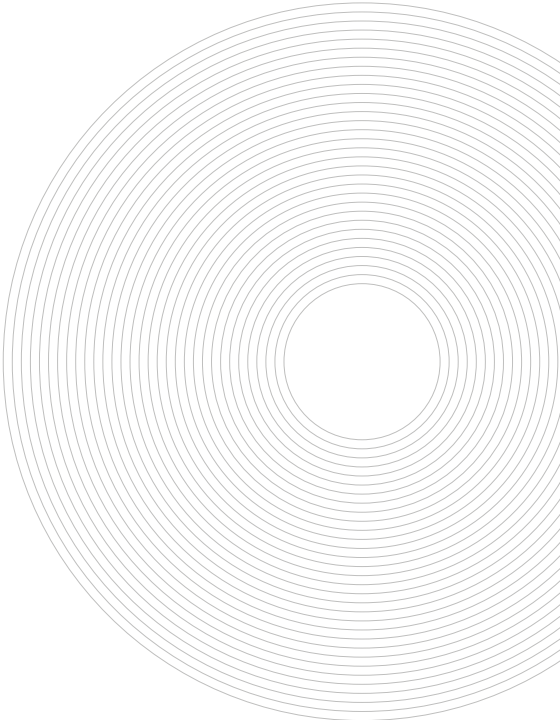




Moreover, the Board of directors recognizes that the bribery and corruption is a serious threat to destroy an equal competition, as well as, causing damage to the





economic and social development. The Board of Directors pushed the Company to become a part of the Collective Action against corruption and intended to contribute to the elimination of corruption by working in cooperation with civil society, media, and international organizations to foster cleaner business practices and the Company was certified since the year 2014. After that the company has developed by stating the Anti-Bribery and Corruption Policy to provide rules and guidelines for the Company and its employees to prevent breaches of anti-bribery and corruption laws and to encourage the Company's employees to be vigilant and to report any suspicion of bribery and corruption through the secure communication channels provided. In order to reach that goal, the Company actions are as follows:



- The Company informed the suppliers for acknowledgement an intention of the Company to become a part of the Collective Action against corruption and intend to contribute to the elimination of corruption.
  - For the year 2015, henceforth on an annual basis, the Company has sent the request for cooperation to abstain from giving any gift to executive or staffs of the Company in the New Year Festival and other special occasions.
  - For the year 2016, the Company and INTOUCH Group have joined an anti-corruption campaign on the occasion of National Anti-corruption Day, organized by Anti-corruption organization of Thailand. The event served to generate awareness of the problem of corruption in Thailand and to encourage all parties to effectively rid the country of corruption effectively and in a sustainable manner.
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# REMUNERATION COMMITTEE REPORT

- Considered the Directors' Remuneration Policy and the 2016 Remunerations Budget of Independent Director and External Director to be in line with the market and companies of a similar size and industry and commensurate with responsibility and performance of each director, to ensure that can motivate and retain the qualified directors.
- Considered the bonus payment of the Company & Subsidiaries based on KPI results

In 2016, the Remuneration Committee held 2 meetings. As provided by the Remuneration Committee Charter, the matters to be considered and recommended to the Board can be summarized as follows;

- Considered the bonus payment of senior executive and CEO, under the assessment of annual individual performance, KPI results, duties and responsibilities as assigned.
- Reviewed scope of work under the Remuneration Committee Charter.
- Reviewed performance of the Remuneration Committee in 2015.



**Mr. Suraphol Pluemarom**

Chairman of the Remuneration Committee

# EXECUTIVE COMMITTEE REPORT

In 2016, the Executive Committee was held 11 times to consider the matters under scope of duties which was specified in EXCOM Charter. Summarized as follow;

- Consider strategic direction of the Company and subsidiary companies
- Considered KPI of the Company and subsidiary companies
- Considered Budget of the Company and subsidiary companies
- The Operating Results of the Company and the subsidiary companies (TMC/ADV)
- Considered the Financial Statement of each quarter
- Reviewed and approved all transactions concerning investments and disposal of assets, human resource management, finance and treasury, general administration
- Made recommendations to the Board regarding the Company's dividend policy

And other transaction related to the Company's business within the limits of delegated approval authority granted by the Board. All activities were reported to the board, details are provided in Management Structure, topic "Role of the Board Committee" page 39 - 43.



**Mr. Paiboon Panuwattanawong**

Chairman of the Executive Committee

# NOMINATION AND CORPORATE GOVERNANCE COMMITTEE REPORT

In 2016, the Nomination and CG Committee met 3 times to consider the matters under scope of duties which was specified in Nomination and CG Committee Charter. Summarized as follows;

- Considered matters under the scope of duties of the NCG
  - Reviewed the size, structure and term of the Sub-committees to be in line with the principle of good corporate governance which specified that NCG, as well as RC, should be consisted of independent directors more than 50% of the committees. Thus, NCG considered and concurred that the increasing of a number of independent directors shall have an excess effect on a number of independent directors in each Sub-committee comparing to the size of the Company. Moreover, the decreasing of a proportion of major shareholders' representatives may not appropriate for overseeing the operation. Currently, independent directors can express their opinions independently without any intervention. In case there are any conflicts, the Chairman who is an independent director shall have an casting vote in compliance with the objectives of good corporate governance principle.
  - Reviewed the size, structure, composition, term, of the Sub-committees
  - Reviewed the Company's representatives in the boards of its subsidiaries
  - Considered CG Policy
  - Considered succession plan for the position of CEO and senior Management
  - Reviewed the adequacy of the NCG Charter
  - Recommended directors in place of those to be retired by rotation and fix the authorized directors

For the vacant position of director of the year 2016 and independent directors who have a maximum number of terms under good corporate governance policy of the Company, the Nomination and Corporate Governance Committee identify director candidates for the following sources: (1) Recommendations from current Board members within the Group of companies (2) Major Shareholder (3) Professional Search Firm (4) The IOD Director pool. After considering education background, working experience of the candidates, a diversity and structure of the Board, the Nomination and Corporate Governance Committee recommended Mr. Wichian Mektrakarn, who has directly experience for the business of the Company to be appointed as a new director for replacing Prof. Wongkulpat Snidvongs Na Ayudyha, MD. who retired by rotation for Year 2016.

- To review 2015 CG report to be disclosed in the Form 56-1, 56-2
- Recommended directors in place of the vacancy position

For the year 2016, Mr. Lee Han Kheng resigned from Company's directorships and other position in the Company. After considering education background, working experience of the candidates, a diversity and structure of the Board with direction of the Company, the Nomination and Corporate Governance Committee recommended Mr. Goh Boon Huat, representative of major shareholder to be appointed as a new director for replacing Mr. Lee Han Kheng. Apart from his directorship of CSL, Mr. Goh Boon Huat would also assume the positions of a member of the EXCOM, a member of the Remuneration Committee, a member of the Nomination and Corporate Governance Committee, as well as other positions previously held by Mr. Lee Han Kheng.



**Dr. Sillapaporn Srijunpetch**

Chairman of the Nomination and  
Corporate Governance Committee

# AUDIT COMMITTEE REPORT

All three AC members are not directors of the parent company, subsidiaries, affiliates, or same level subsidiaries of the Company. They possess qualifications as prescribed by applicable laws and regulations. In compliance with the existing laws and regulations, the AC members own no shares in the Company; take no part in the management of the Company and do not act as auditors, consultants, business partners, or have any other involvements with the Company or its related companies. In particular, the AC is an independent committee which is not appointed specifically to look after the interests of directors or major shareholders.

In 2016, the Audit Committee (AC) is composed of Mr. Sitthichai Chantravadee (Chairman), Dr. Sillapaporn Srijunpetch, and Mr. Surapol Pleumarom. The committee members have expertise in internal control, auditing, accounting and legal matters, respectively.

In 2016, the AC held eight meetings in total. In each meeting, relevant senior management, internal auditors, and, where appropriate, external auditors also attended to provide useful information and evidence so that the AC could carry out its duties and responsibilities under the AC Charter as assigned by the Board. During the year, the Audit Committee has addressed many important matters as set out in the AC Charter, which can be summarized as follows:

## 1. Review of Financial Statements.

The AC, together with the company auditors and management, has reviewed the Quarterly and Year-end financial statements of the Company, both on standalone and consolidated basis, before proposing them to the Board and the Annual General Meeting of Shareholders (AGM) for approval. This is to ensure that the financial statements are accurate, reliable, and compliant to the Accounting Standards of the relevant Accounting Act. The review focused on irregular accounting transactions, significant extraordinary transactions, adjustments, provisions and accounting estimates as well as material information disclosures to ensure that they are properly stated, clear, adequate, timely and meaningful for the shareholders and other users of the published financial statements. In 2016, more significant matters were reviewed by the AC. The additional reviews included impairment of assets, allowance for doubtful accounts, and related party transactions. In addition, the new format of the auditor's report has been discussed on some key audit matters which would disclose the recognition of revenue from the service, and impairment of investment in subsidiaries.

Following its review and satisfactory response to inquiries, the AC had concurred to the financial statements for the year 2016 as unqualified opinion certified by the external auditor. The financial statements were then 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, based on the findings from both internal and external auditors. The AC would report on major issues to be solved for improved efficiency to the Board together with remedial action to be taken. This approach motivated the management of the Company to have in place adequate and effective internal controls in achieving operations efficiency, and timely and accurate accounting of business transactions within a strong control environment. This year, the Company implemented the Control Self-Assessment program which further included 18 more assessment processes for all departments. It also planned to add more processes of this internal control next year.

Overall, the AC agreed that the Company had internal controls that were adequate and appropriate for the company's operations.

## 3. Compliance with the SEC's and SET's laws and regulations and other laws relevant to the Company's business.

The Company has a Legal & Compliance Unit that monitors, analyses and reports changes of laws, rules and regulations applicable to the Company, as well as ensures correct and complete compliance. In its reviews, the AC also ensures that the Company adheres to relevant laws

and regulations of the SEC and SET, as well as other laws relevant to the business of the Company. For this year, the AC is of the same opinion that the Company has strictly and successfully complied with applicable laws, rules, and regulations.

#### 4. Transactions which may cause conflicts of interest.

The Company has a policy, on conflict of interest and related party transactions, which is in compliance with existing laws and regulations, and this policy is well known within the Company. 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 shall be presented to the Board for approval in advance. All connected transactions are identified and submitted quarterly to the AC for review. The AC was of the same opinion that the connected transactions in 2016, disclosed in the annual report, were in line with the business of the Company, on arm's length basis, and of normal commercial terms.

#### 5. Risk Management Assessment.

The AC has reviewed the quarterly meeting results of the Risk Management Committees of the Company and its subsidiaries. The review focused on identifying risk factors and their impacts, prioritizing the risks, and mitigating the risks to the acceptable levels in accordance with the policy and established practices. The Audit Committee also assessed the Company's risk management plan and provided useful suggestions on how to effectively identify and manage risks. The AC was of the same opinion that the Company has managed and mitigated those risks identified in 2016 annual report in a prudent way. In addition, the Company also focused on developing the Business Contingency Plan and it would be reviewed and tested on timely basis.

#### 6. Overseeing the Company's Internal Audit Function.

The Office of Internal Audit of the Company reports directly to the AC. In 2016, the AC held meetings with the Office of Internal Audit to review vision, mission, strategy and audit policy; set medium-term plan (3 years); provide suggestions to improve the efficiency of internal audit work; and review and approve the internal audit annual work plan, including manpower, budget, and internal auditors' development plan, for both the Company and its subsidiaries. In the review, the AC took into account the sufficiency of human resources and work competency, budget, the risk-based assessment results, and the independence of internal audit. The AC then provided

constructive suggestions on improvements to the Internal Audit function for its continuous development based on the IA's Vision. In 2016, the Office of Internal Audit has followed its work plan in terms of efficiency and effectiveness.

#### 7. Self-assessment of the AC.

The AC has completed self-assessment of its performance in 2016 at both individual and committee levels, based on the AC Charter and established best practices. The results are very satisfying and are in line with the charter and established best practices both in terms of efficiency and effectiveness.

#### 8. Appointment of the external auditor.

In 2016, the AC assessed the suitability of the external auditor subject to the Accounting Standard and auditor qualifications, in particularly, under the independence criteria, based on the quarterly and yearly financial statements review and audit report, and the meetings with the external auditor and his audit team. With that, the AC was of the same opinion that the auditor had appropriate qualifications and duly performed their duties this year.

The AC also conducted a meeting, to consider and propose the appointment of auditor and the audit fee for 2017 to the Board. The AC concurred with the appointment of Mr. Chavala Tienpasertkij CPA 4301, Dr. Suphamit Techamontrikul CPA 3356 and Mr. Permsak Wongpatcharapakorn CPA 3427 from Deloitte Touche Thomatsu Jaiyos Audit Co., Ltd (Deloitte) as the auditors of the Company with audit fee amount of 1.34 MB and 0.8 MB for subsidiaries which has total audit fee of 2.14 MB.

In conclusion, in 2016, the AC was of the same opinion that it had fulfilled its duties and responsibilities under the AC Charter, particularly for the supervision function of the internal audit, to ensure that the business practices of the Company and its subsidiaries were conducted with good governance, adequate internal control, and appropriate risk management. The reported financial statements were accurately prepared and disclosed in accordance with accounting standards as defined in the Accounting Act. The related party transactions were made with normal and best business practices, and under applicable laws. The Company strictly and efficiently follows the applicable laws and regulations.



**Mr. Sitthichai Chantravadee**

Chairman of the Audit Committee

13 January 2017

# INTERNAL CONTROL & RISK MANAGEMENT

The Board is responsible for the Company's internal control schemes. The Audit Committee, as a Sub-committee of the Board, is chartered to oversee the internal controls within the company in order to safeguard the transactions that are presented on the financial statements. The internal control supports the effectiveness and efficiency of business operations, helps to define the procedure and regulations, and strengthens the risk management which is under the changed environment of business operation. Supported by both the internal and external auditors, the audit committee evaluates the internal control performance within the company on an on-going basis and regularly reports the results to the Board.

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## INTERNAL CONTROL

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The Company has managed risk and defined the internal control scheme by adhering to the principles of the Committee of Sponsoring Organizations of the Treadway Commission-Enterprise Risk Management (COSO-ERM), which consist of the following 8 elements:

### 1. Internal Environment

The Company establishes a good work-control environment with appropriate management structure that supports policy planning and effective operations. Appropriate monitoring and control mechanisms are put in place and regularly updated. Business transactions are subject to the Company's code of conduct and regulations. Directors and employees are held accountable according to the Code of Conduct, anti-corruption policy, and misconduct and fraud prevention practices. Moreover, the Company is a certified member of the Thailand's Private Sector Collective Action Coalition against Corruption to foster transparency and accountability.

### 2. Objective Setting

The Company establishes clear business goals and objectives which are in line with its missions and core goals, both in terms of strategies and operations. The key strategies include aspects on performances, business partners, new products and services, shareholders, operating procedure improvement, and human resources. These objectives are set based on the Company's risk preferences and tolerance. The Company regularly updates its business plan and strategies to reflect current market situation and changing risk factors.

### 3. Event Identification

The Company has delegated to the Risk Management Committee (RMC), which consists of the Managing Director and all Department Head who have knowledge and expertise in key business areas including marketing and sales, network operations, information technology, accounting and finance, and human resources, the responsibility to identify potential risks of internal and external events on a timely basis, so that appropriate response measures can be developed and deployed. On a quarterly basis, the both assessment and risk management result of 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) and is reviewed by the Audit Committee. The Committees meet quarterly to review and update the internal and external 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 appropriate response. The risk assessment and response plan are regularly documented in the RMC report which is shared with both the Audit Committee and the Board.



Key risk factors involve business competition, technology and consumer behavior changes, economic impacts, and investments in subsidiaries of which impairments have been reviewed and its business directions have been revised for effective and continuing operations. This year the corruption risks that are involved with its business operations have been evaluated and it is found that the risk level was still low. All these are aimed to make sure that the company will be able to operate and achieve its established goals.

## 5. Risk Response

The Company establishes that 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 occurrence with significant adverse impact on the Company's business operations will be addressed with appropriate cost-effective measures, developed to either avoid or mitigate their impact.

In 2016, most risks were in acceptable level. However, some risks involved IDC service interruption, High transmission cost and Mail anti-spam system (Mail Gateway) which quickly required treatment plan; nonetheless, the company could mitigate these risks to the acceptable level. Other risks that the Company had to keep monitoring include competition risk, economic risk, and investments in subsidiaries.

## 6. Control Activities

The Company has clear policies and procedures that define key control activities in each operation. These policies and procedures are reviewed periodically to ensure they are consistent with and relevant to current operating environment.

The key control activities include the establishment of procedures for disbursement, procurement, general administration, delegation of approval authority and financial authority limits that are clearly defined in written, and separation of duties related to considerations on approval, recording of transactions and information, and asset management in order to maintain a check and balance. Apart from that, the Company also implemented ISO9001, ISO20000, ISO27001, and Control Self-Assessment (CSA), which was initiated in 2014 and it was found that the processes which were evaluated using the CSA could be improved effectively. Therefore, in 2016; the Company has expanded the implementation of the other 8 processes to all departments and planned to continuously expand this program every year.

## 7. Information and Communication

The Company utilizes management information systems, including SAP, Sales system, and Service system, through which key data can be transmitted and processed. This allows the Company to produce reliable, timely, and consistent financial reports. The Company also has communication channels to cascade key information relating to corporate governance, policies and regulations, and procedures and practices to employees throughout the organization via the Company's website and intranet system. This provides employees with access to guide them in their personal conduct and business activities, and as feedback for improving their performance in the future.

The Company also provides a petition system to allow employees to engage, by receiving any concerns from internal and external party on ethical or legal violations as the investigations on the petition are conducted in a systematic and timely manner. The result then will be reported to the senior management, the Audit Committee, and the Board.

## 8. Monitoring

The Company tracks and monitors its 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 targets, and key performance indicators. Secondly, special purpose committees like the Management Committee and Risk Management Committee monitor business performance as specifically indicated in the respective charters. Thirdly, the sub-committees of the Board, namely the Executive Committee, the Audit Committee, the Nomination and Governance Sub-committee, and the Remuneration Sub-committee, review the Company's performance in various areas on a regular basis.

By reviewing the adequacy of internal control in a format based on COSO's framework. The framework incorporates 5 following factors: Corporate Internal Control, Risk Assessment, Operation Control, IT System, Information Communication, and Monitoring System. Following the review, the Board was of the same 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 scheme, and that the control monitoring system was sufficiently effective to safeguard the assets of the Company, detect conflict of interest in business contracts, and identify related party transactions and unauthorized use of assets by directors or staff. This was demonstrated by the fact that there were no transactions, with substantial errors, defected nor there was no key assets lost and/or unauthorized use thereof.

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## INTERNAL AUDIT

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The Office of Internal Audit is an independent unit that directly reports to the Audit Committee. In line with the policies and regulations of the Audit Committee, it is responsible for auditing, analyzing and evaluating internal control scheme, risk management and financial reporting through innovative audit programs. It provides value adding recommendations on improvement in control schemes, business processes, and efficient uses of resources. It also facilitates and supports the control self-assessment to increase the effectiveness of work and reduce the key risks by managing the risks in time. The audit work has developed in accordance with the internal audit standards.

The Office of Internal Audit has set out medium-term visions, missions, strategies, and annual innovative risk-based audit plan which covers the operations of the Company and its subsidiaries. Based on the results of risk evaluation and management, the audit plan focuses

on risk factors that will have substantive impact on the achievement of the Company's objectives, the reliability of financial statements, and the assessment of fraud risk, under the approval of the Audit Committee. The audit results and follow-ups are then reported to the Audit Committee on a quarterly basis as well as in the Audit Committee's ad hoc meetings.

In 2016, the Office of Internal Audit conducted the audits according to the annual plan approved. The scope of works included the revenue cycles and the servicing process of Data Center (DC), collection process, and servicing process of Voice business of the subsidiaries. The results together with recommendations have been discussed with the audittees and already reported to the Audit Committee. The meeting has considered and gave some additional suggestions to further improve the productivity and operation efficiency.

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## CHIEF OF INTERNAL AUDIT

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The Audit Committee performed its duties to supervise the internal audit, and appointed Ms. Nusara Vimanan, who is well qualified and highly experienced, as the Head of Internal Audit Office and secretary of the Audit Committee in accordance with the stated qualification requirements. The Chief of Internal Auditor is responsible to perform internal audit work according to the visions and the audit plan in an effective and efficient manner, and report the audit performance to the Audit Committee on a regular basis. This year, it discovered that its performance was evaluated satisfactory by the Audit Committee.

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## CHIEF OF COMPLIANCE UNIT

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The Company has established the Compliance unit to ensure that the Company operates in compliance with the rules, the regulations and the guidelines of Capital Market Supervisory Board, the SEC, the SET and other relevant regulatory agencies. Mr. Anuwat Saguansappayakorn, the Chief Financial Officer, served as the head of Compliance Unit, as he had adequate knowledge and experience to effectively perform compliance work as assigned.



# ROLES OF SOCIAL RESPONSIBILITY

CS LOXINFO PLC. determines the corporate governance framework that focuses on the business management in accordance with the corporate governance in economic, social, community and environmental aspects that are insinuated into each another and became our one strategic planning for the purpose of bringing about sustainability of business operation under the Global Reporting Initiative (GRI) principle with respect to G4 Sustainability Reporting Guidelines.



To this regard, we have our corporate governance management to counterbalance between business urgency and operational transparency by our committee and independent directors that account for one third of the total of members so that the independent directors equally take care of the interests of every individual shareholder, and that they can independently give their opinion in the meetings of the committee and sub-committee.

In addition, our legal office and compliance department are made available to follow up with analysis and report on the change of law and regulations relating to our company in order that the company and our operators correctly and completely comply with such law and regulations. We engage a leading auditing firm to ensure that our business operations is carried out with good management and supervision. We have an adequate internal control, suitable risk management, prepare the financial statements and disclose them in accordance with the accounting standards under the purview of the law.

Further, our corporate governance is in accordance the related rules and regulations stipulated in the Ethics Chapter titled Compliance with Law, Rules, and Regulations of the Corporate Governance Policy specifying that the directors, executives and employees shall comply with the purview of the law, rules and regulations and shall not conspire to help or execute any acts that violates the law, rules and regulations. This compliance is required to apply to each department according to the chain of command and the human resources department.

We are aware of the rights of stakeholders. We relatively have a supervision policy to ensure that the importance of such rights is recognized. We appropriately set up the priorities ranking from shareholders, employees, executives, customers, business partners, creditors, the public, and the overall society. We also organize collaboration amongst different stakeholder groups with respect to their roles and responsibilities to smoothen our activities and bring about stability and return on interests of all stakeholders.

The details of the social responsibility are published on our website at [www.csloxinfo.com](http://www.csloxinfo.com) under the topic "Sustainability Development" in the form of the Sustainability Report.

# RELATED PARTY TRANSACTIONS

In 2015 and 2016, 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, 2016			Amount Dec 31, 2015		
	INTOUCH Group	SINGTEL Group	Total	INTOUCH Group	SINGTEL Group	Total
Total sales and services income	312.24	1.89	314.13	334.28	2.46	336.74
Total other income	13.20	-	13.20	1.31	-	1.31
Total expenses	34.02	7.69	41.71	49.35	9.38	58.73
Total trade accounts receivable and others	61.40	0.53	61.93	60.65	1.15	61.80
Total satellite uplink equipment	-	-	-	6.26	-	6.26
Total trade accounts payable and others	17.62	1.30	18.92	9.36	1.01	10.37
Total finance lease liabilities	-	-	-	7.33	-	7.33

## INTOUCH GROUP

The Company and its subsidiaries have entered into related transactions with connected persons

Amount (Million Baht)

Related Company	Relationship	Description	Amount as at		Reasons
			Dec 31, 2016	Dec 31, 2015	
<b>MIMO Tech Company Limited (MMT)</b>  Development and providing information for mobile phone	AIS holds 99.99% shares in this company with shared directors	<ul style="list-style-type: none"> <li>- Sales and services income</li> <li>- Other income</li> <li>- Trade accounts receivable and others</li> </ul>	233.84  -  39.51	250.07  1.31  46.59	The subsidiaries provides content and value added service for mobile phone to customers such as game, ringtone, wallpaper, horoscope and etc. by the percentage of revenue. Service fee was charged under normal contracts and trade conditions on an arm's length basis.  <ul style="list-style-type: none"> <li>- Content and value added service for mobile phone to customers by SMS broadcast</li> <li>- Sale promotion</li> </ul>
<b>Thaicom Public Co.,Ltd. (THAICOM)</b>  Telecommunication satellite services operator	Hold 99.99% in DTV and 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>- Satellite uplink equipment</li> <li>- Trade accounts payable and others</li> <li>- Finance lease liabilities</li> </ul>	14.77 0.85 7.91 4.85 - 9.34 -	24.45 - 11.89 3.58 6.26 3.36 7.33	The Company provides Uplink, service fee was charge under cost plus appropriated profits and internet service by connecting the network within and outside the country and the data center service. Service fee was charged under normal contracts and trade conditions on an arm's length basis.  <ul style="list-style-type: none"> <li>- Uplink and monthly internet services charges</li> <li>- Other income</li> <li>- Equipments rental and technical services charges</li> <li>- Satellite uplink equipment</li> <li>- Satellite uplink equipment</li> </ul>

Amount (Million Baht)

Related Company	Relationship	Description	Amount as at		Reasons
			Dec 31, 2016	Dec 31, 2015	
<b>Advanced Wireless Network Co.,Ltd. (AWN)</b>  Provides telecommunication network services with WiFi internet, Public Broadband Multimedia Service, integrated digital network service, as well as fixed and wireless telecommunication network service.	AIS holds 99.99% shares in this company with shared directors				The Company and its subsidiaries provide the following services; 1) Internet service by connecting the network within and outside the country and the data center service 2) Furnishing information or content on mobile phone (Audiotex) such as astrology, lotto, sport and entertainment etc. 3) Outsourcing call center service. It provides incoming and outgoing calls to businesses. Service fee was charged under normal contracts and trade conditions on an arm's length basis.  The Company and its subsidiaries hire AWN to provide network operator, telecom service operator, computer system service provider and mobile services, handset sales and datanet equipment's rental. Service fee was charged under normal contracts and trade conditions on an arm's length basis.
		- Sales and services income	15.49	15.73	- Monthly internet services charges, server co-location and a content on mobile phone (Audiotex) and outsourcing call center service
		- Expenses	18.95	14.35	- Domestic connectivity for provisioning of internet connection services , airtime of mobile service and handset sales and datanet equipment's rental
		- Trade accounts receivable and others	1.75	2.31	
		- Trade accounts payable and others	2.97	2.20	



Amount (Million Baht)

Related Company	Relationship	Description	Amount as at		Reasons
			Dec 31, 2016	Dec 31, 2015	
<b>Advanced Info Services Plc. (AIS)</b>  Mobile phone operator	INTOUCH holds 40.45% shares in this company with shared directors				<p>The Company and its subsidiaries provide the following services;</p> <p>1) Internet service by connecting the network within and outside the country and the data center service</p> <p>2) Furnishing information or content on mobile phone (Audiotex) such as astrology, lotto, sport and entertainment etc.</p> <p>3) Online yellowpages and other web-based services</p> <p>4) Outsourcing call center service. It provides incoming and outgoing calls to businesses.</p> <p>Service fee was charged under normal contracts and trade conditions on an arm's length basis.</p> <p>The Company and its subsidiaries hire AIS to provide network operator, telecom service operator, computer system service provider and mobile services, handset sales and datanet equipment's rental. Service fee was charged under normal contracts and trade conditions on an arm's length basis.</p>
		- Sales and services income	0.04	4.44	- Monthly internet services charges and a content on mobile phone (Audiotex) and outsourcing call center service
		- Expenses	-	8.21	- Airtime of mobile service and SMS broadcast content on mobile phone (Audiotex)
		- Trade accounts receivable and others	-	0.29	
		- Trade accounts payable and others	0.04	0.10	

Amount (Million Baht)

Related Company	Relationship	Description	Amount as at		Reasons
			Dec 31, 2016	Dec 31, 2015	
<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	- Sales and services income - Expenses - Trade accounts receivable and others - Trade accounts payable and others	0.19 0.20 0.02 1.88	0.63 9.94 0.02 3.48	<p>The Company provides internet service by connecting the network within and outside the country and the data center service. Service fee was charged under normal contracts and trade conditions on an arm's length basis.</p> <p>The Company rented telephone lines in domestic of internet connection services. Service fee was charged under normal contracts and trade conditions on an arm's length basis.</p> - Monthly internet services charges and server co-location - Domestic connectivity for provisioning of internet connection services
<b>Advanced Contact Center Co.,Ltd. (ACC)</b>  Call center service	AIS holds 99.99% shares in this company with shared directors	- Sales and services income - Trade accounts receivable and others	46.05 14.82	36.45 7.61	<p>The subsidiaries provided outsourcing call center service. It provides incoming and outgoing calls to businesses. Service fee was charged under normal contracts and trade conditions on an arm's length basis.</p> - Customer service information provides for incoming call
<b>Other related companies</b>	The affiliates in INTOUCH Group with shared directors	- Sales and services income - Other income - Expenses - Trade accounts receivable and others - Trade accounts payable and others	1.86 12.35 6.94 0.45 3.39	2.51 - 4.96 0.25 0.22	- Monthly internet services charges - Sale satellite uplink equipment - Expenses for services charges, advertising and others

## SINGTEL GROUP

The Company and its subsidiaries have entered into related transactions with connected persons

Amount (Million Baht)

Related Company	Relationship	Description	Amount as at		Reasons
			Dec 31, 2016	Dec 31, 2015	
Singapore Telecommunications Limited (STC)	SINGTEL own 14.14% of the Company's share capital				The Company provides internet service by connecting the network within and outside the country and the data center service. Service fee was charged under normal contracts and trade conditions on an arm's length basis.
		- Sales and services income	1.89	2.46	The Company rented international of internet connection services, It also operates the international connectivity
		- Expenses	3.31	5.57	- Monthly internet services charges and server co-location
		- Trade accounts receivable and others	0.53	1.15	- Domestic and international connectivity
		- Trade accounts payable and others	0.85	0.67	
Equinix Singapore Pte. Ltd. (EQX)	Same major shareholder				The Company provides internet services and has a monthly based services charge. It also operates the international connectivity.
		- Expenses	4.38	3.81	- Domestic and international connectivity
		- Trade accounts payable and others	0.45	0.34	

## THE NECESSITY AND REASONABLENESS OF TRANSACTIONS

Communication equipment maintenance fees and communication equipment rental fees	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
Revenues from the data center	At market price
Revenues from content and value added service (Revenue Sharing) and furnishing information or content (Audiotex) for mobile phone	At market price
Revenues from outsourcing call center service. It provides incoming and outgoing calls to businesses	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
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 2/2017 meeting held on January 31, 2017 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 Financial Reporting Standard 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

## BUSINESS OVERVIEW FOR YEAR 2016

CS LoxInfo ("CSL") reported consolidated revenue for Y2016 of Baht 2,918 million, a decrease of Baht 46 million or 2% and reported net income of Baht 306 million or Baht 0.51 per share, a decrease of Baht 9 million or 3% from the same period of previous year. This was because growth of ICT Business could not offset the declines of YellowPages, Voice Info Services and Mobile Content Businesses.

Otherwise, the performance of the Separated financial statements (ICT Business segment) for Y2016, CSL had revenue from sales and services of Baht 2,287 million, an increase of Baht 12 million or 1% over Y2015 (Baht 2,275 million), and had a net profit for the year of 305 million Baht or 0.51 Baht per share which comprised:

- Net profit from operations of Baht 272 million, an increase of Baht 28 million or 11% over the same period of previous year. This resulted from continued growth of core products/services, especially in Data Center Services and Broadband for Condominium Services, and gain on sales unused equipment in the amount of Baht 9.8 million
- Dividends received from its subsidiary of Baht 33 million.

Therefore, the Board of Directors' meeting held on 1 February, 2017 passed a resolution to recommend to the Annual General Meeting of Shareholders, for the payment of dividends for the 2HF2016 performance of Baht 0.22 per share. The proposed dividend must be approved by the shareholders at their meeting, which will be held on 28 March, 2017.

## BUSINESS SUMMARY

### ICT Business

Operated by CS LoxInfo PLC. is the Leading total solution ICT Service Provider to corporate clients. ICT Business is a leader in corporate internet and data center services, but also has Cloud computer services and flexible ICT solutions, which meet customer needs, as well as providing smooth, reliable after sales-service. Moreover, CSL has also expanded our products/services into the consumer market by launching Broadband service for Condominiums.

As at the end of Y2016, CSL had corporate client subscribers (small, medium and large) as follows:

Number of Subscribers	4Q2015	3Q2016	4Q2016
Leased Line (sub)	5,740	5,711	5,789
Data Center: DC (rack)	502	538	533
Broadband for Condominium	4,527	8,994	10,620

## Media and Advertising on YellowPages Business

Operated by Teleinfo Media Plc. ("TMC"), the subsidiary is a commercial search provider and Thailand's largest directory publisher. Its database consisted of all types of products and services nationwide such as business listings for business to business (B2B) and business to consumers (B2C).

Currently, revenue from publishing the Thailand YellowPages has continued to decline. This was due to a change in advertisers' behavior that favored migration to cheaper online media. Thus, to compensate for a decline in revenues, TMC has maintained a focus on stringent cost management and expense control to minimize the impact on overall consolidated profit.

## Voice Info Services and Mobile Content Business

This business comprises: 1) Voice Info Services Segment, operated by Teleinfo Media Plc. ("TMC"), and 2) Mobile Content Segment, 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).

Currently, revenue from Voice Info Services and Mobile Content Business is declining. This has resulted from customer behavior and technology changes. ADV is coping with new technology trends and customer behavior changes by focusing on selecting/developing new content to provide a variety of services, in conjunction with developing various new applications for smart phone users and expanding to the corporate sector. ADV is also focusing on stringent cost control and SG&A management to minimize the impact on overall consolidated profit.

However, in order to consider an investment in the Company' subsidiaries which are YellowPages Business and Voice Info Services and Mobile Content Business, CSL had conducted a review for impairment of investment in subsidiaries on a quarterly basis based on the procedures that disclosed in the auditor's report. As a result of the impairment of investment in subsidiaries reviewed by the Company's auditor during the year, there is no impairment loss was recognized as at 31 December 2016, and the Management feel confident that there is no risk from an impairment of investment for the Company's financial statement, in all material respects.

## OPERATING RESULTS

The consolidated financial statement for the year ending 31 December 2016 compared to the consolidated financial statement for the year ending 31 December 2015.

	Period		Change
	2015	2016	(%)
Revenues from sales and services	2,934	2,890	(1)
Other incomes	30	28	(7)
<b>Total revenue</b>	<b>2,964</b>	<b>2,918</b>	<b>(2)</b>
Cost of sales and services	1,823	1,796	(1)
SG&A expenses	721	718	(0.4)
Financial cost	22	18	(18)
<b>Operating profit</b>	<b>398</b>	<b>386</b>	<b>(3)</b>
Income tax	83	80	(4)
<b>Net profit</b>	<b>315</b>	<b>306</b>	<b>(3)</b>
<b>Earnings per share</b>	<b>0.53</b>	<b>0.51</b>	<b>(4)</b>



## TOTAL REVENUE FROM SALES AND SERVICES

CS LoxInfo Plc. earned Baht 2,890 million in total revenue from sales and services in Y2016. The main revenue streams were, firstly, ICT Business; secondly, Media and Advertising on YellowPages; and thirdly, Voice Info Services & Mobile Content Services business. The details are as below:

### 1. Revenue from ICT Business

Revenue from ICT Business for 2016 was Baht 2,286 million, an increase of Baht 12 million or 1% over last year (Baht 2,274 million). The details are as below:

Revenue from ICT Business	2015 (MB)	2016 (MB)	Change (%)
Leased Line Services	1,398	1,381	(1)
Data Center Services (DC)	262	290	11
ICT Solution Services	525	511	(3)
Broadband Services	36	59	64
Other value added services	53	45	(15)
<b>Total</b>	<b>2,274</b>	<b>2,286</b>	<b>1</b>

- Revenue from Leased line services was consistent with the previous year. This mainly resulted from intense price competition.
- Revenue from Data Center services increased 11% YoY. This was a result of growth in new corporate customers.
- Revenue from ICT Solution Services slightly decreased from previous year. This resulted from the percentage of completion of ICT project sales.
- Revenue from Broadband services increased 64% YoY. This was a result of continuous growth in new condominium customers.
- Other value added services decreased 15% YoY. This mainly resulted from intense competition and slow down economy.

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

Revenue from Media and Advertising on YellowPages for Y2016 was Baht 211 million, a decrease of Baht 26 million or 11% against last year (Baht 237 million) due to the recession of the global print media industry, while YellowPages Online had mild growth and lower prices when compared to print media, so it could not compensate for a decline in the sale of advertising space in the Thailand YellowPages.

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

Revenue from Voice Info Services & Mobile Content Services for Y2016 was Baht 393 million, a decrease of Baht 30 million or 7% against last year (Baht 423 million). This was due to technology and customer behavior changes.

## COST OF SALES AND SERVICES

Costs for sales and services for Y2016 was Baht 1,796 million, a decrease of Baht 27 million or 1% over last year (Baht 1,823 million). The details are given below:

### 1. Cost of ICT Business

Cost associated with ICT Business for Y2016 was Baht 1,424 million, a decrease of Baht 40 million or 3% from last year (Baht 1,464 million). This was due to the efficiency in internet network cost (media leased line) management and lower cost of ICT Solution services.

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

Cost of Media and Advertising on YellowPages for Y2016 was Baht 79 million, a decrease of Baht 8 million or 9% over last year (Baht 87 million). This was due to cost & expense controls in order to compensate for a decline in revenues.

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

Cost of Voice Info Services & Mobile Content Services for Y2016 was Baht 293 million, an increase of Baht 21 million or 8% over last year (Baht 272 million). This resulted from the higher cost of content and R&D costs for the application on smartphone services in order to attract customers' wants and usages in both consumer and corporate markets.

## SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses for 2016 was Baht 718 million, slightly decreased from last year (Baht 721 million). The details are given below:

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

Selling and administrative expenses of ICT Business for 2016 was Baht 525 million, an increase of Baht 28 million or 6% over last year (Baht 497 million), mainly increased from staff expenses and marketing activities for our corporate customers.

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

Selling and administrative expenses of Media and Advertising on YellowPages for 2016 was Baht 161 million, a decrease of Baht 22 million or 12% against the previous year (Baht 183 million). This was due to SG&A controls in order to compensate for the decline in revenue.

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

Selling and administrative expenses of Voice Info Services & Mobile Content Services for 2016 was Baht 32 million, a decrease of Baht 9 million or 22% against last year (Baht 41 million). This was due to SG&A controls in order to compensate for the decline in revenue.

## GROSS PROFIT AND NET PROFIT FROM THE OPERATION

In Y2016, CSL had gross profit of Baht 1,094 million, a decrease of Baht 17 million or 2% against the previous year (Baht 1,111 million). Moreover, net profit from operations for Y2016 was Baht 386 million, a decrease of Baht 12 million or 3% against the same period last year (Baht 398 million). This mainly resulted from a decline of Voice and Mobile Content Business performance, which was directly impacted by technology and customer changes.

## FINANCIAL POSITION

The major asset components comprise the following;

	31 December 2015		31 December 2016	
	MB	% of total assets	MB	% of total assets
Cash and cash equivalents	399	21	420	22
Trade accounts receivable, accrued income and other receivable	523	27	488	26
Other current assets	24	1	36	2
<b>Total current assets</b>	<b>946</b>	<b>49</b>	<b>944</b>	<b>50</b>
Property, plant and equipment - net	811	43	812	43
Other non-current assets	151	8	142	7
<b>Total assets</b>	<b>1,908</b>	<b>100</b>	<b>1,898</b>	<b>100</b>
Short-term loans	190	10	230	12
Trade and other accounts payable	452	24	432	23
Current portion of long-term loans	60	3	60	3
Unearned income and advances received	186	9	171	9
Other current liabilities	29	2	23	1
<b>Total current liabilities</b>	<b>917</b>	<b>48</b>	<b>916</b>	<b>48</b>
Long term loan	120	6	60	3
Other non-current liabilities	214	11	209	11
<b>Total liabilities</b>	<b>1,251</b>	<b>65</b>	<b>1,185</b>	<b>62</b>
Issued and paid-up share capital and Premium on shares	470	25	470	25
Legal reserve	15	1	15	1
Unappropriated	172	9	228	12
<b>Total equity</b>	<b>657</b>	<b>35</b>	<b>713</b>	<b>38</b>

## ASSETS

As at 31 December, 2016, CSL had total assets of Baht 1,898 million, a decrease of Baht 10 million or 1% from the end of Y2015. This was due to the following:

- Cash and cash equivalents increased Baht 21 million or 5% over the end of last year. This was mainly come from ICT Business, which had continuous growth.
- Trade accounts receivable, accrued income and other receivables - net decreased Baht 35 million or 7% from the end of last year. This resulted mainly from a decrease of A/R ICT Business and Voice Info Services & Mobile Content Business.
- Other current assets increased Baht 12 million from the end of last year. This resulted from work in process of ICT project sales.
- Other non-current assets decreased Baht 9 million from the end of last year. The was mainly come from the amortization/write-off intangible assets of ICT Business and YellowPages Business

## LIABILITIES AND EQUITY

### Liabilities

As of 31 December, 2016, CSL had total liabilities of Baht 1,185 million, a decrease of Baht 66 million or 5% from the end of Y2015. This was due to the following:

- Short-term borrowings increased by Baht 40 million from repayment and additional drawdowns during the period.
- Trade and other accounts payable decreased Baht 20 million or 4% from A/P internet equipment repayment of ICT Business.
- Unearned income and advances received decreased by Baht 15 million or 8%. This was mainly due to lower sales of advertising space in 2016 Thailand YellowPages - Bangkok Book, in parallel with, the recognition of the revenue from advertising sales in 2016 Thailand YellowPages. (The Company had normally issues invoice of A/R-YellowPages in May 2016, and recognized its revenue on a monthly basis over the useful life (12 months))
- Loans from financial institutions decreased Baht 60 million from repayment during the period.
- Other non-current liabilities decreased Baht 5 million. This resulted from the amortization some of employee benefit obligations because of the restructure in YellowPages Business

### Total Equity

As of 31 December 2016, CSL had total equity of Baht 713 million, an increase of Baht 56 million or 9% from the end of Y2015. This was due to the following:

- Profit from operations for Y2016 of Baht 306 million or Baht 0.51 per share
- Dividend payments totaling Baht 250 million, which consisted of:
  - 2HF2015 dividend payment of Baht 119 million (0.20 Baht per share)
  - 1HF2016 dividend payment of Baht 131 million (0.22 Baht per share)



## ASSETS QUALITY

As of 31 December 2016, CSL had trade accounts receivable and accrued income - net in amount of Baht 357 million or 19% of total assets. The trade accounts receivable comprised of third parties and related parties, representing 85% and 15% of total trade accounts receivable, respectively. The average collection period was 48 days, roughly equivalent to that in Y2015 (normal collection period of the Company was 15 - 120 days). As at 31 December 2016, the Company had an allowance for doubtful accounts of Baht 54 million or 13% of total trade accounts receivable. The allowance covered the trade accounts receivable over 12 months.

Normal credit terms of trade accounts receivable based on business segments are as follows:

### ICT Business

Trade accounts receivable consists of two types of customers:

- 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

- Full amount with a credit term of 30 days for advertisers with an amount less than Baht 35,000
- Four installments within 120 days for advertisers with an amount equal or more than Baht 35,000

### Voice Info Services & Mobile Content Business

Normal credit term is 30 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:

## LIQUIDITY

The liquidity of CSL remained in a healthy status. As at 31 December 2016, the Company's current ratio was 1.02 times, roughly equivalent to that in Y2015.

CSL had cash flow from operations for Y2016 of Baht 461 million, a decrease of Baht 55 million or 11% from the same period last year, which stood at Baht 516 million. This was due to the decline of YellowPages Business, Voice Info Services and the Mobile Content Business.

Furthermore, CSL had cash flow from investments for Y2016 of Baht 151 million, which mostly for normal CAPEX for ICT Business and an expanding in Data Center Services and Broadband for Condominium Services.

As at 31 December 2016, CSL had cash of 420 million Baht in consolidated financial statements and 252 million Baht in the Separated financial statements, respectively.

# 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. Chavala Tienpasertkij (CPA No. 4301) of Deloitte Touche Tohmatsu Jaiyos Audit Company 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, 2016. The Board of Directors also believes that all these financial statements have been prepared in accordance with Thai Financial Reporting Standards and related regulations.



**Mr. Wichian Mektrakarn**

Chairman of the Board of Directors



**Mr. Paiboon Panuwattanawong**

Chairman of the Executive Committee



## **REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS  
CS LOXINFO PUBLIC COMPANY LIMITED**

### **Opinion**

We have audited the consolidated financial statements of CS Loxinfo Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of CS Loxinfo Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2016, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of CS Loxinfo Public Company Limited and its subsidiaries and of CS Loxinfo Public Company Limited as at December 31, 2016, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

### **Basis for Opinion**

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King’s Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Key Audit Procedures
<p><b>Recognition of revenue from rendering of services</b></p> <p>The Group has many service agreements which have different terms and pricing conditions. Therefore, the key audit matter is whether the revenue from rendering of services has been recorded accurately in accordance with TFRSs</p> <p>Accounting policy for revenue and details of segment information were disclosed in Note 3.15 and Note 19 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understand the revenue recognition process relating to revenue from rendering services and related internal control procedures</li> <li>• Review the design and implementation of the internal control procedures.</li> <li>• Perform the operating effectiveness testing over the internal control procedures around revenue recognition process relating to revenue from rendering services including related information and technology system, and</li> <li>• Perform substantive testing as follows: <ul style="list-style-type: none"> <li>- Review terms and condition of the service agreements and recalculate the revenues whether it has been recorded appropriately and examine the related supporting documents of the revenue from rendering services, and</li> <li>- Perform substantive analytical procedures relating to the revenue from rendering of services.</li> </ul> </li> </ul>
<p><b>Impairment of investment in subsidiaries</b></p> <p>The impairment consideration is depended on the management judgements and assumptions. Therefore, the key audit matter is whether the valuation of investment in subsidiaries and impairment provision has been recognized in accordance with TFRSs.</p> <p>Accounting policies for investments and impairment and details of investment in subsidiaries were disclosed Note 3.7, Note 3.10 and Note 9 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understand the impairment consideration process and related internal control procedures.</li> <li>• Review the design and implementation of the internal control procedures.</li> <li>• Perform the operating effectiveness testing over the internal control procedures around impairment consideration process, and</li> <li>• Perform substantive testing as follows: <ul style="list-style-type: none"> <li>- Examine the supporting documents in relation to the management consideration of impairment indicators for investment in subsidiaries.</li> <li>- Assess the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for investment in subsidiaries.</li> </ul> </li> </ul>

### Other Matter

The consolidated financial statements of CS Loxinfo Public Company Limited and its subsidiaries and the separate financial statements of CS Loxinfo Public Company Limited for the year ended December 31, 2015, presented herein as comparative information, were audited by another auditor, whose report thereon dated February 10, 2016 expressed an unmodified opinion on those statements.

## **Other Information**

Management is responsible for the other information. The other information comprises information in the annual report, we have received such other information in the annual report that has been prepared for issuance before the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We have read other information in the annual report that has been prepared for issuance, we did not find any material inconsistency therein which we have to report.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

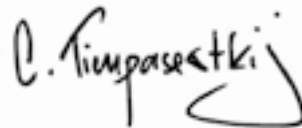
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Chavala Tienpasertkij  
Certified Public Accountant (Thailand)  
Registration No. 4301

BANGKOK  
February 1, 2017

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

## CS LOXINFO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

UNIT : BAHT

		Consolidated financial statements As at December 31,		Separate financial statements As at December 31,	
	Notes	2016	2015	2016	2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	420,328,930	399,460,490	252,179,118	208,919,102
Trade receivables and accrued income	6	357,133,394	409,051,288	241,569,735	283,575,625
Other receivables	7	131,073,802	113,881,585	87,177,308	60,624,651
Inventories	8	32,194,381	21,732,021	29,525,783	20,133,693
Other current assets		3,102,985	2,339,288	1,367,037	539,157
<b>Total current assets</b>		<b>943,833,492</b>	<b>946,464,672</b>	<b>611,818,981</b>	<b>573,792,228</b>
<b>Non-current assets</b>					
Investments in subsidiaries	9	-	-	155,563,997	155,563,997
Property, plant and equipment	10	812,276,818	810,979,585	791,278,670	771,993,990
Intangible assets	11	59,986,876	67,848,543	50,791,032	55,473,476
Deferred tax assets	12	58,573,771	59,329,758	33,365,360	33,648,162
Other non-current assets		23,674,859	23,609,675	15,457,150	15,325,548
<b>Total non-current assets</b>		<b>954,512,324</b>	<b>961,767,561</b>	<b>1,046,456,209</b>	<b>1,032,005,173</b>
<b>Total assets</b>		<b>1,898,345,816</b>	<b>1,908,232,233</b>	<b>1,658,275,190</b>	<b>1,605,797,401</b>

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

## CS LOXINFO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2016

UNIT : BAHT

		Consolidated financial statements As at December 31,		Separate financial statements As at December 31,	
	Notes	2016	2015	2016	2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term borrowing					
from financial institution	13	230,000,000	190,000,000	230,000,000	190,000,000
Trade payables	14	283,854,958	285,551,548	257,715,901	255,661,440
Other payables	15	148,403,542	166,385,785	112,654,584	120,169,313
Current portion of long-term borrowing					
from financial institution	13	60,000,000	60,000,000	60,000,000	60,000,000
Current portion of finance lease liabilities	13	879,952	8,403,654	765,635	8,064,163
Unearned income and advance receipts		171,207,052	186,578,802	85,623,284	72,219,283
Income tax payable		7,051,439	5,446,275	7,000,498	1,852,012
Other current liabilities		15,134,376	15,055,439	11,955,938	13,543,026
<b>Total current liabilities</b>		<b>916,531,319</b>	<b>917,421,503</b>	<b>765,715,840</b>	<b>721,509,237</b>
<b>Non-current liabilities</b>					
Long-term borrowing					
from financial institution	13	60,000,000	120,000,000	60,000,000	120,000,000
Finance lease liabilities	13	3,928,603	5,228,762	3,928,603	4,674,445
Employee benefit obligations	16	186,592,548	189,132,041	136,753,934	122,810,167
Other non-current liabilities		18,269,113	19,634,044	15,759,898	16,164,827
<b>Total non-current liabilities</b>		<b>268,790,264</b>	<b>333,994,847</b>	<b>216,442,435</b>	<b>263,649,439</b>
<b>Total liabilities</b>		<b>1,185,321,583</b>	<b>1,251,416,350</b>	<b>982,158,275</b>	<b>985,158,676</b>



## CS LOXINFO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2016

UNIT : BAHT

		Consolidated financial statements As at December 31,		Separate financial statements As at December 31,	
	Notes	2016	2015	2016	2015
<b>Liabilities and shareholders' equity</b>					
(Continued)					
<b>Shareholders' equity</b>					
Share capital	17				
Authorised share capital					
594,514,769 ordinary shares					
of Baht 0.25 each		148,628,692	148,628,692	148,628,692	148,628,692
Issued and paid-up share capital					
594,514,769 ordinary shares					
of Baht 0.25 each, fully paid		148,628,692	148,628,692	148,628,692	148,628,692
Additional paid-in capital					
Premium on ordinary shares	17	321,205,395	321,205,395	321,205,395	321,205,395
Retained earnings					
Appropriated					
Legal reserve	18	14,862,869	14,862,869	14,862,869	14,862,869
Unappropriated		228,327,277	172,118,927	191,419,959	135,941,769
<b>Total shareholders' equity</b>		<b>713,024,233</b>	<b>656,815,883</b>	<b>676,116,915</b>	<b>620,638,725</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,898,345,816</b>	<b>1,908,232,233</b>	<b>1,658,275,190</b>	<b>1,605,797,401</b>

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

CS LOXINFO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2016

UNIT : BAHT

		Consolidated financial statements For the years ended December 31,		Separate financial statements For the years ended December 31,	
	Notes	2016	2015	2016	2015
<b>Revenues</b>					
Revenue from sales of goods and rendering of services		2,890,079,044	2,934,218,871	2,286,861,180	2,274,910,726
Investment income	20	2,906,635	2,811,927	34,357,315	66,150,772
Other income	21	24,876,710	26,813,205	19,085,178	11,657,712
<b>Total revenues</b>		<b>2,917,862,389</b>	<b>2,963,844,003</b>	<b>2,340,303,673</b>	<b>2,352,719,210</b>
<b>Expenses</b>					
Cost of sales of goods and rendering of services		1,796,166,236	1,823,186,065	1,425,123,108	1,464,946,111
Selling expenses		121,728,832	130,624,665	109,646,625	104,468,397
Administrative expenses		569,477,092	561,507,052	388,706,840	363,715,175
Management benefit expenses	4	26,949,395	29,223,328	26,949,395	29,223,328
Finance costs	24	17,808,320	21,413,762	15,628,426	19,270,711
<b>Total expenses</b>		<b>2,532,129,875</b>	<b>2,565,954,872</b>	<b>1,966,054,394</b>	<b>1,981,623,722</b>
<b>Profit before income tax expense</b>		<b>385,732,514</b>	<b>397,889,131</b>	<b>374,249,279</b>	<b>371,095,488</b>
Income tax expense	25	79,827,741	82,792,633	69,075,096	61,971,697
<b>Profit for the years</b>		<b>305,904,773</b>	<b>315,096,498</b>	<b>305,174,183</b>	<b>309,123,791</b>
<b>Other comprehensive income (expense)</b>					
Items that will not be reclassified subsequently to profit or loss					
Defined benefit plan actuarial losses	16	-	(40,431,017)	-	(34,126,952)
Income tax relating to items that will not be reclassified subsequently	25	-	8,086,203	-	6,825,390
<b>Other comprehensive expense for the years - net of income tax</b>		<b>-</b>	<b>(32,344,814)</b>	<b>-</b>	<b>(27,301,562)</b>
<b>Total comprehensive income for the years</b>		<b>305,904,773</b>	<b>282,751,684</b>	<b>305,174,183</b>	<b>281,822,229</b>
<b>Earnings per share (Baht)</b>					
Basic earnings per share	27	<b>0.51</b>	<b>0.53</b>	<b>0.51</b>	<b>0.52</b>

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

**CS LOXINFO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Notes	Consolidated financial statements					Total shareholders' equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			
				Legal reserve	Unappropriated		
<b>For the year ended December 31, 2015</b>							
Balance as at January 1, 2015		148,628,692	321,205,395	5,339,406	136,697,261		611,870,754
Transactions with owners, recorded directly in equity							
Dividends to owners of the Company	28	-	-	-	(237,806,555)		(237,806,555)
<b>Total transactions with owners, recorded directly in equity</b>					<b>(237,806,555)</b>		<b>(237,806,555)</b>
<b>Comprehensive income for the year</b>							
Profit for the year		-	-	-	315,096,498		315,096,498
Other comprehensive expense		-	-	-	(32,344,814)		(32,344,814)
<b>Total comprehensive income for the year</b>					<b>282,751,684</b>		<b>282,751,684</b>
Transfer to legal reserve	18	-	-	9,523,463	(9,523,463)		-
<b>Balance as at December 31, 2015</b>		<b>148,628,692</b>	<b>321,205,395</b>	<b>14,862,869</b>	<b>172,118,927</b>		<b>656,815,883</b>

UNIT : BAHT

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

**CS LOXINFO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Consolidated financial statements					UNIT : BAHT
	Note	Retained earnings			Total shareholders' equity	
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve		Unappropriated
For the year ended December 31, 2016						
Balance as at January 1, 2016		148,628,692	321,205,395	14,862,869	172,118,927	656,815,883
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company	28	-	-	-	(249,696,423)	(249,696,423)
Total transactions with owners, recorded directly in equity		-	-	-	(249,696,423)	(249,696,423)
Comprehensive income for the year						
Profit for the year		-	-	-	305,904,773	305,904,773
Total comprehensive income for the year		-	-	-	305,904,773	305,904,773
Balance as at December 31, 2016		148,628,692	321,205,395	14,862,869	228,327,277	713,024,233

UNIT : BAHT

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

**CS LOXINFO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Separate financial statements							UNIT : BAHT
	Notes	Retained earnings				Total shareholders' equity	
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated		
For the year ended December 31, 2015							
Balance as at January 1, 2015		148,628,692	321,205,395	5,339,406	101,448,711	576,622,204	
Transactions with owners, recorded directly in equity							
Dividends to owners of the Company	28	-	-	-	(237,805,708)	(237,805,708)	
Total transactions with owners, recorded directly in equity		-	-	-	(237,805,708)	(237,805,708)	
Comprehensive income for the year							
Profit for the year		-	-	-	309,123,791	309,123,791	
Other comprehensive expense		-	-	-	(27,301,562)	(27,301,562)	
Total comprehensive income for the year		-	-	-	281,822,229	281,822,229	
Transfer to legal reserve	18	-	-	9,523,463	(9,523,463)	-	
Balance as at December 31, 2015		148,628,692	321,205,395	14,862,869	135,941,769	620,638,725	

UNIT : BAHT

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

**CS LOXINFO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Separate financial statements						UNIT : BAHT
	Note	Retained earnings			Total shareholders' equity	
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve		
For the year ended December 31, 2016						
Balance as at January 1, 2016		148,628,692	321,205,395	14,862,869	620,638,725	
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company	28	-	-	-	(249,695,993)	
Total transactions with owners, recorded directly in equity		-	-	-	(249,695,993)	
Comprehensive income for the year						
Profit for the year		-	-	-	305,174,183	
Total comprehensive income for the year		-	-	-	305,174,183	
Balance as at December 31, 2016		148,628,692	321,205,395	14,862,869	676,116,915	

UNIT : BAHT

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



## CS LOXINFO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

UNIT : BAHT

		Consolidated financial statements		Separate financial statements	
		For the years ended December 31,		For the years ended December 31,	
	Notes	2016	2015	2016	2015
Cash flows from operating activities					
Profit for the years		305,904,773	315,096,498	305,174,183	309,123,791
Adjustments for					
Depreciation	10	146,304,016	146,560,126	127,278,358	124,989,281
Amortisation of intangible assets	11	17,222,285	20,872,862	11,610,784	12,073,924
Impairment loss on intangible assets	11	-	1,781,073	-	-
Investment income	20	(2,906,635)	(2,811,927)	(34,357,315)	(66,150,772)
Finance costs	24	17,808,320	21,413,762	15,628,426	19,270,711
Unrealised (gain) loss on exchange		(39,737)	29,050	(39,737)	29,050
Doubtful debts expense	6	17,254,901	20,143,156	2,627,217	2,215,354
Loss from decline in value of inventories (reversal)	8	(54,157)	463,040	-	372,331
Gain on disposal of property, plant and equipment		(12,477,475)	(2,245,387)	(12,122,533)	(2,518,027)
Loss on disposal of intangible assets		513,164	8,591	-	8,591
Employee benefit expense	22	23,223,040	10,650,166	10,407,508	6,546,804
Write-off of withholding tax		-	29,497	-	-
Income tax expense	25	79,827,741	82,792,633	69,075,096	61,971,697
		592,580,236	614,783,140	495,281,987	467,932,735
Changes in operating assets and liabilities					
Trade receivables and accrued income		34,675,224	(24,635,175)	39,390,904	(12,055,778)
Other receivables		(27,927,842)	(28,062,641)	(35,553,568)	(28,543,139)
Inventories		(10,408,203)	20,629,211	(9,392,090)	15,593,216
Other current assets		(763,697)	(1,051,303)	(827,880)	180,066
Other non-current assets		(65,184)	14,096	(131,602)	4,096
Trade payables		(1,668,629)	20,205,692	2,082,422	16,953,128
Other payables		(9,653,131)	5,591,240	460,717	3,243,296
Unearned income and advance receipts		(15,371,750)	983,372	13,404,001	807,796
Other current liabilities		78,507	(14,932)	(1,587,088)	1,034,682
Other non-current liabilities		(1,364,931)	(4,063,994)	(404,929)	(4,130,997)
Cash generated from operating activities		560,110,600	604,378,706	502,722,874	461,019,101
Employee benefit paid	16	(32,207,342)	(809,641)	(755,590)	-
Refundable withholding tax		20,587,270	11,317,852	8,992,625	-
Income tax paid		(87,318,236)	(98,629,765)	(63,635,521)	(62,341,662)
Net cash provided by operating activities		461,172,292	516,257,152	447,324,388	398,677,439

## CS LOXINFO PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

UNIT : BAHT

		Consolidated financial statements For the years ended December 31,		Separate financial statements For the years ended December 31,	
	Notes	2016	2015	2016	2015
<b>Cash flows from investing activities</b>					
Interest received	20	2,906,635	2,811,927	1,328,742	1,125,432
Dividend received	20	-	-	33,028,573	65,025,340
Cash paid for purchase of property, plant and equipment		(158,989,865)	(151,051,835)	(157,187,996)	(145,203,249)
Proceed from sales of property, plant and equipment		14,081,372	2,968,631	13,316,452	2,934,052
Cash paid for purchase intangible assets		(8,970,652)	(8,282,402)	(6,025,227)	(6,360,751)
Proceed from sale of intangible assets		2,175	-	2,175	-
<b>Net cash used in investing activities</b>		<b>(150,970,335)</b>	<b>(153,553,679)</b>	<b>(115,537,281)</b>	<b>(82,479,176)</b>
<b>Cash flows from financing activities</b>					
Interest paid		(10,335,058)	(16,232,768)	(10,335,058)	(16,170,007)
Dividends paid	28	(249,695,993)	(237,806,555)	(249,695,993)	(237,805,708)
Finance lease payments		(9,302,011)	(15,372,524)	(8,495,585)	(14,859,634)
Proceeds from borrowings		640,000,000	360,000,000	640,000,000	360,000,000
Repayments of borrowings		(660,000,000)	(440,000,000)	(660,000,000)	(440,000,000)
<b>Net cash used in financing activities</b>		<b>(289,333,062)</b>	<b>(349,411,847)</b>	<b>(288,526,636)</b>	<b>(348,835,349)</b>
<b>Net increase (decreased) in cash and cash equivalents</b>					
		<b>20,868,895</b>	<b>13,291,626</b>	<b>43,260,471</b>	<b>(32,637,086)</b>
Cash and cash equivalents as at January 1,		399,460,490	386,197,914	208,919,102	241,585,238
Effect of exchange rate changes on balances held in foreign currencies		(455)	(29,050)	(455)	(29,050)
<b>Cash and cash equivalents as at December 31,</b>	<b>5</b>	<b>420,328,930</b>	<b>399,460,490</b>	<b>252,179,118</b>	<b>208,919,102</b>
<b>Non-cash transactions</b>					
Acquisitions of equipment through credit		11,209,340	19,006,753	10,712,967	18,156,713
Acquisitions of intangible assets through credit		29,660	1,111,664	29,660	1,111,664

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

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended December 31, 2016**

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**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended December 31, 2016**

**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 and distribute internet equipment. The principal activities of the Company and its subsidiaries (“the Group”) also include printing and publishing of telephone directories businesses and providing mobile contents. Detail of the Company’s subsidiaries are given in Note 4 and Note 9.

The Company entered into concession agreements with CAT Telecom Public Company Limited (“CAT”) for a period of 22 years from August 9, 1994 to August 8, 2016 to provide satellite uplink-downlink and satellite internet services (see Note 11).

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:

Types of license	Issue date	Periods	Total revenues used in calculation of fee payable to NBTC (thousand Baht)	
			2016	2015
Internet Operation License Type I	September 8, 2014	5 years	720,535	723,100
Telecom Operation License Type I	October 11, 2014	5 years	6,906	202
Internet Operation License Type II	April 26, 2012	5 years	143,601	131,030
Telecom Operation License Type III	December 20, 2007	15 years	27,267	17,980

The fees payable to NBTC consist of the annual license fees and the USO fees. The Notification of the NBTC dated May 29, 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: May 30, 2012).

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

The Company and its subsidiaries have extensive transactions and relationships with the related companies. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company and subsidiaries operated without such affiliation.

## 2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

### 2.1 *Statement of compliance*

- (1) The Group's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2015) "Presentation of Financial Statements", and the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and financial performance of the listed companies B.E. 2544. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement B.E. 2554" dated September 28, 2011.
- (2) The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- (3) Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

The Federation of Accounting Professions ("FAP") has issued the Notifications regarding Thai Financial Reporting Standards ("TFRSs") which are effective for the financial statements for the periods beginning on or after January 1, 2016 onwards, as follows:

#### **Thai Accounting Standards ("TAS")**

TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 2 (Revised 2015)	Inventories
TAS 7 (Revised 2015)	Statement of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2015)	Events after the Reporting Period
TAS 11 (Revised 2016)	Construction Contracts
TAS 12 (Revised 2015)	Income Taxes
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 19 (Revised 2015)	Employee Benefits
TAS 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2015)	Borrowing Costs
TAS 24 (Revised 2015)	Related Party Disclosures
TAS 26 (Revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2015)	Separate Financial Statements
TAS 28 (Revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2015)	Earnings per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible Assets
TAS 40 (Revised 2015)	Investment Property
TAS 41	Agriculture

#### **Thai Financial Reporting Standards ("TFRS")**

TFRS 2 (Revised 2015)	Share-based Payment
TFRS 3 (Revised 2015)	Business Combinations
TFRS 4 (Revised 2015)	Insurance Contracts
TFRS 5 (Revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2015)	Exploration for and Evaluation of Mineral Assets

**Thai Financial Reporting Standard (“TFRS”) (continued)**

TFRS 8 (Revised 2015)	Operating Segments
TFRS 10 (Revised 2015)	Consolidated Financial Statements
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2015)	Fair Value Measurement

**Thai Accounting Standards Interpretations (“TSIC”)**

TSIC 10 (Revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2015)	Operating Leases – Incentives
TSIC 25 (Revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2015)	Disclosure – Service Concession Arrangements
TSIC 31 (Revised 2015)	Revenue – Barter Transaction Involving Advertising Services
TSIC 32 (Revised 2015)	Intangible Assets – Web Site Costs

**Thai Financial Reporting Standard Interpretation (“TFRIC”)**

TFRIC 1 (Revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2015)	Applying the Restatement Approach under TAS29 (Revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customer Loyalty Programmes
TFRIC 14 (Revised 2015)	TAS 19 (Revised 2015) – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfer of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2015)	Levies

**Guideline on Accounting**

Guideline on Accounting regarding Recognition and Measurement of Bearer Plants

Guideline on Accounting for Insurance Business regarding Designation of Financial Instruments at Fair Value through Profit or Loss

**(4) Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective**

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs), which are effective for the financial statements for the periods beginning on or after January 1, 2017 onwards, as follows:

**Thai Accounting Standards (“TAS”)**

TAS 1 (Revised 2016)	Presentation of Financial Statements
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TAS 12 (Revised 2016)	Income taxes
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TAS 17 (Revised 2016)	Leases
TAS 18 (Revised 2016)	Revenue

**Thai Accounting Standards (“TAS”) (Continued)**

TAS 19 (Revised 2016)	Employee Benefits
TAS 20 (Revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2016)	Borrowing Costs
TAS 24 (Revised 2016)	Related Party Disclosures
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TAS 29 (Revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2016)	Earnings Per Share
TAS 34 (Revised 2016)	Interim Financial Reporting
TAS 36 (Revised 2016)	Impairment of Assets
TAS 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2016)	Intangible Assets
TAS 40 (Revised 2016)	Investment Property
TAS 41 (Revised 2016)	Agriculture
TAS 104 (Revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (Revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (Revised 2016)	Financial Instruments Disclosure and Presentation

**Thai Financial Reporting Standards (“TFRS”)**

TFRS 2 (Revised 2016)	Share-based Payment
TFRS 3 (Revised 2016)	Business Combinations
TFRS 4 (Revised 2016)	Insurance Contracts
TFRS 5 (Revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2016)	Operating Segments
TFRS 10 (Revised 2016)	Consolidated Financial Statements
TFRS 11 (Revised 2016)	Joint Arrangements
TFRS 12 (Revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2016)	Fair Value Measurement

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TSIC 29 (Revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (Revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2016)	Intangible Assets-Web Site Costs

**Thai Financial Reporting Standard Interpretations (“TFRIC”)**

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TFRIC 5 (Revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2016)	Applying the Restatement Approach under TAS 29 (Revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2016)	Service Concession Arrangements
TFRIC 13 (Revised 2016)	Customer Loyalty Programmes
TFRIC 14 (Revised 2016)	TAS 19 (Revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2016)	Agreements for the Construction of Real Estate



### **Thai Financial Reporting Standard Interpretations (“TFRIC”) (Continued)**

TFRIC 17 (Revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2016)	Transfers of Assets from Customers
TFRIC 20 (Revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2016)	Levies

### **Guideline of Accounting**

Guideline of accounting for derecognition of financial assets and financial liabilities

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

## **2.2 Basis of measurement**

The financial statements have been prepared under the measurement basis of historical cost except where otherwise stated.

## **2.3 Functional and presentation currency**

The financial statement are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest thousand Baht unless otherwise stated.

## **2.4 Judgements and estimates**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is described in the following notes:

Note 3.18	Current and deferred taxation
Note 6	Allowance for doubtful accounts
Note 8	Allowance for decline in value of inventories
Note 9 and Note 11	Key assumptions used in discounted cash flow projections
Note 10	Utilisation of plant and equipment
Note 11	Utilisation of intangible assets
Note 12	Utilisation of tax losses
Note 16	Measurement of defined benefit obligations
Note 29	Valuation measurement of financial instruments
Note 31	Contingent liabilities

### *Measurement of fair values*

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in Note 29.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated and separate financial statements are prepared in English version from the consolidated and separate financial statements followed the laws which is in Thai. In the event of any conflict or be interpreted in two different languages, the Thai version consolidated and separate financial statements is superseded.

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

#### 3.1 *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries.

##### *Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group 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 the statement of profit or loss and other comprehensive.

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

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 the statement of profit or loss and other comprehensive income

#### *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. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in the statement of profit or loss and other comprehensive income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### *Transactions eliminated on consolidation*

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

### **3.2 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 the statement of profit or loss and other comprehensive income.

### **3.3 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 ended exchange rate. Unrealised gains or losses on transactions are recognised in the statement of profit or loss and other comprehensive income. Premiums or discounts are amortised on a straight-line basis over the contract period.

### **3.4 Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, all deposits at financial institutions with the original maturities of three months or less, excluding cash at banks used as collateral and highly liquid short-term investments.

### **3.5 Trade and other receivables**

Trade and other receivables 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.

### **3.6 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.

### **3.7 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 recognized in the statement of profit or loss and other comprehensive income.

### **3.8 Property, plant and equipment**

#### *Recognition and measurement*

#### *Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and 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 as other income or expense in the statement of profit or loss and other comprehensive income.

#### *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 in the statement of profit or loss and other comprehensive income.

#### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognized 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income 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 in the statement of profit or loss and other comprehensive income 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 - 30 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.*

### **3.9 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 3.1. Subsequent to initial recognition, goodwill is measured at cost less allowance for impairment.

### *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 5 to 10 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 which consist of fiber optics licences and software licences that are acquired by the Group and have finite useful lives, ranging from 1 to 13 years, are measured at cost less accumulated amortisation and allowance for 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 recognized in the statement of profit or loss and other comprehensive income as incurred.

### *Amortisation*

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in the statement of profit or loss and other comprehensive income 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 June 14, 2021).

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## **3.10 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, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of profit or loss and other comprehensive income.

### *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 recognized as an expense in the statement of profit or loss and other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized 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 recognized.

### **3.11 Interest-bearing liabilities**

Interest-bearing liabilities are recognized 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 recognized as an expense in the statement of profit or loss and other comprehensive income over the period of the borrowings.

### **3.12 Trade and other payables**

Trade and other payables are stated at cost.

### **3.13 Employee benefits**

#### *Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed in the statement of profit or loss and other comprehensive income as the related service is provided.

#### *Defined benefit plans*

A defined contribution plan is a post-employment benefit other than defined contribution plans.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit or loss and other comprehensive income.



When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit or loss and other comprehensive income. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### *Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits 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. Remeasurements are recognised in the statement of profit or loss and other comprehensive income in the period in which they arise.

#### *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

#### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

### **3.14 Provisions**

A provision is recognized 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 recognized as finance cost.

### **3.15 Revenue**

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

#### *Sale of goods and rendering of services*

Revenue from sale of goods is recognized in the statement of profit or loss and other comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized 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 recognized when services are provided to customers. Revenue from design and implementation contract for Internet, Computer, and Telecommunication services ("ICT") is recognized 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 recognized on a monthly basis over the useful life of the telephone directory. Other service income is recognized 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 received*

Dividend received is recognized on the date the Group's right to receive payments is established.

#### *Interest income*

Interest income is recognized in in the statement of profit or loss and other comprehensive income as it accrues.

### **3.16 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 as expense in the statement of profit or loss and other comprehensive income.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as expense in the statement of profit or loss and other comprehensive income using the effective interest method.

### **3.17 Lease**

#### *Operating Lease*

Payments made under operating leases are recognised in in the statement of profit or loss and other comprehensive income 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 recognized 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 recognized using the Group's incremental borrowing rate.

### *Financial lease*

A lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company is accounted for as a financial lease. The Company recognized liabilities and the leased assets at the lower of estimated present value of the underlying lease payments or at the fair value of the equipment at the contractual date. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is recognized by the effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognized as profit or loss.

### **3.18 *Income tax expense***

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized as income or expense in the statement of profit or loss and other comprehensive income except to the extent that they relate to a business combination, or items recognized 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 and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized 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 recognized 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 accruals 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 judgments about future events. New information may become available that causes the Group to change its judgment 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.

### 3.19 Earnings per share

The Group presents basic earnings (loss) per share data for its ordinary shares. Basic earnings 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.

### 3.20 Segment information

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 with the Company
Intouch Holdings Public Company Limited ("INTOUCH") and its related parties	Thailand	Related parties

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 10%
Management fee	Mutually agreed basis as a fixed monthly fee

Significant transactions with related parties for the years ended December 31, 2016 and 2015 were as follows:

	Consolidated financial statements For the years ended December 31,		Unit: Thousand Baht Separate financial statements For the years ended December 31,	
	2016	2015	2016	2015
<b>Major shareholders</b>				
Sales of goods and rendering of services	15,898	25,714	15,811	25,613
Other income	850	-	850	-
Purchases of goods and services	7,842	10,220	7,831	10,205
Interest expense	219	1,510	219	1,510
Other expenses	312	566	271	478

	Consolidated financial statements For the years ended December 31,		Unit: Thousand Baht Separate financial statements For the years ended December 31,	
	2016	2015	2016	2015
<b><i>Subsidiaries</i></b>				
Sales of goods and rendering of services	-	-	5,203	5,572
Other income	-	-	345	-
Dividend income	-	-	33,028	65,025
Purchases of goods and services	-	-	8,897	11,528
Other expenses	-	-	2	313
<b><i>Other related parties</i></b>				
Sales of goods and rendering of services	298,235	311,024	5,110	9,593
Other income	12,348	1,311	12,348	-
Purchases of goods and services	27,548	27,798	27,478	27,669
Other expenses	5,783	18,635	2,488	3,046
<b><i>Key management personnel</i></b>				
Key management personnel compensation	26,949	29,223	26,949	29,223

Balances with related parties as at December 31, 2016 and 2015 were as follows:

	Consolidated financial statements As at December 31,		Unit: Thousand Baht Separate financial statements As at December 31,	
	2016	2015*	2016	2015
<b><i>Trade receivables</i></b>				
Major shareholders	5,151	3,645	5,151	3,645
Subsidiaries	-	-	397	1,052
Other related parties	23,889	27,273	743	1,763
	<b>29,040</b>	<b>30,918</b>	<b>6,291</b>	<b>6,460</b>
<b><i>Accrued income</i></b>				
Major shareholders	40	-	40	-
Subsidiaries	-	-	165	-
Other related parties	32,851	30,883	103	83
	<b>32,891</b>	<b>30,883</b>	<b>308</b>	<b>83</b>
<b>Total trade receivables and accrued income</b>	<b>61,931</b>	<b>61,801</b>	<b>6,599</b>	<b>6,543</b>
* Certain accounts in trade receivable as at December 31, 2015 by Baht 30,800 thousand have been reclassified to accrued income.				
<b><i>Property, plant and equipment</i></b>				
Major shareholders	-	6,262	-	6,262
<b>Total</b>	<b>-</b>	<b>6,262</b>	<b>-</b>	<b>6,262</b>
<b><i>Trade payables</i></b>				
Major shareholders	9,345	3,395	9,339	3,388
Subsidiaries	-	-	2,389	3,487
Other related parties	9,479	6,353	8,885	5,171
<b>Total</b>	<b>18,824</b>	<b>9,748</b>	<b>20,613</b>	<b>12,046</b>
<b><i>Other payables</i></b>				
Major shareholders	32	-	-	-
Other related parties	63	624	-	554
<b>Total</b>	<b>95</b>	<b>624</b>	<b>-</b>	<b>554</b>
<b><i>Finance lease liabilities</i></b>				
Major shareholders	-	-	-	-
Current	-	7,333	-	7,333
<b>Total</b>	<b>-</b>	<b>7,333</b>	<b>-</b>	<b>7,333</b>

### *Significant agreements with related parties*

- 4.1 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.
- 4.2 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. These agreements had already matured on June 30, 2016.
- 4.3 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.
- 4.4 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 120 days.

## 5. CASH AND CASH EQUIVALENTS

	Consolidated financial statements As at December 31,		Unit : Thousand Baht Separate financial statements As at December 31,	
	2016	2015	2016	2015
Cash on hand	148	163	88	73
Cash at banks - current accounts and saving accounts	300,233	289,359	202,091	208,846
Highly liquid short-term investments	119,948	109,938	50,000	-
<b>Total</b>	<b>420,329</b>	<b>399,460</b>	<b>252,179</b>	<b>208,919</b>

The currency denomination of cash and cash equivalents of the Group and the Company as at December 31, 2016 and 2015 were as follows:

	Consolidated financial statements As at December 31,		Unit : Thousand Baht Separate financial statements As at December 31,	
	2016	2015	2016	2015
Thai Baht	420,268	399,398	252,118	208,857
United States Dollars	61	62	61	62
<b>Total</b>	<b>420,329</b>	<b>399,460</b>	<b>252,179</b>	<b>208,919</b>

Savings deposits held with banks and promissory notes as at December 31, 2016 had interest rates ranging from 0.30% - 1.43% per annum (2015: 0.31% - 1.46% per annum).

## 6. TRADE RECEIVABLES AND ACCRUED INCOME

	Notes	Consolidated financial statements As at December 31,		Unit: Thousand Baht Separate financial statements As at December 31,	
		2016	2015*	2016	2015
<b>Trade receivables</b>					
Related parties	4	29,040	30,918	6,291	6,460
Other parties		313,195	369,121	223,512	267,101
		<u>342,235</u>	<u>400,039</u>	<u>229,803</u>	<u>273,561</u>
<b>Accrued income</b>					
Related parties	4	32,891	30,883	308	83
Other parties		36,467	35,952	22,690	21,000
		<u>69,358</u>	<u>66,835</u>	<u>22,998</u>	<u>21,083</u>
<b>Total trade receivables and accrued income</b>		<b>411,593</b>	<b>466,874</b>	<b>252,801</b>	<b>294,644</b>
<u>Less</u> Allowance for doubtful accounts		<u>(54,460)</u>	<u>(57,823)</u>	<u>(11,231)</u>	<u>(11,068)</u>
<b>Net</b>		<b>357,133</b>	<b>409,051</b>	<b>241,570</b>	<b>283,576</b>

\* Certain accounts in trade receivables as at December 31, 2015 by Baht 39,077 thousand have been reclassified to accrued income.

	Consolidated financial statements For the years ended December 31,		Unit : Thousand Baht Separate financial statements For the years ended December 31,	
	2016	2015	2016	2015
Bad and doubtful debts expense	<u>17,255</u>	<u>20,143</u>	<u>2,627</u>	<u>2,215</u>

Aging analyses for trade receivables as at December 31, 2016 and 2015 were as follows:

	Consolidated financial statements As at December 31,		Unit : Thousand Baht Separate financial statements As at December 31,	
	2016	2015*	2016	2015
<b>Related parties</b>				
Within credit terms	26,833	28,471	4,069	3,984
Overdue:				
3 months or less	486	309	501	338
Over 3 months up to 6 months	-	3	-	3
Over 6 months up to 12 months	-	-	-	-
Over 12 months	1,721	2,135	1,721	2,135
	<u>29,040</u>	<u>30,918</u>	<u>6,291</u>	<u>6,460</u>
<b>Other parties</b>				
Within credit terms	169,802	186,603	158,605	162,900
Overdue:				
3 months or less	78,239	92,106	53,378	66,645
Over 3 months up to 6 months	14,979	24,863	2,570	15,146
Over 6 months up to 12 months	8,798	28,854	1,411	14,862
Over 12 months	41,377	36,695	7,548	7,548
	<u>313,195</u>	<u>369,121</u>	<u>223,512</u>	<u>267,101</u>
<u>Less</u> allowance for doubtful accounts	<u>(54,460)</u>	<u>(57,823)</u>	<u>(11,231)</u>	<u>(11,068)</u>
	<u>258,735</u>	<u>311,298</u>	<u>212,281</u>	<u>256,033</u>
<b>Net</b>	<b>287,775</b>	<b>342,216</b>	<b>218,572</b>	<b>262,493</b>

\* Certain accounts in trade receivable as at December 31, 2015 by Baht 39,077 thousand have been reclassified to accrued income.



The normal credit term granted by the Group ranges from 15 days to 120 days.

The currency denomination of trade receivables of the Group and the Company as at December 31, 2016 and 2015 were as follows:

	<b>Consolidated financial statements As at December 31,</b>		<b>Unit : Thousand Baht Separate financial statements As at December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Thai Baht	341,101	436,986	228,669	271,431
United States Dollars	1,134	1,974	1,134	1,974
Euro	-	156	-	156
<b>Total</b>	<b>342,235</b>	<b>439,116</b>	<b>229,803</b>	<b>273,561</b>

## 7. OTHER RECEIVABLES

	<b>Consolidated financial statements As at December 31,</b>		<b>Unit : Thousand Baht Separate financial statements As at December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Prepaid expenses	89,704	55,790	82,633	46,733
Deferred costs	14,663	20,409	-	-
Tax refundable	20,874	31,609	-	9,001
Advance payments	4,589	5,129	4,544	4,891
Others	1,244	945	-	-
<b>Total</b>	<b>131,074</b>	<b>113,882</b>	<b>87,177</b>	<b>60,625</b>

Other receivables of the Group and the Company as at December 31, 2016 and 2015 were denominated entirely in Thai Baht.

## 8. INVENTORIES

	<b>Consolidated financial statements As at December 31,</b>		<b>Unit : Thousand Baht Separate financial statements As at December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Finished goods	21,449	15,890	21,447	15,704
Projects in progress	7,257	3,765	7,257	3,765
Raw materials	2,620	1,476	-	-
Supplies	907	694	851	694
	32,233	21,825	29,555	20,163
<u>Less</u> Allowance for decline in value of inventories	(39)	(93)	(29)	(29)
<b>Total</b>	<b>32,194</b>	<b>21,732</b>	<b>29,526</b>	<b>20,134</b>

	<b>Consolidated financial statements For the years ended December 31,</b>		<b>Unit : Thousand Baht Separate financial statements For the years ended December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Inventories recognized as an expense in cost of sales of goods	<u>270,438</u>	<u>271,782</u>	<u>270,438</u>	<u>271,149</u>

## 9. INVESTMENT IN SUBSIDIARIES

	<b>Unit : Thousand Baht Separate financial statements As at December 31,</b>	
	<b>2016</b>	<b>2015</b>
Investments in subsidiaries	155,564	155,564

There were no acquisitions and disposals of investments in subsidiaries during the years ended December 31, 2016 and 2015.

### ***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 assessed and recorded the impairment of investment in TMC in the amount of Baht 443 million in the separate financial statements for the year ended December 31, 2014.

### ***AD Venture Public Company Limited (“ADV”)***

At the Annual General Meeting of the Shareholders of ADV held on March 26, 2015, the shareholders approved the appropriation of dividend of Baht 23.27 per share, amounting to Baht 25 million. ADV paid the dividend to shareholders on April 10, 2015.

At the meeting of the Board of Directors of ADV held on June 23, 2015, the directors approved the appropriation of interim dividends of Baht 18.61 per share, amounting to Baht 20 million. ADV paid the dividend to shareholders on July 10, 2015.

At the meeting of the Board of Directors of ADV held on September 29, 2015, the directors approved the appropriation of interim dividends of Baht 9.31 per share, amounting to Baht 10 million. ADV paid the dividend to shareholders on October 15, 2015.

At the meeting of the Board of Directors of ADV held on December 2, 2015, the directors approved the appropriation of interim dividends of Baht 9.31 per share, amounting to Baht 10 million. ADV paid the dividend to shareholders on December 25, 2015.

At the Annual General Meeting of the Shareholders of ADV held on March 25, 2016, the shareholders approved the appropriation of dividend of Baht 9.31 per share, amounting to Baht 10 million. ADV paid the dividend to shareholders on April 11, 2016.

At the Board of Directors Meeting of ADV held on June 9, 2016, the directors approved the appropriation of interim dividends of Baht 9.31 per share, amounting to Baht 10 million. ADV paid the dividend to shareholders on June 28, 2016.

At the Board of Directors Meeting of ADV held on September 1, 2016, the directors approved the appropriation of interim dividends of Baht 6.52 per share, amounting to Baht 7 million. ADV paid the dividend to shareholders on September 28, 2016.

At the Board of Directors Meeting of ADV held on December 1, 2016, the directors approved the appropriation of interim dividends of Baht 5.59 per share, amounting to Baht 6 million. ADV paid the dividend to shareholders on December 22, 2016.

Investments in subsidiaries as at December 31, 2016 and 2015, and dividend income from those investments for the years then ended, were as follows:

Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		As at December 31,		As at December 31,		As at December 31,		As at December 31,		As at December 31,		For the years ended	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
(thousand Baht)													
Teleinfo Media	Publishing telephone	99.99	99.99	156,544	156,544	562,694	562,694	(443,094)	(443,094)	119,600	119,600	-	-
Public Company	directories and												
Limited	advertising												
AD Venture Public	Providing mobile	99.99	99.99	10,748	10,748	35,964	35,964	-	-	35,964	35,964	33,028	65,025
Company Limited	contents												
<b>Total</b>						<b>598,658</b>	<b>598,658</b>	<b>(443,094)</b>	<b>(443,094)</b>	<b>155,564</b>	<b>155,564</b>	<b>33,028</b>	<b>65,025</b>

All subsidiaries operate in Thailand.

# 10. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the years ended as at December 31, 2016 and 2015, were as follows:

<i>Cost</i>	Consolidated financial statements					Unit : Thousand Baht	
	Land	Building and leasehold improvements	Internet and printing equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
As at January 1, 2015	101,676	145,626	1,301,740	633,365	18,934	35,448	2,236,789
Additions	-	1,765	53,240	30,320	2,177	56,176	143,678
Disposals	-	(480)	(75,716)	(21,194)	(2,056)	-	(99,446)
Transfers in	-	8,102	29,815	17,145	-	-	55,062
Transfers out	-	-	-	-	-	(55,062)	(55,062)
<b>As at December 31, 2015 and January 1, 2016</b>	<b>101,676</b>	<b>155,013</b>	<b>1,309,079</b>	<b>659,636</b>	<b>19,055</b>	<b>36,562</b>	<b>2,281,021</b>
Additions	-	409	72,035	28,412	584	49,753	151,193
Disposals	-	-	(365,010)	(12,253)	(2,422)	-	(379,685)
Write-off	-	(2,833)	(54,683)	(2,084)	-	(49)	(59,649)
Transfer-in	-	441	183,188	10,091	-	-	193,720
Transfer-out	-	-	-	(6,503)	-	(44,878)	(51,381)
<b>As at December 31, 2016</b>	<b>101,676</b>	<b>153,030</b>	<b>1,144,609</b>	<b>677,299</b>	<b>17,217</b>	<b>41,388</b>	<b>2,135,219</b>
<i>Accumulated depreciation</i>							
As at January 1, 2015	-	(12,305)	(1,080,967)	(319,588)	(9,343)	-	(1,422,203)
Depreciation charge for the year	-	(6,392)	(62,569)	(75,029)	(2,570)	-	(146,560)
Disposals	-	173	75,518	20,975	2,056	-	98,722
<b>As at December 31, 2015 and January 1, 2016</b>	<b>-</b>	<b>(18,524)</b>	<b>(1,068,018)</b>	<b>(373,642)</b>	<b>(9,857)</b>	<b>-</b>	<b>(1,470,041)</b>
Depreciation charge for the year	-	(6,812)	(63,928)	(72,629)	(2,935)	-	(146,304)
Disposals	-	-	364,232	11,945	2,349	-	378,526
Write-off	-	2,472	54,679	2,052	-	-	59,203
Transfer-in	-	-	(148,842)	-	-	-	(148,842)
Transfer-out	-	-	-	4,516	-	-	4,516
<b>As at December 31, 2016</b>	<b>-</b>	<b>(22,864)</b>	<b>(861,877)</b>	<b>(427,758)</b>	<b>(10,443)</b>	<b>-</b>	<b>(1,322,942)</b>

Unit : Thousand Baht

## Consolidated financial statements

	Land	Building and leasehold improvements	Internet and printing equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<i>Net book value</i>							
<b>As at January 1, 2015</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>
<b>As at December 31, 2015 and January 1, 2016</b>							
Owned assets	101,676	136,489	241,061	285,994	4,388	36,562	806,170
Assets under finance leases	-	-	-	-	4,810	-	4,810
	<b>101,676</b>	<b>136,489</b>	<b>241,061</b>	<b>285,994</b>	<b>9,198</b>	<b>36,562</b>	<b>810,980</b>
<b>As at December 31, 2016</b>							
Owned assets	101,676	130,166	282,732	249,541	3,198	41,388	808,701
Assets under finance leases	-	-	-	-	3,576	-	3,576
	<b>101,676</b>	<b>130,166</b>	<b>282,732</b>	<b>249,541</b>	<b>6,774</b>	<b>41,388</b>	<b>812,277</b>

Unit : Thousand Baht

## Separate financial statements

	Land	Building improvements	Internet equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost</b>							
As at January 1, 2015	101,676	141,677	1,001,641	572,147	13,054	35,399	1,865,594
Additions	-	1,765	53,240	25,609	2,177	56,176	138,967
Disposals	-	-	(75,716)	(9,406)	(2,056)	-	(87,178)
Transfers in	-	8,102	29,815	17,145	-	-	55,062
Transfers out	-	-	-	-	-	(55,062)	(55,062)
<b>As at December 31, 2015 and January 1, 2016</b>	<b>101,676</b>	<b>151,544</b>	<b>1,008,980</b>	<b>605,495</b>	<b>13,175</b>	<b>36,513</b>	<b>1,917,383</b>
Additions	-	409	72,035	26,963	584	49,753	149,744
Disposals	-	-	(365,010)	(8,823)	(200)	-	(374,033)
Write-off	-	(1,873)	(54,683)	(2,062)	-	-	(58,618)
Transfer-in	-	441	183,188	10,091	-	-	193,720
Transfer-out	-	-	-	(6,503)	-	(44,878)	(51,381)
<b>As at December 31, 2016</b>	<b>101,676</b>	<b>150,521</b>	<b>844,510</b>	<b>625,161</b>	<b>13,559</b>	<b>41,388</b>	<b>1,776,815</b>
<b>Depreciation</b>							
As at January 1, 2015	-	(10,242)	(818,926)	(272,337)	(5,656)	-	(1,107,161)
Depreciation charge for the year	-	(6,020)	(62,569)	(54,247)	(2,153)	-	(124,989)
Disposals	-	-	75,518	9,187	2,056	-	86,761
<b>As at December 31, 2015 and January 1, 2016</b>	<b>-</b>	<b>(16,262)</b>	<b>(805,977)</b>	<b>(317,397)</b>	<b>(5,753)</b>	<b>-</b>	<b>(1,145,389)</b>
Depreciation charge for the year	-	(6,494)	(63,928)	(54,641)	(2,216)	-	(127,279)
Disposals	-	-	364,232	8,516	128	-	372,876
Write-off	-	1,873	54,679	2,030	-	-	58,582
Transfer-in	-	-	(148,842)	-	-	-	(148,842)
Transfer-out	-	-	-	4,516	-	-	4,516
<b>As at December 31, 2016</b>	<b>-</b>	<b>(20,883)</b>	<b>(599,836)</b>	<b>(356,976)</b>	<b>(7,841)</b>	<b>-</b>	<b>(985,536)</b>

Unit : Thousand Baht

	Separate financial statements					Assets under construction and installation	Total
	Land	Building improvements	Internet equipment	Furniture, fixtures and office equipment	Vehicles		
<i>Net book value</i>							
<b>As at January 1, 2015</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
	<u>101,676</u>	<u>131,435</u>	<u>182,715</u>	<u>299,810</u>	<u>7,398</u>	<u>35,399</u>	<u>758,433</u>
<b>As at December 31, 2015 and January 1, 2016</b>							
Owned assets	101,676	135,282	203,003	288,098	2,612	36,513	767,184
Assets under finance leases	-	-	-	-	4,810	-	4,810
	<u>101,676</u>	<u>135,282</u>	<u>203,003</u>	<u>288,098</u>	<u>7,422</u>	<u>36,513</u>	<u>771,994</u>
<b>As at December 31, 2016</b>							
Owned assets	101,676	129,638	244,674	268,185	2,142	41,388	787,703
Assets under finance leases	-	-	-	-	3,576	-	3,576
	<u>101,676</u>	<u>129,638</u>	<u>244,674</u>	<u>268,185</u>	<u>5,718</u>	<u>41,388</u>	<u>791,279</u>

The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at December 31, 2016 amounted to Baht 976 million and Baht 675 million, respectively (2015: Baht 1,329 million and Baht 1,036 million, respectively).

During the year 2016, the Company sold the telecom equipment for the satellite uplink-downlink service, which is shown as property, plant and equipment in the statement of financial position, to TC Broadcasting Co., Ltd. ("TCB"). The Company had a gain on sales of the equipment in the amount of Baht 12 million.



## 11. INTANGIBLE ASSETS

Movements of intangible assets for the years ended December 31, 2016 and 2015 were as follows:

	Unit : Thousand Baht				
	Consolidated financial statements				
	Fiber optics licences	Software licences	Equipment under concession agreement	Assets under installation	Total
<b>Cost</b>					
As at January 1, 2015	80,152	154,515	212,062	1,413	448,142
Additions	2,797	1,884	-	3,319	8,000
Disposals	-	(1,000)	-	-	(1,000)
Transfer-in	-	2,020	-	-	2,020
Transfer-out	-	-	-	(2,020)	(2,020)
<b>As at December 31, 2015 and January 1, 2016</b>	<b>82,949</b>	<b>157,419</b>	<b>212,062</b>	<b>2,712</b>	<b>455,142</b>
Additions	1,751	2,278	-	3,860	7,889
Disposals	-	(687)	-	-	(687)
Write-off	-	(19,296)	(63,220)	(513)	(83,029)
Transfer-in	-	6,873	-	-	6,873
Transfer-out	-	-	(148,842)	(370)	(149,212)
<b>As at December 31, 2016</b>	<b>84,700</b>	<b>146,587</b>	<b>-</b>	<b>5,689</b>	<b>236,976</b>
<b>Accumulated amortisation and impairment losses</b>					
As at January 1, 2015	(27,955)	(125,614)	(212,062)	-	(365,631)
Amortisation for the year	(7,906)	(12,966)	-	-	(20,872)
Disposals	-	991	-	-	991
Impairment loss	-	(1,781)	-	-	(1,781)
<b>As at December 31, 2015 and January 1, 2016</b>	<b>(35,861)</b>	<b>(139,370)</b>	<b>(212,062)</b>	<b>-</b>	<b>(387,293)</b>
Amortisation for the year	(8,109)	(9,113)	-	-	(17,222)
Disposals	-	685	-	-	685
Write-off	-	19,295	63,220	-	82,515
Transfer-in	-	(4,516)	-	-	(4,516)
Transfer-out	-	-	148,842	-	148,842
<b>As at December 31, 2016</b>	<b>(43,970)</b>	<b>(133,019)</b>	<b>-</b>	<b>-</b>	<b>(176,989)</b>
<b>Net book value</b>					
As at January 1, 2015	52,197	28,901	-	1,413	82,511
As at December 31, 2015 and January 1, 2016	47,088	18,049	-	2,712	67,849
As at December 31, 2016	40,730	13,568	-	5,689	59,987

Unit : Thousand Baht

Separate financial statements					
	Fiber optics licences	Software licences	Equipment under concession agreement	Assets under installation	Total
<b>Cost</b>					
As at January 1, 2015	80,152	52,673	212,062	-	344,887
Additions	2,797	1,299	-	2,029	6,125
Disposals	-	(1,000)	-	-	(1,000)
Transfer-in	-	1,120	-	-	1,120
Transfer-out	-	-	-	(1,120)	(1,120)
<b>As at December 31, 2015 and January 1, 2016</b>	<b>82,949</b>	<b>54,092</b>	<b>212,062</b>	<b>909</b>	<b>350,012</b>
Additions	1,751	2,272	-	920	4,943
Disposals	-	(687)	-	-	(687)
Write-off	-	(9,296)	(63,220)	-	(72,516)
Transfer-in	-	6,873	-	-	6,873
Transfer-out	-	-	(148,842)	(370)	(149,212)
<b>As at December 31, 2016</b>	<b>84,700</b>	<b>53,254</b>	<b>-</b>	<b>1,459</b>	<b>139,413</b>
<b>Accumulated amortisation</b>					
As at January 1, 2015	(27,955)	(43,439)	(212,062)	-	(283,456)
Amortisation for the year	(7,906)	(4,168)	-	-	(12,074)
Disposals	-	991	-	-	991
<b>As at December 31, 2015 and January 1, 2016</b>	<b>(35,861)</b>	<b>(46,616)</b>	<b>(212,062)</b>	<b>-</b>	<b>(294,539)</b>
Amortisation for the year	(8,109)	(3,501)	-	-	(11,610)
Disposals	-	685	-	-	685
Write-off	-	9,296	63,220	-	72,516
Transfer-in	-	(4,516)	-	-	(4,516)
Transfer-out	-	-	148,842	-	148,842
<b>As at December 31, 2016</b>	<b>(43,970)</b>	<b>(44,652)</b>	<b>-</b>	<b>-</b>	<b>(88,622)</b>
<b>Net book value</b>					
As at January 1, 2015	52,197	9,234	-	-	61,431
As at December 31, 2015 and January 1, 2016	47,088	7,476	-	909	55,473
As at December 31, 2016	40,730	8,602	-	1,459	50,791

During the year 2016, the Company had written-off the equipment in the agreements for providing the satellite uplink-downlink and internet services which is shown as intangible asset in the statement of financial position because the Company transferred such equipment to CAT Telecom Public Company Limited ("CAT") according to the concession agreements with the cost and accumulated amortization in the amount of Baht 42 million (see Note 1).

## 12. DEFERRED TAX ASSETS

Unit : Thousand Baht

	Consolidated financial statements For the years ended December 31,		Separate financial statements For the years ended December 31,	
	2016	2015	2016	2015
Deferred tax asset	58,574	59,330	33,365	33,648

Movements of deferred tax assets for the years ended December 31, 2016 and 2015 were as follows:

Unit : Thousand Baht

	Consolidated financial statements			
	As at January 1, 2016	Recognized in Profit or loss	Recognized in Other comprehensive income	As at December 31, 2016
<i>Deferred tax assets</i>				
Trade receivables	9,765	(238)	-	9,527
Inventories	6	2	-	8
Property, plant and equipment	1,749	165	-	1,914
Intangible assets	2,328	(610)	-	1,718
Other payables	903	(193)	-	710
Unearned income and advance receipts	4,454	(2,865)	-	1,589
Employee benefit obligations	37,952	(1,726)	-	36,226
Tax loss carry-forwards	2,173	4,709	-	6,882
<b>Total</b>	<b>59,330</b>	<b>(756)</b>	<b>-</b>	<b>58,574</b>

Unit : Thousand Baht

	Consolidated financial statements			
	As at January 1, 2015	Recognized in Profit or loss	Recognized in Other comprehensive income	As at December 31, 2015
<i>Deferred tax assets</i>				
Trade receivables	9,938	(173)	-	9,765
Inventories	123	(117)	-	6
Property, plant and equipment	1,548	201	-	1,749
Intangible assets	2,378	(50)	-	2,328
Other payables	979	(76)	-	903
Unearned income and advance receipts	6,613	(2,159)	-	4,454
Employee benefit obligations	26,830	3,036	8,086	37,952
Tax loss carry-forwards	4,573	(2,400)	-	2,173
<b>Total</b>	<b>52,982</b>	<b>(1,738)</b>	<b>8,086</b>	<b>59,330</b>

## Unit : Thousand Baht

	Separate financial statements		
	As at January 1, 2016	Recognized in Profit or loss	Recognized in Other comprehensive income
	As at December 31, 2016		
<b>Deferred tax assets</b>			
Trade receivables	2,214	32	-
Inventories	6	-	-
Property, plant and equipment	1,296	220	-
Intangible assets	610	(610)	-
Other payables	382	-	-
Unearned income and advance receipts	4,454	(2,865)	-
Employee benefit obligations	24,686	2,940	-
<b>Total</b>	<b>33,648</b>	<b>(283)</b>	<b>-</b>

## Unit : Thousand Baht

	Separate financial statements		
	As at January 1, 2015	Recognized in Profit or loss	Recognized in Other comprehensive income
	As at December 31, 2015		
<b>Deferred tax assets</b>			
Trade receivables	2,139	75	-
Inventories	62	(56)	-
Property, plant and equipment	1,135	161	-
Intangible assets	1,016	(406)	-
Other payables	382	-	-
Unearned income and advance receipts	6,613	(2,159)	-
Employee benefit obligations	15,931	1,930	6,825
<b>Total</b>	<b>27,278</b>	<b>(455)</b>	<b>6,825</b>

As at December 31, 2016, the Group recognised deferred tax assets of Baht 7 million (2015: Baht 2 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. Such tax losses will expire in 2017 - 2021.

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	As at December 31, 2016	2015	As at December 31, 2016	2015
Impairment loss on investment in subsidiary	-	-	88,619	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.

### 13. INTEREST - BEARING LIABILITIES

	Consolidated financial statements As at December 31,		Unit : Thousand Baht Separate financial statements As at December 31,	
	2016	2015	2016	2015
<b><i>Current liabilities</i></b>				
Short-term borrowing from financial institutions				
Unsecured	230,000	190,000	230,000	190,000
Current portion of long-term borrowing from financial institution				
Unsecured	60,000	60,000	60,000	60,000
Current portion of finance lease liabilities	880	8,404	766	8,064
	<u>290,880</u>	<u>258,404</u>	<u>290,766</u>	<u>258,064</u>
<b><i>Non-current liabilities</i></b>				
Long-term borrowing from financial institution				
Unsecured	60,000	120,000	60,000	120,000
Finance lease liabilities	3,929	5,229	3,929	4,675
	<u>63,929</u>	<u>125,229</u>	<u>63,929</u>	<u>124,675</u>
<b>Total</b>	<u>354,809</u>	<u>383,633</u>	<u>354,695</u>	<u>382,739</u>

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at December 31, 2016 and 2015 were as follows:

	Consolidated financial statements As at December 31,		Unit : Thousand Baht Separate financial statements As at December 31,	
Period	2016	2015	2016	2015
Within one year	290,000	250,000	290,000	250,000
After one year but within five years	60,000	120,000	60,000	120,000
<b>Total</b>	<u>350,000</u>	<u>370,000</u>	<u>350,000</u>	<u>370,000</u>

#### ***Long-term loan agreement with financial institution***

On April 2, 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 (only interest-bearing debt) 2:1 through the period of the agreement.

#### ***Credit facilities***

As at December 31, 2016, the Group and the Company had unutilised credit facilities totalling Baht 1,646 million and Baht 1,496 million, respectively (2015: Baht 1,359 million and Baht 1,209 million, respectively).

**Finance lease liabilities**

Finance lease liabilities as at December 31, 2016 and 2015 were as follows:

Unit : Thousand Baht						
Consolidated financial statements						
As at December 31, 2016			As at December 31, 2015			
Period	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	1,088	208	880	8,889	485	8,404
After one year but within five years	4,231	302	3,929	5,732	503	5,229
<b>Total</b>	<b>5,319</b>	<b>510</b>	<b>4,809</b>	<b>14,621</b>	<b>988</b>	<b>13,633</b>

Unit : Thousand Baht						
Separate financial statements						
As at December 31, 2016			As at December 31, 2015			
Period	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	970	204	766	8,522	458	8,064
After one year but within five years	4,231	302	3,929	5,175	500	4,675
<b>Total</b>	<b>5,201</b>	<b>506</b>	<b>4,695</b>	<b>13,697</b>	<b>958</b>	<b>12,739</b>

Interest-bearing liabilities of the Group and the Company as at December 31, 2016 and 2015 were denominated entirely in Thai Baht.

**14. TRADE PAYABLES**

Unit : Thousand Baht					
Consolidated financial statements			Separate financial statements		
As at December 31,			As at December 31,		
Note	2016	2015	2016	2015	
Related parties	4	18,824	9,748	20,613	12,046
Other parties		265,031	275,804	237,103	243,615
<b>Total</b>		<b>283,855</b>	<b>285,552</b>	<b>257,716</b>	<b>255,661</b>

The currency denomination of trade payables of the Group and the Company as at December 31, 2016 and 2015 were as follows:

Unit : Thousand Baht				
Consolidated financial statements			Separate financial statements	
As at December 31,			As at December 31,	
	2016	2015	2016	2015
Thai Baht	283,071	284,542	256,955	254,662
United States Dollars	784	1,010	761	999
<b>Total</b>	<b>283,855</b>	<b>285,552</b>	<b>257,716</b>	<b>255,661</b>

## 15. OTHER PAYABLES

		Consolidated financial statements As at December 31,		Unit : Thousand Baht Separate financial statements As at December 31,	
	Note	2016	2015	2016	2015
<i>Related parties</i>					
Others	4	95	624	-	554
		95	624	-	554
<i>Other parties</i>					
Accrued bonus		62,662	75,975	52,882	57,895
Accrued commission		9,352	10,450	9,189	10,350
Accrued license and USO fees		17,305	16,923	17,305	16,923
Other accrued expenses		44,199	37,782	20,629	13,272
Other accounts payable		11,239	20,118	10,743	19,268
Others		3,552	4,514	1,907	1,907
		148,309	165,762	112,655	119,615
Total		148,404	166,386	112,655	120,169

Other payable of the Group and the Company as at December 31, 2016 and 2015 were denominated entirely in Thai Baht.

## 16. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations as at December 31, 2016 and 2015, were as follows:

	Consolidated financial statements As at December 31,		Unit : Thousand Baht Separate financial statements As at December 31,	
	2016	2015	2016	2015
<b>Statements of financial position</b>				
<b>Employee benefit obligations</b>				
Post-employment benefits	174,486	184,319	134,080	120,446
Other long-term employee benefits	5,277	4,813	2,674	2,364
Termination benefits	6,830	-	-	-
<b>Total</b>	<b>186,593</b>	<b>189,132</b>	<b>136,754</b>	<b>122,810</b>
	Consolidated financial statements For the years ended December 31,		Unit : Thousand Baht Separate financial statements For the years ended December 31,	
	2016	2015	2016	2015
<b>Statements of profit or loss and other comprehensive income:</b>				
<b>Recognized in the statement of profit or loss:-</b>				
Post-employment benefits	15,685	15,309	10,174	9,329
Other long-term employee benefits	347	522	233	319
Termination benefits	7,191	-	-	-
	<b>23,233</b>	<b>15,831</b>	<b>10,407</b>	<b>9,648</b>



	<b>Consolidated financial statements For the years ended December 31,</b>		<b>Unit : Thousand Baht Separate financial statements For the years ended December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Recognized in the statement of comprehensive income:</b>				
Actuarial losses recognised for the years	-	40,431	-	34,126
Cumulative actuarial losses recognised	<u>92,558</u>	<u>92,558</u>	<u>62,199</u>	<u>62,199</u>

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 defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The employee benefit obligations in the statement of financial position as at December 31, 2016 and 2015 were as follows:

	<b>Consolidated financial statements As at December 31,</b>		<b>Unit : Thousand Baht Separate financial statements As at December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Present value of unfunded employee benefit obligations	<u>186,593</u>	<u>189,132</u>	<u>136,753</u>	<u>122,810</u>
<b>Employee benefit obligations in statement of financial position</b>	<u><b>186,593</b></u>	<u><b>189,132</b></u>	<u><b>136,753</b></u>	<u><b>122,810</b></u>

Movement in the present value of the employee benefit obligations for the years ended December 31, 2016 and 2015 were as follows:

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Unit : Thousand Baht Separate financial statements</b>	
		<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Employee benefit obligations at 1 January		189,132	133,680	122,810	79,036
<b>Include in the statement of profit or loss for the years ended December 31,</b>					
Current service cost		16,032	10,650	10,407	6,547
Interest on obligation	24	6,445	5,181	4,292	3,101
Termination benefits		7,191	-	-	-
		<u>29,668</u>	<u>15,831</u>	<u>14,699</u>	<u>9,648</u>
<b>Include in in the statement of profit other comprehensive income for the years ended December 31,</b>					
Actuarial loss		-	40,431	-	34,126
		<u>-</u>	<u>40,431</u>	<u>-</u>	<u>34,126</u>
<b>Others</b>					
Benefit paid		(32,207)	(810)	(756)	-
		<u>(32,207)</u>	<u>(810)</u>	<u>(756)</u>	<u>-</u>
<b>Employee benefit obligations as at December 31,</b>		<u><b>186,593</b></u>	<u><b>189,132</b></u>	<u><b>136,753</b></u>	<u><b>122,810</b></u>

Actuarial losses recognised in the statement of other comprehensive income for the years ended December 31, 2016 and 2015 arising from:

	<b>Consolidated financial statements For the years ended December 31,</b>		<b>Unit : Thousand Baht Separate financial statements For the years ended December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Demographic assumptions	-	15,265	-	13,684
Financial assumptions	-	9,610	-	7,110
Experience adjustment	-	15,556	-	13,332
<b>Total</b>	<b>-</b>	<b>40,431</b>	<b>-</b>	<b>34,126</b>

### *Actuarial assumptions*

Principal actuarial assumptions at the reporting date (expressed as weighted averages).

	<b>Consolidated financial statements For the years ended December 31,</b>		<b>Separate financial statements For the years ended December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>(%)</b>		<b>(%)</b>	
Discount rate (%)	3.5	3.5	3.5	3.5
Future salary growth (%)	7.0	7.0	7.0	7.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

### *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<b>Unit : Thousand Baht</b>			
	<b>Impact on the employee benefit obligations increased (decreased)</b>			
	<b>Consolidated financial statements As at December 31,</b>		<b>Separate financial statements As at December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Discount rate - increase by 1%	(22,619)	(22,997)	(18,378)	(16,966)
Discount rate - decrease by 1%	27,252	27,583	22,245	20,504
Future salary increase by 1%	26,010	26,109	21,229	19,416
Future salary decrease by 1%	(22,132)	(22,296)	(17,983)	(16,461)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 17. SHARE CAPITAL

	Par value per share (Baht)	As at December 31, 2016 Number	Baht	As at December 31, 2015 Number	Baht
<i>(thousand shares / thousand Baht)</i>					
<b>Authorised</b>					
As at January 1, Ordinary shares	0.25	594,515	148,629	594,515	148,629
<b>As at December 31, Ordinary shares</b>	<b>0.25</b>	<b>594,515</b>	<b>148,629</b>	<b>594,515</b>	<b>148,629</b>
<b>Issued and paid-up</b>					
As at January 1, Ordinary shares	0.25	594,515	148,629	594,515	148,629
<b>As at December 31, Ordinary shares</b>	<b>0.25</b>	<b>594,515</b>	<b>148,629</b>	<b>594,515</b>	<b>148,629</b>

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.

### *Premium on ordinary share*

Section 51 of the Public Limited 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 (“premium on ordinary share”). Share premium is not available for dividend distribution.

## 18. LEGAL RESERVE

Section 116 of the Public Limited Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit less the accumulated losses brought forward, if any, to a reserve account (“Legal reserve”), until this account reaches an amount not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

## 19. 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 Group's executive committee 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 executive committee. 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 for the years ended December 31, 2016 and 2015 approximately Baht 255 million and Baht 238 million, respectively of the Group's total revenues.

## Unit : Thousand Baht

	Consolidated financial statement							
	Segment 1		Segment 2		Segment 3		Total	
	For the years ended December 31, 2016	2015	For the years ended December 31, 2016	2015	For the years ended December 31, 2016	2015		
External revenue	2,281,658	2,269,339	210,690	236,591	397,731	428,289	2,890,079	2,934,219
Inter-segment revenue	5,203	5,572	101	300	123,756	144,585	129,060	150,457
Total segment revenue	2,286,861	2,274,911	210,791	236,891	521,487	572,874	3,019,139	3,084,676
Interest income	1,329	1,125	1,353	1,529	225	158	2,907	2,812
Interest expense	15,628	19,271	1,744	1,754	436	389	17,808	21,414
Depreciation and amortisation	138,889	137,063	6,167	8,983	18,470	21,387	163,526	167,433
Segment profit (loss) before income tax	374,249	371,095	(12,373)	(9,539)	56,885	101,358	418,761	462,914
Other material items:								
Capital expenditure	154,687	145,092	9	1,717	4,385	4,868	159,081	151,677
	As at December 31, 2016	2015	As at December 31, 2016	2015	As at December 31, 2016	2015	As at December 31, 2016	2015
Reportable segment assets as at December 31,	1,658,275	1,605,797	36,349	103,293	214,191	179,625	1,908,815	1,888,715
Reportable segment liabilities as at December 31,	982,158	985,159	94,011	125,295	61,712	59,597	1,137,881	1,170,051

Reconciliations of reportable segment revenues, profit or loss and assets and liabilities were as follows:

		<b>Unit : Thousand Baht</b>	
		<b>For the years ended</b>	
		<b>December 31,</b>	
		<b>2016</b>	<b>2015</b>
<b>Revenues</b>			
Total revenue for reportable segments		3,019,139	3,084,676
Investment income		2,907	2,812
Other income		24,876	26,813
		<u>3,046,922</u>	<u>3,114,301</u>
Elimination of inter-segment revenue		(129,060)	(150,457)
<b>Consolidated total revenue</b>		<b><u>2,917,862</u></b>	<b><u>2,963,844</u></b>
<b>Profit or loss</b>			
Total profit for reportable segments		418,761	462,914
Elimination of dividends		(33,028)	(65,025)
<b>Consolidated profit before income tax</b>		<b><u>385,733</u></b>	<b><u>397,889</u></b>
		<b>Unit : Thousand Baht</b>	
		<b>As at December 31,</b>	
		<b>2016</b>	<b>2015</b>
<b>Assets</b>			
Total assets for reportable segments		1,908,815	1,888,715
Elimination of investments in subsidiaries		(155,564)	(155,564)
Elimination of inter-segment assets		(19,854)	(23,747)
		<u>1,733,397</u>	<u>1,709,404</u>
Unallocated amounts		164,949	198,828
<b>Consolidated total assets</b>		<b><u>1,898,346</u></b>	<b><u>1,908,232</u></b>
<b>Liabilities</b>			
Total liabilities for reportable segments		1,137,881	1,170,051
Elimination of inter-segment liabilities		(19,664)	(23,557)
		<u>1,118,217</u>	<u>1,146,494</u>
Unallocated amounts		67,105	104,922
<b>Consolidated total liabilities</b>		<b><u>1,185,322</u></b>	<b><u>1,251,416</u></b>

## 20. INVESTMENT INCOME

		<b>Unit : Thousand Baht</b>			
		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		<b>For the years ended</b>		<b>For the years ended</b>	
		<b>December 31,</b>		<b>December 31,</b>	
	<i>Note</i>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Dividend income</b>					
Subsidiaries	4	-	-	33,028	65,025
<b>Interest income</b>					
Other parties		2,907	2,812	1,329	1,126
<b>Total</b>		<b><u>2,907</u></b>	<b><u>2,812</u></b>	<b><u>34,357</u></b>	<b><u>66,151</u></b>

## 21. OTHER INCOME

	Consolidated financial statements For the years ended December 31,		Unit : Thousand Baht Separate financial statements For the years ended December 31,	
	2016	2015	2016	2015
Bad debt refunded	3,598	11,762	-	-
Gain on disposal of equipment	12,923	2,245	12,159	2,518
Others	8,355	12,806	6,926	9,140
<b>Total</b>	<b>24,876</b>	<b>26,813</b>	<b>19,085</b>	<b>11,658</b>

## 22. EMPLOYEE BENEFIT EXPENSES

		Consolidated financial statements For the years ended December 31,		Unit : Thousand Baht Separate financial statements For the years ended December 31,	
	Note	2016	2015	2016	2015
Wages, salaries and bonus		622,802	631,835	376,026	372,099
Defined benefit plans	16	23,223	10,650	10,407	6,547
Defined contribution plans		22,399	21,309	16,191	14,898
Others		65,893	70,297	45,808	40,613
<b>Total</b>		<b>734,317</b>	<b>734,091</b>	<b>448,432</b>	<b>434,157</b>

### *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 15% 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.

## 23. EXPENSE BY NATURE

The financial statements include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirement of various TFRSs for the years ended December 31, 2016 and 2015 were as follows:

		Consolidated financial statements For the years ended December 31,		Unit : Thousand Baht Separate financial statements For the years ended December 31,	
	Notes	2016	2015	2016	2015
Employee benefit expenses	22	734,317	734,091	448,432	434,157
Depreciation of plant and equipment	10	146,304	146,560	127,279	124,989
Amortisation of intangible assets	11	17,222	20,872	11,610	12,074
Operating lease expense		176,937	161,589	143,959	128,040



## 24. FINANCE COSTS

		Unit : Thousand Baht			
		Consolidated financial statements For the years ended December 31,		Separate financial statements For the years ended December 31,	
	Note	2016	2015	2016	2015
<b>Interest expense:</b>					
Loans from financial institutions		10,885	14,454	10,884	14,454
Finance lease liabilities		478	1,779	451	1,716
Interest on employee benefit obligations	16	6,445	5,181	4,293	3,101
<b>Total</b>		<b>17,808</b>	<b>21,414</b>	<b>15,628</b>	<b>19,271</b>

## 25. INCOME TAX EXPENSE

Income tax expenses recognized in the statements of profit or loss and other comprehensive income for the years ended December 31, 2016 and 2015 were as follows:

**Income tax expense recognized in the statements of profit or loss.**

		Unit : Thousand Baht			
		Consolidated financial statements For the years ended December 31,		Separate financial statements For the years ended December 31,	
	Note	2016	2015	2016	2015
<b>Current tax expense</b>					
Current year		79,067	81,055	68,596	61,517
Under recorded income tax expense in prior year		5	-	196	-
		<b>79,072</b>	<b>81,055</b>	<b>68,792</b>	<b>61,517</b>
<b>Deferred tax</b>					
Movements in temporary differences	12	756	1,738	283	455
		<b>756</b>	<b>1,738</b>	<b>283</b>	<b>455</b>
<b>Total income tax expense</b>		<b>79,828</b>	<b>82,793</b>	<b>69,075</b>	<b>61,972</b>

Income tax expense recognized in the statements of other comprehensive income for the years ended December 31, 2016 and 2015 were as follows:

		Unit : Thousand Baht					
		Consolidated financial statements			Separate financial statements		
		For the year ended December 31, 2016			For the year ended December 31, 2015		
		Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
Defined benefit plan actuarial losses		-	-	-	(40,431)	8,086	(32,345)
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(40,431)</b>	<b>8,086</b>	<b>(32,345)</b>

		Unit : Thousand Baht					
		Separate financial statements			Separate financial statements		
		For the year ended December 31, 2016			For the year ended December 31, 2015		
		Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
Defined benefit plan actuarial losses		-	-	-	(34,126)	6,825	(27,301)
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,126)</b>	<b>6,825</b>	<b>(27,301)</b>

**Reconciliation of effective tax rate**

Unit : Thousand Baht				
Consolidated financial statements				
For the years ended December 31,				
	2016		2015	
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
<b>Profit before income tax expense</b>		<b>385,733</b>		<b>397,889</b>
Income tax using applicable tax rate	20	77,147	20	79,578
Expenses not deductible for tax purposes		2,676		3,215
Under provided in prior years		5		-
<b>Income tax expense</b>	<b>21</b>	<b>79,828</b>	<b>21</b>	<b>82,793</b>

Unit : Thousand Baht				
Separate financial statements				
For the years ended December 31,				
	2016		2015	
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
<b>Profit before income tax expense</b>		<b>374,249</b>		<b>371,095</b>
Income tax using the applicable tax rate	20	74,850	20	74,219
Income not subject to tax		(6,606)		(13,005)
Expenses not deductible for tax purposes		635		758
Under provided in prior years		196		-
<b>Income tax expense</b>	<b>18</b>	<b>69,075</b>	<b>17</b>	<b>61,972</b>

According to Royal Decree No. 577 B.E. 2557 issued under the Revenue Code regarding the corporate income tax rate reduction effective on November 11, 2014, to extend the reduced corporate income tax at 20% of net profit for accounting period beginning on or after January 1, 2015 but not later than December 31, 2015.

According to the Revenue Code Amendment Act No. 42 B.E. 2559 which is effective from March 5, 2016 onwards, the corporate income tax is reduced from 30 % to 20% of net profit for accounting periods beginning on or after January 1, 2016 onwards.

Therefore, the Company used tax rate of 20% for income tax calculation for the years ended December 31, 2016 and 2015.

**26. PROMOTIONAL PRIVILEGES**

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company has been granted privileges by the Board of Investment relating to the provision of Data Center service. The privileges granted include exemption from payment of income tax for certain operations for a period of 8 years from the date on which the income is first derived from such operations (commencing January 2015).

As promoted companies, the Company must comply with certain terms and conditions prescribed in the promotional certificates.

The Company has only domestic revenue from promoted business for the years ended December 31, 2016 and 2015 amounting to Baht 61 million and Baht 17 million, respectively.

## 27. EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended December 31, 2016 and 2015 were based on the profit or 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 For the years ended December 31, 2016                      2015		Separate financial statements For the years ended December 31, 2016                      2015	
	<i>(thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company	<u>305,905</u>	<u>315,096</u>	<u>305,174</u>	<u>309,124</u>
Number of ordinary shares outstanding	<u>594,515</u>	<u>594,515</u>	<u>594,515</u>	<u>594,515</u>
<b>Basic earnings per share (Baht)</b>	<b>0.51</b>	<b>0.53</b>	<b>0.51</b>	<b>0.52</b>

## 28. DIVIDENDS

At the Annual General Shareholders' Meeting held on March 25, 2015, the shareholders approved the appropriation of dividend of Baht 0.16 per share, amounting to Baht 95 million. The dividend was paid to shareholders on April 22, 2015.

At the Board of Directors Meeting held on August 7, 2015, the directors approved the appropriation of interim dividend of Baht 0.24 per share, amounting to Baht 143 million. The dividend was paid to shareholders on September 4, 2015.

At the Annual General Shareholders' Meeting held on March 28, 2016, the shareholders approved the appropriation of dividend of Baht 0.20 per share, amounting to Baht 119 million. The dividend was paid to shareholders on April 22, 2016.

At the Board of Directors Meeting held on August 8, 2016, the directors approved the appropriation of interim dividend of Baht 0.22 per share, amounting to Baht 131 million. The dividend was paid to shareholders on September 6, 2016.

## 29. FINANCIAL INSTRUMENTS

### *Financial risk management policies*

The Group is exposed to normal business risks from changes in interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or use 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 stakeholders 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 (see Note 13).

The effective interest rates of loans as at December 31, 2016 and 2015 and the periods in which the borrowings mature or re-price were as follows:

Unit : Thousand Baht				
Consolidated financial statements				
As at December 31, 2016				
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years	Total
<b>Current liabilities</b>				
Borrowing payable from financial institution	1.87 - 4.50	290,000	-	290,000
<b>Non-current liabilities</b>				
Borrowing payable from financial institution	4.50	-	60,000	60,000
<b>Total</b>		<b>290,000</b>	<b>60,000</b>	<b>350,000</b>

Unit : Thousand Baht				
Consolidated financial statements				
As at December 31, 2015				
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years	Total
<b>Current liabilities</b>				
Borrowing payable from financial institution	2.33 - 4.78	250,000	-	250,000
<b>Non-current liabilities</b>				
Borrowing payable from financial institution	4.78	-	120,000	120,000
<b>Total</b>		<b>250,000</b>	<b>120,000</b>	<b>370,000</b>

Unit : Thousand Baht				
Separate financial statements				
As at December 31, 2016				
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years	Total
<b>Current liabilities</b>				
Borrowing payable from financial institution	1.87 - 4.50	290,000	-	290,000
<b>Non-current liabilities</b>				
Borrowing payable from financial institution	4.50	-	60,000	60,000
<b>Total</b>		<b>290,000</b>	<b>60,000</b>	<b>350,000</b>

Unit : Thousand Baht				
Separate financial statements				
As at December 31, 2015				
	Effective interest rate (%)	Within 1 year	After 1 year but within 5 years	Total
<b><i>Current liabilities</i></b>				
Borrowing payable from financial institution	2.33 - 4.78	250,000	-	250,000
<b><i>Non-current liabilities</i></b>				
Borrowing payable from financial institution	4.78	-	120,000	120,000
<b>Total</b>		<b>250,000</b>	<b>120,000</b>	<b>370,000</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 a 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.

### ***Fair values of financial assets and liabilities***

Fair values of financial assets and liabilities, together with the carrying values shown in the consolidated and separate statement of financial position as at December 31, 2016 and 2015 were as follows:

		Unit : Thousand Baht			
		Consolidated financial statements			
		As at December 31, 2016			
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Current liabilities</b>					
Borrowing from financial institutions	230,000	-	-	226,855	226,855
<b>Non-current liabilities</b>					
Borrowing from financial institutions	120,000	-	-	114,139	114,139

					Unit : Thousand Baht
					Consolidated financial statements
					As at December 31, 2015
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Current liabilities</b>					
Borrowing from financial institutions	190,000	-	-	188,533	188,533
<b>Non-current liabilities</b>					
Borrowing from financial institutions	180,000	-	-	167,303	167,303

		Unit : Thousand Baht			
		Separated financial statements			
		As at December 31, 2016			
		Fair value			Total
	Carrying amount	Level 1	Level 2	Level 3	
<b>Current liabilities</b>					
Borrowing from financial institutions	230,000	-	-	226,855	226,855
<b>Non-current liabilities</b>					
Borrowing from financial institutions	120,000	-	-	114,139	114,139

					Unit : Thousand Baht
					Separated financial statements
					As at December 31, 2015
					Fair value
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Current liabilities</b>					
Borrowing from financial institutions	190,000	-	-	188,533	188,533
<b>Non-current liabilities</b>					
Borrowing from financial institutions	180,000	-	-	167,303	167,303

## Financial instruments carried at fair value

### Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group determines Level 3 fair values for borrowing from financial institutions using discounted cash flows based on the average of Minimum Loan Rate (“MLR”) from Bank of Thailand minus 2% per annum.

### Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
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Other financial liabilities	Discounted cash flows	Not applicable
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Other financial liabilities include finance lease liabilities.

## 30. COMMITMENTS WITH NON-RELATED PARTIES

	Consolidated financial statements As at December 31,		Unit : Thousand Baht Separate financial statements As at December 31,	
	2016	2015	2016	2015
<b>Capital commitments</b>				
Contracted but not provided for:				
Buildings and other constructions	22,325	-	22,325	-
Equipment	-	1,778	-	1,778
<b>Total</b>	<b>22,325</b>	<b>1,778</b>	<b>22,325</b>	<b>1,778</b>
<b>Non-cancellable operating lease</b>				
<b>Commitments</b>				
Within one year	47,785	56,555	38,378	38,378
After one year but within five years	26,780	71,162	19,189	57,568
<b>Total</b>	<b>74,565</b>	<b>127,717</b>	<b>57,567</b>	<b>95,946</b>
<b>Other commitments</b>				
Bank guarantees	27,036	33,577	24,036	30,577
<b>Total</b>	<b>27,036</b>	<b>33,577</b>	<b>24,036</b>	<b>30,577</b>



**31. LITIGATION**

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. On March 30, 2016, the Administrative Court had ordered the Company to make a compensation amounting to Baht 2 million with interest. The Company recorded provision for such loss from this case with interest totaling of the Baht 3 million which was presented as other payables in the statement of financial position. The Company appealed the decision of the Administrative Court to the Supreme Administrative Court on April 29, 2016.

**32. EVENT AFTER THE REPORTING PERIOD**

At the meeting of the Board of Directors of the Company held on February 1, 2017, the directors approved the appropriation of dividend of Baht 0.22 per share, amounting to Baht 131 million. The proposed dividend must be approved by the shareholders at their meeting.

**33. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were authorized for issue on February 1, 2017 by the Board of Directors of the Company.





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