

Communication & System Solution Puublic Co.,Ltd

TOWARD
SUSTAINABLE
GROWING



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Message From Chairman

2015 was another year that proves our professionalism in planning; we successfully accomplished our operational goals. Apart from the dedication put into developing new vision and mission in order to accord with current business operation and future business expansion, the company gives importance to participation in transparency and accountability in the operation to meet with good governance principles with emphasis on a base of social responsibility and mutual habitation in society to achieve business sustainability.

This year, the Board has established remuneration committee and corporate governance in order to examine business operation with compliance in good corporate governance. Moreover, the Board of Directors revised approach to measure and evaluate the Board's performance applying principles and evaluation point consistent with SET in order for reflecting the results of operations effectively.

Besides, the Boards has realized importance of internal control system for executives and operations level through the audit committee in order to collate internal control system effectively as considered the company's principle. Throughout this year, the company shows truly intention in accomplish internal control system.

"As the Chairman of Executive Committee, I would like to extend my sincerest thanks to all our stakeholders, investors, financial institution, business alliances and private units, as well as our customers who have supported us all along. We, on behalf of Communication & System Solution PCL. promise to firmly move forward with good governance principles in order to achieve sustainable growth for stakeholders and give a great opportunities through our society and country sustainably."



Pol.Maj.Gen. Supisarn Bhakdinarinath (Ph.D.)

Chairman of the Board

Message From CEO

Amid economic uncertainty throughout year 2015, it has been a challenge for the company to achieve the goals. Communication & System Solution PCL. had to adopt and change itself to meet and cope up with the rapidly changing economic and business environment. Taken these initiatives have contributed to making the company's ability to manage and achieve success.

Organization development in year 2015, it proved better changes which can be concluded accordingly.

The Board of Directors has modified the new vision and mission to be consistent with current business circumstances and support future growth, also increased more policy supporting to ensure transparency and accountability in its operations in accordance with the principles of good governance.

We also examined potential for investment and partnership opportunities especially telecommunication sector, company has acquired Neon worx Communications Ltd. (Thailand) "NWC" results in expanding its service coverage in all key customer segments. According to this expansion, company has reviewed and improved workflow in all areas to ensure efficiency and effectiveness.

The management and staff are all very proud to have the new office that encouraged all staff enthusiasm. We work to have all our stakeholders achieve compliance and to provide their contribution to the sustainable development of the future.

To the end of year 2558, the outcome reflected the company's growth despite economic challenging. The financial results of the company and its subsidiaries had revenue growth of 4,574 million baht, an increase of 566 million baht or 14.12 percent compared to the previous year. Net profit for the year 2015 was 248 million baht, up from 13 million baht last year, representing a rate of 5.53 percent.

This success is due to the efforts and cooperation of all staff for their tireless devotion towards company to achieve our goals and my appreciation to our business partners for their support throughout the year. On behalf of President of Communication & System Solution PCL.

"I would like to convey my gratitude to all management team and staff together with all shareholders for your unwavering trust and sincerely hope to receive your continued support in the future."



A handwritten signature in black ink, appearing to read 'Sompong Kangsawiwat'.

Mr.Sompong Kangsawiwat
Chief Executive Officer

Vision & Mission

Vision

A leading company in the business of engineering communications. Business information technology and renewable energy products and systems engineering with quality management.

Mission

- Distributing and delivering engineering products at a reasonable price and with excellent service.
- Installing telecommunication systems with innovation to meet the needs of customers regarding international standards.
- Auction operation tasks for installation communication technology systems and information technology until successful with advanced technology solutions.
- Business operations of Renewable Energy and energy management policy for the Government to provide new alternative energy sources of Thailand.

CSS's Core Value



Board of Directors



Seated from left to right

1. Assoc.Prof.Prapart Praisuwanna
Director / Audit Committee / Independent Director
2. Pol.Maj.Gen.Supisarn Bhakdinarinath (Ph.D)
Chairman / Director / Independent Director
3. Mr.Sompong Kangsawiwat
Chief Executive Officer (CEO) / Director / Chairman of the Risk Management Committee
4. Assoc.Prof.Pitiphat Chataccaraphat (Ph.D)
Director / Independent Director / Chairman of Audit Committee / Chairman of Nomination, Remuneration and Corporate Governance Committee

Standing from left to right

1. Mr.Wungson Panudulkitti
Director
2. Mr.Chattaphum Khantiviriya
Director / Independent Director / Audit Committee / Nomination, Remuneration and Corporate Governance Committee
3. Mr.Opas Tiyawattanaroj
Chief Telecommunication Officer (CTCO) / Director / Risk Management Committee
4. Ms.Nongnuch Temeesrisuk
Chief Administrative Officer (CAO) / Director
5. Ms.Panida Sawatwannarat
Chief Financial Officer (CFO) / Director / Nomination, Remuneration and Corporate Governance Committee / Risk Management Committee
6. Mr.Kittirat Mekmanee
Chief Business Officer (CBO) / Director / Risk Management Committee

Financial Highlight

Financial Highlights

Items	2013	2014	2015
Operating Results			
Sales and Services Revenues	3,138	3,984	4,515
Total Revenues	3,161	4,008	4,574
Total Costs and Expenses	3,002	3,703	4,220
Gross Profit (Loss)	396	590	728
Net Profit (Loss)	110	235	249
Financial Position			
Total Assets	2,059	2,612	3,437
Total Liabilities	1,032	1,411	1,750
Shareholders' Equity	1,027	1,201	1,687
Inventories	312	334	450
Per Share (Baht)			
Net Profit per share (Loss)	0.20	0.27	0.24
Dividend per share	0.06	0.1112	0.20
Book Value per share	1.47	1.72	1.53
Financial Ratio (%)			
Gross Profit Margin	12.62%	14.81%	16.13%
Net Profit Margin	3.48%	5.87%	5.45%
Return on Equity (%)	15.35%	21.10%	18.57%
Current Ratio (times)	1.69	1.58	1.57
Debt to Equity Ratio (times)	1.00	1.17	1.07

General and other important information

General information

Name of Company	: Communication & System Solution Public Company Limited
Stock Symbol	: CSS
Nature of business	: Distribution of electric cables and other electric devices, provision of telecommunication systems, passive fire protection products etc.
Head office	: 329 Moo.3, Banmai Sub-district, Parkred District, Nonthaburi
Ramkamhaeng branch office:	: 142 Soi Ramkaemhaeng 40, Huamark sub-district, Bang Kapi district, Bangkok
Chonburi branch office:	: 59 Moo 7, Bang Phra sub-district, Sriracha district, Chonburi
Company Registration No	: 0107548000561
Tel.	: 02-018-1111
Fax	: 02-018-1142
Website	: www.cssthai.com
Company Secretary	: Ms. Nongnuch Temeesrisuk Tel. : 02-018-1111 e-mail : nongnuch@cssthai.com
Registered Capital	: THB 587,995,174.50, divided into 1,175,990,349 shares at the par value of THB 0.50 per share
Paid-up capital	: THB 554,701,641.50, divided into 1,109,403,283 shares at the par value of THB 0.50 per share

General information of the subsidiary

Name of subsidiary (1)	: C.S.S. Energy Co., Ltd.
Nature of business	: Engage in the business relevant to the government authorities and energy business
Head office	: No.329 Moo.3, Banmai Sub-district, Parkred District, Nonthaburi
Chonburi branch office:	: 59 Moo. 7, Bang Phra sub-district, Sriracha district, Chonburi
Company Registration No	: 0125540007891
Tel.	: 02-018-1111 Fax: 02-018-1142

Registered Capital : THB 150 million, divided into 1,500,000 shares, at the par value of 100 per share

Paid-up capital : THB 150 million, divided into 1,500,000 shares, at the par value of 100 per share

Portion of shares hold : 99% of the registered and paid-up capital

Name of subsidiary (2) : Neon Worx Communication Co., Ltd.

Nature of business : Provision of telecommunication systems

Head office : 10 soi Naknivas 47, Naknivas Road, Ladprao Sub-district, Ladprao District, Bangkok.

Company Registration No : 0105549083701

Tel. : 02-539-6693 Fax: 02-539-6795

Registered Capital : THB 9 million, divided into 90,000 shares, at the par value of 100 per share

Paid-up capital : THB 9 million, divided into 90,000 shares, at the par value of 100 per share

Portion of shares hold : 70% of the registered and paid-up capital

Reference

Securities registrar : Thailand Securities Depository Co., Ltd
The Stock Exchange of Thailand Building,
93, Rachadapisek Road, Din Daeng sub-district,
Din Daeng district, Bangkok 10400
Tel.: 02-009-9386 Fax: 02-009-9476

Auditors : Mr. Supachai Panyawattano and/or Miss Waraporn Prapasirikul
and/or Miss Supanee Triyananthakul
E.Y. Corporate Services Limited
33rd Floor, Lake Rajada Office Complex,
193/136-137, New Rajadapisek Road, Klongtoey, Bangkok 10110
Tel.: 0-2264-0777 Fax : 0-2264-0789-90

Internal Auditor : Dharmniti Auditing Co.,Ltd
267/1 Pracharaj sai 1 Road, Bangsue, Bangkok 10800
Tel.: 0-2587-8080 Fax : 0-2586-0301

Other information

-None-

Policy and overall business

The Company was founded on 25 January 1994, with the initial objective of distributing and installing passive fire protection materials and equipment for high-rise buildings and factories. The Company has since expanded the business to become the distributor for electrical wires of various types and other electrical systems equipment from leading international manufacturers such as general cables for use in buildings and factories, internal and external lighting, transformers, conduits, and materials and equipment related to passive fire protection. Customers include government agencies and private companies. In addition, the Company provides installation and maintenance services for communications systems, including the construction and installation of mobile telephone systems, basic telephone systems. In 2015, the company has expanded to provide Information Technology (IT) and the business of renewable energy. It is the policy and the core business of the Company.

Business objectives

The Company aims to maintain its position as the market leader in the distribution of electric cable and equipment that is of high quality and standards and to provide a one-stop service, which means offering a wide range of electrical wires and equipment of all types that makes it convenient and easy for customers to order and receive their goods. The aim is to meet customers' requirements quickly and efficiently so that they receive the highest satisfaction.

The Company aims to maintain its status as the country's leading provider of services in the design and installation of passive fire protection and telecommunication systems, focusing on improving operational efficiency and quality services to ensure customer confidence that work will be completed to the quality and schedule they require. By focusing on these areas, the Company has experienced business success and received ISO 9001: 2008 accreditation for the management of telecommunications systems installations from United Registrar of Systems (Thailand) Co. Ltd. (URS)

The company also aims to expand the business to cover technical installations other communications systems, including expanding the business to grow in the industry and is the Government's policy with New technology internationally Energy and alternative energy sources to become an important new part of Thailand.

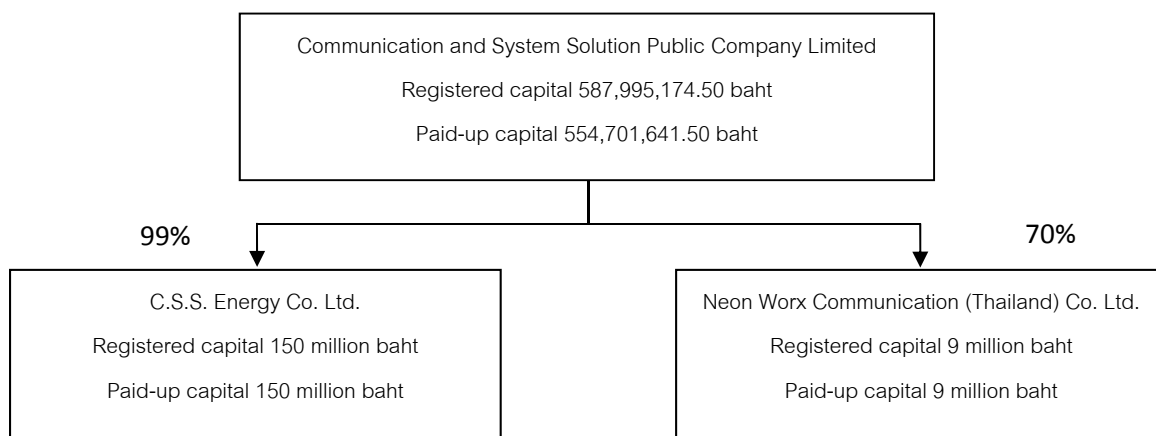
Strategy

- Planning to expand the customer base by greater coverage of sales area and industrial groups, as well as expanding the customer base among state agencies
- Increasing the range of products and services to enable expansion of the customer base and to better support the needs of existing customers.
- Focusing on growth of installation services, particularly telecommunications systems which is an expanding domestic industry, and being able to quickly adapt to changes in technology. Moreover, the Company aims to expand operations in the telecommunications field and the distribution business to support business growth in neighboring countries where there is high growth potential such as Myanmar.
- Building and maintaining good customer relations by focusing on pre- and post-sales services and main training the quality and standards of services offered to customers in order to create satisfaction and confidence in choosing to continue using the Company's services.
- The development of Company personnel at all levels in order to move ahead with changing technology and reduce reliance on key personnel, with staff training budget provided every year.
- Expand business to make revenue and long-term returns, such as business investment in information technology and the Government's renewable energy policy.
- Expand business and invests in neighboring countries, such as Myanmar and AEC Group to reduce on the effects of competition and the domestic market.

Overall business of the Company and subsidiaries

The Company has 2 subsidiaries as follows;

1. C.S.S. Energy Co. Ltd. which the Company holds a 99% share of paid-up capital.
2. Neon Worx Communication (Thailand) Co.,Ltd. which the Company holds a 70% share of paid-up capital.



C.S.S. Energy Co.,Ltd.

C.S.S. Energy Co. Ltd. originally named C.S.S. Cable and Accessories Co. Ltd., was established on 6 November 1997, with the original purpose of operating as a distributor of electrical wires and other electrical system equipment from leading international manufacturers. In 2011 C.S.S. Cable transferred these operations under the Company. In 2012, Company policy was for C.S.S. Cable to conduct business with government agencies and to act as representative for various products. These operations would mainly be conducted using Company personnel.

C.S.S. Cable and Accessories Co. Ltd. registered a change of name to C.S.S. Energy Co. Ltd. at the Ministry of Commerce on 24 October 2014, with its head office located at 329 Moo.3, Banmai, Pakkred, Nonthaburi, the same address as that of the Company. In addition, C.S.S. Energy Co. Ltd. also has a branch located at 59 Moo.7, Bang Phra, Sri Racha, Chonburi.

Neon Worx Communication (Thailand) Co. Ltd.

Neon Worx Communication (Thailand) Co. Ltd. (NWC) was established on 13 July 2006 with purpose of operating as an agent installation and maintenance the telecommunication system by turnkey. Customers of the Company are AIS, True, Dtac and TOT etc. The head office located at 10 Soi Naknivas 47, Naknivas Road, Ladprao, Bangkok.

Significant developments

Histories, the Changes and Development of the Company and its subsidiaries.

The history of the company business and its subsidiaries

The Company was founded in 1994, with the initial objective of distributing and installing passive fire protection materials and equipment for high rise buildings and factories. The Company has since expanded the business to become the distributor for electrical wires of various types and other electrical systems equipment from leading international manufacturers such as general cables for use in buildings and factories, internal and external lighting, transformers, conduits, and materials and equipment related to passive fire protection. Customers include government agencies and private companies. In addition, the Company provides installation and maintenance services for communications systems, including the construction and installation of mobile

telephone systems, basic telephone systems. In 2015, the company has expanded to provide Information Technology (IT) and the business of renewable energy. The Company's head office is at 455,477 Moo.9, Bondstreet Road, Bangpood, Pakkred, Nonthaburi. In August 2015, Head Office and warehouses of the company moved to 329 Moo.3, Banmai, Pakkred, Nonthaburi. The Company also has 2 branch offices as follows;

1. Ram 40 branch at 142 Soi Ramkhamhang 40, Ramkhamhang Road, Huamak, Bangkok, Bangkok.
2. East branch at 59 Moo.7, Bang Phra, Sri Racha, Chonburi.

The company increased the capital from 1 million to baht 120 million baht during the year 1995 - 2005. The Company registered an increase in paid-up capital from 200 million baht to 250 million baht from the rights offering to existing shareholders and was listed on the Stock Exchange of Thailand on 3 September 2013 with paid-up capital increased to 350 million Baht.

Now, the company has registered capital to 587,995,174.50 Baht by paid – up capital to 554,701,641.50 Baht into 1,109,403,283 ordinary shares at the par value of Baht 0.50 per share.

Significant developments in last 3 years can be summarized as follows:

- **January 2013** The Company purchased 1 plot of land in the Srisman Road area, Deed no. 2404, Ban Mai, Pakkred (Talad Khwan), Nonthaburi, covering an area of 13-2-74 Rai for the construction of a new office and warehouse. This will be the future site of the head office of the Company and subsidiaries, with construction expected to be completed in the second quarter of 2014.
- **March 2013** At the Annual General Meeting 1/2013, approval was given to adjust the par value of stocks from 5 THB per share to 0.50 THB per share and to increase registered capital from 200 million baht to 350 million baht, which was divided into 700 million ordinary stocks with a par value of 0.50 THB which were allocated as follows:
 1. Not more than 100 million shares with par value of 0.50 THB to be offered to existing shareholders in proportion to their current shareholding at a price of 0.50 THB per share.
 2. Not more than 200 million Company shares with a par value of 0.50 THB to be offered to the public and the directors,

executives and staff of the Company and subsidiaries, with 190 million shares for public offering at 0.50 THB per share and 10 million shares to be offered to the directors, executives and staff of the Company and subsidiary at 0.50 THB per share.

The Company registered an increase in paid-up capital from 200 million baht to 250 million baht from the rights offering to existing shareholders.

- **August 2013**

The Company offered 200 million ordinary shares at price of 3.00 THB per share, with a total value of 600 million baht, with 190 million shares offered to the public and 10 million shares offered to directors, management and staff of the Company and subsidiary. Paid-up capital was increased to 350 million baht with the objective of using the capital raised from the share issue to invest in the construction of a new warehouse and office and for use as operating capital.
- **September 2013**

The Company was listed on the Stock Exchange of Thailand on 3 September 2013 in the Commerce Sector.
- **May 2014**

The Company was part of the declaration of intent by the Private Sector Collective Action Coalition Against Corruption with the committee members.
- **September 2014**

At the Extraordinary Meeting of Shareholders No.1/2014, approval was given to issue warrants giving the right to buy the Company's ordinary stock ("CSS-W1") and for an increase in registered capital from THB 350 million baht to 490 million baht through the issue of 280 million new ordinary shares at 0.50 THB in order to support the purchase of Company shares in accordance with "CSS-W1", to be issued to existing shareholders in proportion to their shareholding in the ratio of 2.5 existing shares to 1 warrant unit.
- **October 2014**

The subsidiary's name was changed from "C.S.S. Cable and Accessories Co.,Ltd." to "C.S.S. Energy Co. Ltd."

- **December 2014** The Company established a joint venture called Prime Renewable Energy Co.,Ltd., taking a 50% share, to support the commercial generation of solar energy.
- **April 2015** Resolutions of the Annual General Meeting 2015 was resolved as the follows;
 1. Decreased the share capital from 490 million baht THB 489,995,978.50 by canceling the shares are resold number of 8,043 shares with par value of Baht 0.50 per share as offered in all respects.
 2. Increased of the registered capital from 489,995,978.50 Baht to 587,995,174.50 Baht to support the payment of stock dividends and adjustment of CSS-W1.
- **May 2015** The Company entered into the acquisition of 63,000 shares in Neon Worx Communication Co.,Ltd. ("NWC"), or 70% of total registered capital of NWC with par value of Baht 100 per share. NWC do a business about telecommunications as an agent installation and maintenance the telecommunication system by turnkey.

The Board of Directors Meeting No. 3/2015 resolved to ratify the cancellation of a joint venture in Prime Renewable Energy Co.,Ltd.
- **August 2015** Resolutions of the Extraordinary Meeting of Shareholders No.1/2015 was resolved the amendment to the Company's objectives by increasing the purpose from (51) to (53) to support the business of energy.

Award of the year 2015

- Awarded by the Ministry of Labour That is the establishment of a dedicated project security establishment of honor HRH Princess Maha Chakri Sirindhorn's.

Connection with the businesses of major shareholders

-None-

Business Characteristics

Revenue Structure

Types of Products	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Electrical wire	2,107.19	66.67	2,235.70	55.78	2,186.94	47.76
Lamps and lighting equipment	230.23	7.28	440.60	10.99	499.85	10.91
Electrical conduits and fittings	104.08	3.29	101.08	2.52	168.09	3.67
Electrical system control equipment	93.21	2.95	140.86	3.51	211.87	4.84
Passive fire protection materials and equipment	49.96	1.58	37.31	0.93	36.82	0.80
Information Technology Equipment	24.66	0.78	13.96	0.35	23.48	0.51
Other	28.12	0.89	7.98	0.20	37.25	0.80
Total sales revenues	2,637.45	83.45	2,977.49	74.29	3,174.30	69.29
Telecommunication system installation revenue	468.6	14.83	827.36	20.64	1,278.49	27.96
Passive fire protection system installation revenue	26.68	0.84	27.57	0.69	35.89	0.79
Electrical equipment installation revenue	-	-	144.55	3.61	15.86	0.35
Other service revenue	5.70	0.18	7.38	0.18	10.71	0.24
Total installation service revenues	500.98	15.85	1,006.86	25.12	1,340.95	29.34
Liaise income	-	-	-	-	34.70	0.83
Other income	22.09	0.70	23.75	0.59	24.45	0.54
Total revenues	3,160.52	100.00	4,008.10	100.00	4,574.40	100.00

Characteristics of products and services

The Company and the subsidiary (referred to jointly as “the Company”) are involved in 2 types of business: the distribution of electrical wires and other electrical equipment, and the design of telecommunication and passive fire protection systems, as well as the maintenance of telecommunication systems and other forms of coordination. The Company's products and services can be detailed as follows:

Distribution business

The Company operates as a distributor of electrical wires and other types of electrical systems equipment, as well as passive fire protection materials and equipment from leading international manufacturers such as Phelps Dodge, Philips and 3M. The Company orders products from both Thai and foreign manufacturers based in Thailand as well as importing special products from foreign manufacturers, mainly to sell to customers in the private sector such as general contractors and project developers, and through wholesale and retail outlets throughout the country. The Company has a sales team to contact and coordinate sales through various channels and 3 warehouse facilities which enable the rapid delivery of products to meet customer needs. In the last year, the Company was aware of the importance of safety issues and therefore took out product transportation insurance in order to deliver products quickly, safely and with maximum efficiency. In 2014 and 2015, revenues from the distribution operations made up 74% and 69% of total revenue respectively. Products which the Company distributes can be divided into 6 main types: electrical wires, lamps and lighting equipment, conduits and installation equipment, electrical systems control equipment, passive fire protection materials and equipment and Information Technology equipment with details as follows:

1.1 Electrical wires



At present, the Company is a distributor for various types of electrical wires, most of which are sold under the Phelps Dodge brand, one of the biggest manufacturers in Thailand. Electrical wires made up approximately 56% and 48% of total revenues in 2013 and 2014 respectively, with the 3 primary types by use being general cable for use in buildings and factories, special cable for use in factories, and cable for telecommunications engineering systems.

1.2 Lamps and lighting equipment



Lamps and lighting equipment are quality products which the Company distributes on behalf of several companies, making up about 11% and 11% of total revenues in 2013 and 2014 respectively. The lamps and lighting have 3 types. Such as lamps and lightings, Electrical equipment for hazardous areas and Emergency lighting Systems.

1.3 Electrical conduits and fittings



In setting up electrical wiring systems, conduits help to prevent damage to wiring and allows it to be properly routed. At present, the Company distributes electrical coated steel and iron conduits and fittings from the Arrowpipe brand and white pvc pipes and fittings from the CLIPSAL brand which have been certified according to ISO 9001, UL, BS, IEC, TIS 770-2553 and TIS 2133-2545 standards. The Company also distributes polyethylene pipes for the TGG and TAP brands, which are used for their insulation properties and resistance to environmental conditions when buried. In addition, the Company distributes other fittings such as joints, white pvc pipes and steel channels from the CCG, ARR, TST and CS Wireway brands. Electrical conduits and fittings accounted for approximately 3% and 4% of revenues in 2014 and 2015.

1.4 Electrical system control equipment



The Company is the distributor of products under the Bticino brand which include switches, electrical plugs or sockets, television and telephone sockets, breakers and safety equipment. Bticino products are designed with a stylish modern look and safety in mind. They are quality products that meet customers' needs and comply with IEC and NEMA international quality standards, as well as TIS standards and UNI EN 29000-ISO 9000. Sales of electrical system control products made up approximately 4% and 5% of revenue in 2014 and 2015.

1.5 Passive fire protection materials and equipment



The Company was appointed by 3M Thailand Co. Ltd. (3M) as their distributor for passive fire protection materials and equipment which are used to fill spaces in pipes and walls and which, if a fire breaks out, will expand to fill the spaces to prevent the spread of flames and toxic smoke from one area to another. The passive fire protection materials and equipment sold by the Company takes several forms, with the choice of materials depending on customers' specific requirements in terms of appearance and durability. The preventative properties of the materials range from approximately 30 minutes to 4 hours and comply with Under Laboratories (UL) standards. In addition, the Company also distributes other 3M

electrical products such as connectors, terminal kits, cable insulation, non-contact infrared thermometers, sprays for electrical work and more than 30 types of electrical tape including tape used for insulation, moisture sealant, heat resistance and corrosion prevention. Passive fire protection materials and equipment and other electrical products accounted for approximately 1% and 1% of revenues respectively in 2014 and 2015.

1.6 Information Technology Business



Mainly on Network solution, Transmission, Network Security, Application software both Hard ware and Software. We assure you that all of our products and services meet the highest quality and standards. We emphasize on all steps from the product selection to the operation in order that the requirements of customers are well served and reached their satisfaction based on the core principle of

our company, the leader in the business. In 2015, The Company recognizes revenue from the provision of information technology services for approximately 1% of the Company's total revenue.

Design and installation business

In 2014 and 2015, installation services made up approximately 25.12% and 29.34% of the Company's total revenue respectively. The Company's installation services can be separated into 2 areas: (1) communication system design and installation and (2) fire protection systems and maintenance services.

2.1 Communication System design and installation

Over the course of several years, the telecommunications industry has seen continuous growth, together with changes in technology and consumer behavior, and the Company first recognizing the opportunities for the installation of telecommunications towers in 1999. Currently, the Company provides design, purchasing and installation services for telecommunication systems, both mobile telephone signal systems and complete basic telephone systems, by a professional team of engineers with over 15 years' experience. When taking on an installation project, the Company will study and design a steel-framed tower, using one of several designs through a computer program that allows changes to be made to the proportions, form, height and weight of the mast, in order meet the customer's requirements and for the efficient transmission of mobile signals, and also produces a design ready for the communication equipment such as the signal transmission systems of different mobile phone operators, power systems and electric wiring systems. Next, the Company will hire a contractor to prepare the

construction area, lay the foundations, construct the steel frame and install the communication equipment, with the Company's engineers overseeing construction, connecting the signal and testing that the quality of the work meets the customer's specifications and is handed over as scheduled. In addition, the Company provides after-sales services with a 1-year warranty period to ensure customer satisfaction and confidence in the quality of the work. The Company's main customers are mobile network operators from the private sector and contractors who have been hired directly by mobile network operators. (See additional details in the telecommunication installation business). In 2014 and 2015, design, purchasing and installation services for telecommunication systems accounted for 20.64% and 27.96% of the Company's total revenue respectively.

Characteristics of the telecommunications towers installed are as follows:

1. Self-Supporting Tower
2. Guyed Mast Tower
3. Pole

Major Works

The Company's installation of telecommunication towers has had a good reputation in terms of the quality of the materials and products meeting the specifications and work being completed on schedule. Since 2008, important installations of telecommunication towers have included both new sites and upgrades.

Project	Employer	Process by	Characteristics of Services	Value of Project (Million Baht)	Process Time
DTAC (South Area)	United telecom Sales & Services Co.,Ltd.	Joint venture with Downer CSS	New Sites	41.38	Feb 2008 – Dec 2008
AIS Project 2008	Advanced Info Services PCL. (AIS)	Joint venture with Downer CSS	New Sites	35.04	May 2008 – Apr 2009
True Move PH5.1B	True Move Co.,Ltd	Joint venture with Downer CSS	New Sites	75.47	Feb 2009 – Nov 2009
True Move PH6	True Move Co.,Ltd	Joint venture with Downer CSS	New Sites	82.85	Nov 2009 – Oct 2010
True Move Ph7.2 & 8 GSM	True Move Co.,Ltd	Joint venture with Downer CSS	New Sites	80	Jan 2010 – Oct 2010

Project	Employer	Process by	Characteristics of Services	Value of Project (Million Baht)	Process Time
TMW CALL OFF 7&8 'DCJV"	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Sites	180.46	Oct 2010 – Oct 2011
TMV Self Build	True Move Co.,Ltd	Company	New Sites	94.97	Oct. 2010 – Feb 2011
TMV Combination Phase 7 GSM/HSPA	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Sites	16.23	Oct 2010 – Jun 2011
TMV 3G Relocation	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Sites	2.50	Nov 2010 – Apr 2012
DTAC 2010	B.B. technology Co.,Ltd	Company	New Sites	5.53	Dec 2010 – Jun 2012
TMV 3G Phase 3 Call Off #11	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Site	2.40	Apr 2011 – Jan 2013
Thailand BFKT 3G HSPA (Bangkok Region) Phase2	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Site	20.12	May 2011 – Nov 2013
TOT 3 G Nation wide	Nokia Siemens Network (Thailand) Co.,Ltd	Company	New Site And Upgrades	112.31	Jul 2011 – Jun 2012
Thailand BFKT 3G	ZTE (Thailand) Co.,Ltd	Company	Upgrades	97.89	Sep 2011 – Jun 2012
True Move Split Single Ran Project	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Site	1.40	Sep 2011 – Jun 2013
Thailand BKFT 3G HSPA (East) ph.4	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Site	34.67	Jan 2012 – Jun 2013

Project	Employer	Process by	Characteristics of Services	Value of Project (Million Baht)	Process Time
Thailand BKFT 3G HSPA (East) ph.5	Asia Wireless Communication Co.,Ltd ("AWC")	Company	New Site	346.25	Mar 2012 – Mar 2015
Thailand BKFT 3G HSPA (East) ph.5	Asia Wireless Communication Co.,Ltd ("AWC")	Company	New Site	534.35	Mar 2012 – Mar 2015
Thailand BFKT 3G HSPA (Bangkok Region) Phase 5	Asia Wireless Communication Co.,Ltd ("AWC")	Company	New Site	66.00	Mar 2012 – Mar 2015
Thailand BFKT 3G HSPA (Bangkok Region) Upgrade Site	BFKT Thailand Co.,Ltd	Company	New Site	14.10	Oct 2012 – Nov 2015
2.1GHz UMTS_LTE Phase 0 Project	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Site	67.76	Feb 2013 – Apr 2016
2.1GHz UMTS_LTE Phase 1 Project (Bangkok Region)	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Site	74.59	Jun 2013 – Jun 2016
2.1GHz UMTS_LTE Phase 1 Project (East Region)	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Site	54.58	Jul 2013 – Dec 2015
2.1GHz UMTS_LTE Phase 1 Project (South Region)	Ericsson (Thailand) Co.,Ltd	Company	New Site	73.10	Aug 2013 – Dec 2015
2.1GHz UMTS_LTE Phase 1 Project (South Region) (TE Installation)	Ericsson (Thailand) Co.,Ltd	Company	New Site	24.60	Sep 2013 – Jun 2016
Real Future 2.1GHz New Site & Existing_LTE Ph.1 (East/Bangkok/South)	True Corporations PCL.	Company	New Site	81.36	Jan 2014 - Dec 2016

Project	Employer	Process by	Characteristics of Services	Value of Project (Million Baht)	Process Time
True_Infrastructure Fund Project (Site Acquisition Work)	True Corporations PCL.	Company	New Site	3.44	Jan 2014 - Dec 2015
True_Infrastructure Fund Project "East"	True Corporations PCL.	Company	New Site	599.43	Jan 2014 – Apr 2016
True_Infrastructure Fund Project "Bangkok"	True Corporations PCL.	Company	New Site	393.50	Jan 2014 – Apr 2016
True_Infrastructure Fund Project "South"	True Corporations PCL.	Company	New Site	380.43	Jan 2014 – Apr 2016
Real Future 2.1GHz UMTS_LTE Ph.2.2 (South)	Ericsson (Thailand) Co.,Ltd	Company	New Site	2.60	Nov 2014 - Dec 2016
Real Future 2.1GHz UMTS_LTE Ph.3 (South)	Ericsson (Thailand) Co.,Ltd	Company	New Site	40.56	Dec 2014 - Dec 2016
Real Future 2.1GHz UMTS_LTE Ph.3 (East)	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Site	48.63	Dec 2014 - Dec 2016
DTAC Cell site year 2014 (BMA 430)		Company	New Site	5.40	Dec 2014– Jun 2016
2.1GHz UMTS_LTE (The Best in PHUKET)Project (South Region)	Ericsson (Thailand) Co.,Ltd	Company	New Site	4.26	Jan 2015 – Apr 2016
True Move H2.1GHz UMTS_LTE Phase 3.2 Project (Bangkok Region)	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Site	17.19	Apr 2015 – Dec 2016
DTAC New Cell site Year 2015 (South&West)		Company	New Site	189.50	Jul 2015 – Jun 2017
True Move H2.1GHz UMTS_LTE Phase 4.3 Project (Bangkok Region)	Huawei Technologies (Thailand)Co.,Ltd ("Huawei")	Company	New Site	17.33	Aug 2015 – Dec 2016

Project	Employer	Process by	Characteristics of Services	Value of Project (Million Baht)	Process Time
DTAC co-Locate True GIF site Project		Company	New Site	48.60	Oct 2015 – Dec 2016
True Move Year 2016_900 MHz&1800 MHz(South)	Ericsson (Thailand) Co.,Ltd	Company	New Site	10.71	Jan 2016 – Dec 2016
True Move TE Installation Year 2016_900 MHz&1800 MHz	Ericsson (Thailand) Co.,Ltd	Company	New Site	20.45	Jan 2016 – Dec 2016

2.2 Fire Protection System design, purchasing and installation

The Company offers design, purchasing and installation services for fire stops to customers who purchase 3M products supplied by the Company. Installation services can cover open spaces following electrical conduits and water or air conditioning systems that pass through walls or floors in offices and homes, using passive fire protection materials and equipment which provide protection from the effects of heat, flames and smoke for at least 3 hours and have a 1-year warranty period to ensure customer satisfaction and confidence in the quality of the work. The Company has a professional team of engineers with almost 20 years' experience who have been trained by the manufacturer to offer advice on the design of fire and smoke protection systems that comply with safety standards and consult on quality testing standards.

In addition, the Company is able to provide consultancy, design, purchasing and product development services or other services related to engineering projects as required by customers (special projects), such as the purchase and installation of silencers for the underground rail project of the Mass Rapid Transit Authority of Thailand (MRTA) in 2000 and the installation and maintenance of energy-saving lamps and lighting in 2010 - 2012 ("Smart Way" project) for the Energy Engineering Institute, Kasetsart University and the Provincial Electricity Authority.

In 2014 and 2015, fire protection system design, purchasing and installation and other services accounted for approximately 4.48% and 1.38% of the Company's total revenue.

Marketing and Competition

Company operations have successfully built up customer confidence and satisfaction in terms of product quality and the provision of services that are fast and according to schedule. These are delivered with honesty and fairness and the Company has therefore always enjoyed the trust of its customers. The Company has set the following competitive strategies:-

Marketing strategies

1. Products & Services

With the aim of responding to the variety of consumer needs, the Company is focusing on the distribution of electrical products through a one-stop service and quality that meets international standards through top level international brands. The Company also adheres to a policy of creating the greatest customer satisfaction by providing fast services. The Company has warehouses in Bangkok, and Pakkred, Nonthaburi and Sri Racha, Chonburi and in 2015 a new warehouse in Pakkred, Nonthaburi is completed already. This allows the Company to store a wide range of products in appropriate quantities at locations that are close to customers and convenient for transportation. The Company is therefore able to make fast deliveries to customers in all areas. The Company has also identified safety as an important area and taken out product transportation insurance to build customer confidence in the Company's products and best respond to customers' needs.

For the installation business, the Company has a team of engineers with over 10 years' expertise and experience in the design and installation of telecommunication systems, as new site construction or equipment upgrades, and almost 20 years' experience in the design and installation of passive fire protection systems. These teams carry out on-site surveys to prepare a work plan and timetable before work begins and organize a regular progress and quality inspection system that ensures the Company is able to meet the deadline and the customers' specifications. The Company has received ISO 9001: 2008 certification for the management of telecommunication system installations from United Registrar of Systems (Thailand) Co. Ltd. since 2010 and in 2014 was awarded ISO 9001: 2008 certification in a further 3 branches.

2. Price

For pricing in the distribution business, the Company takes several factors into consideration. Apart from the cost of the goods and the Company's desired profit margin, pricing also follows market supply and demand, the quantities ordered by customers and competitiveness against other suppliers in the same industry, with pricing strategies also revised in accordance with prevailing industry conditions.

For pricing in the installation business, the Company carries out a study to assess the initial cost of the project and offers a quotation. The assessment is based on the characteristics of the area of installation, the type of tower, the number of piles and the value of materials and equipment to be used in the project, the number of personnel supervising the project and other related costs, the time frame and other risks that may occur while carrying out the project, as well as the Company's profit margin, which will be set appropriately according to the extent of the work to be carried out.

3. Place

The Company sells its products on both a cash and trade credit basis almost entirely within the country through a network which includes large and small wholesale outlets and retail stores located throughout the country, with a sales team going out to meet the target group of customers including general contractors, project developers and customers from state agencies and enterprises. The Company's marketing policy considers good long-term customer relations to be of importance in order to retain the existing customer base and to attract new customers and gain a bigger market share. The Company has an experienced sales team that make contact and coordinate sales through various distribution channels that allow deliveries to be made quickly and efficiently, and also present accurate product information. The Company also employs a strategy of paying commissions for introducing new customers to the Company as an additional opportunity and method of finding new business. The Company has set clear rules and methods regarding the payment of such commissions, specifying that persons receiving the commission must be persons from outside the Company who introduce new customers and must not be directors, management, staff, major shareholders of customers or the Company and must not be related to any of these persons. A ceiling is applied to the commission referencing a percentage of the total sale and the minimum margin of return after sales costs and the commission are accounted for. Sales staff must request and receive Company approval before proceeding, with the commission paid by crossed cheque only after payment has been received from the customer. Records of commission payments must be presented quarterly to the audit committee and board of directors. If the audit committee finds that any payments were inappropriate, the Company will carry out a review and present its findings to the board of directors for further action. In the past, the Company has mainly paid commissions to private sector customers including general contractors and project

developers. In 2014 and 2015, commissions totalled 10 million baht and 17 million baht respectively, or 0.33% and 0.53% of revenue from the sales.

For the telecommunication system installation business, the Company has 2 main channels for contacting potential customers to present its services: (1) the Company contacts the operators of mobile telephone networks directly and (2) contacts the main contractors who are hired by the mobile network operators. The Company has the advantage in the telecommunication system business of being an independent company that is not part of a group belonging to any one network operator, meaning that the Company is able to provide services to every mobile network operator. Once the Company has been contacted by a customer regarding a project, a team from the telecommunications business will be assigned to directly coordinate the organization of the relevant documents, such as construction drawings and specifications, in order to provide a construction estimate and timetable, before presenting this to the customer. The Company mainly goes through the distribution channels for the passive fire protection system business to locate customers interested in purchasing related 3M products to offer a complete.

4. Promotion

It is Company policy to support sales to both wholesale and retail customers by considering discounts for major customers who place high volume orders or customers with a good financial status and payment record, organizing online promotions through the Company website (www.cssthai.com), E-news letters and Facebook, as well as setting up booths at shows, organizing customer relations activities, meeting target customers directly and producing product catalogues.

For the installation business, the Company places importance on good customer relations. The Company's telecommunications team stay in close contact with customers in order to understand their needs and to quickly be aware of their problems and limitations, and to assist in solving problems, thereby creating maximum customer satisfaction.

Company strengths

- The Company is one of the leading distributors of electrical wires in Thailand and sells electrical system products through a one-stop service that carries a wide range of all types of electrical wires and equipment and makes it convenient and easy for customers to make and receive their orders, with quality standards guaranteed by products from the world's leading brands.
- The Company is the main distributor of quality product from well-known international brands and is able to increase products from various brands each year. This has created confidence in the Company and means it has constantly been entrusted with the distribution of manufacturers' products.
- Deliveries of the Company's products are served by warehouses in Bangkapi, Bangkok, and Pakkred, Nonthaburi and Sri Racha, Chonburi, These locations are convenient for transportation and close to customers, allowing the Company to store a wide range of products and make deliveries to customers in all areas and as required. This has built up customer confidence and trust with the result that they continue to make orders from the Company.
- The Company has distribution channels covering the whole country through stores and the Company's sales staff reaching private sector customers who are general contractors and project developers.
- The Company's engineering team has almost 20 years' expertise and experience in the design and installation of fire protection systems and over 10 years' experience in the design and installation of telecommunication systems, ensuring that the Company is able to meet deadlines and customers' specifications. In addition, the Company has received ISO 9001: 2008 certification for the management of telecommunication system installations from United Registrar of Systems (Thailand) Co. Ltd. (URS) and in 2014 was awarded ISO 9001: 2008 certification in a further 3 branches.
- The Company is an independent operator in the telecommunication system installation business, providing services to every mobile network operator, since the Company is not part of a group belonging to any one network operator.
- The Company has received strong financial support through loans from financial institutions, as well as public share offerings and being registered with the Stock Exchange. This gives the Company an advantage over its competitors in terms of capital and sources of investment for business operations since at present no competitors with similar operations have been able to attract investment through the capital markets and be listed on the Stock Exchange.

Characteristics of customers' target

1) Customers in the distribution business

The Company distributes various products with almost all revenue coming from sales within the country. The Company's customers can be categorized into the following main groups:

1.1 Private sector customers

Private sector customers include general contractors, with sales made both directly and through sales representatives who coordinate with contractors and project developers including owners of commercial buildings, offices, shopping malls, hotels, real estate developers and factories, to use the Company's products in their projects. Private sector sales in 2014 and 2015 accounted for approximately 85% and 84% of sales revenue respectively.

1.2 Stores

Stores purchase products from the Company to sell to their own customers. This includes stores supplying general construction materials, retailers and wholesalers who provide a channel that enables the Company's products to be distributed throughout the country. Sales to stores in 2014 and 2015 accounted for approximately 14% and 15% of sales revenue respectively.

1.3 State agencies

State agencies/ state enterprises are customers who require the Company's electrical equipment including the Provincial Electricity Authority, the Metropolitan Electricity Authority, the Mass Rapid Transit Authority of Thailand, Airports of Thailand and CAT Telecom. Sales to state agencies go through 2 channels, auctions or regular orders. The Company's current policy is for the subsidiary to deal with these transactions in future. In 2014 and 2015 these customers accounted for approximately 1% of sales revenue.

The Company has policies on extending credit that cover the amount, payment period and trading conditions with consideration given to the trade relationship, the history of contact with the Company and financial status.

2) Customers in the design, purchasing and system installation business

Customers in the design, purchasing and telecommunication system installation business consist of mobile telephone network operators and primary contractors that are hired by the mobile network operators directly. For the fire protection system installation business, customers are from state agencies, private sector commercial businesses, industry, construction and property development etc.

Industry conditions and competition

Industry perspective

The Company's business is the distribution of electrical system products, especially electric wiring and providing purchasing and installation services for telecommunication towers, various market factors occur in related industries, namely the construction and real estate industry and telecommunications industry that have a direct impact on the Company's business operations. For this reason, analysis of the impact that the overall state of the industry has on the Company's business largely depends on conditions in the related industries which can be outlined as follows:

Conditions in the construction and real estate industry

Private sector housing projects and state infrastructure projects, like mass transit railways, electricity distribution systems and real estate developments, require system development and electrical equipment which are one component of construction work.

During first half of 2015, overall public infrastructure sector mainly involved with investments in ongoing projects including both large and small scale projects, for example, MRT Blue Line project: Hua Lamphong – Bang Khae section and Bang Sue -Tha Phra section and repair of the road network in the main highways and secondary. Besides, there still are many investment projects under economic stimulation measure, for example, improvement reparation of government buildings projects throughout the country and highways under the economic stimulation measure during 2014-2015 aggregate value 23,000 million baht, remaining budget for investing in 2015 approx. 22,000 million baht which could be disbursed within the first half of 2015. When observing in construction sector of the government's disbursement found that during the first six months of fiscal year disbursed lower the target. On the contrary, considering the outstanding disbursement during first quarter 2015 showed that total disbursements gradually improved despite lower than planned. Due to some lists are in procurement process and review of new construction costs which result in disbursement delay. Complexity of disbursement may also result in new projects taking place in the first half, were postponed disbursement to the second half of 2015 instead.

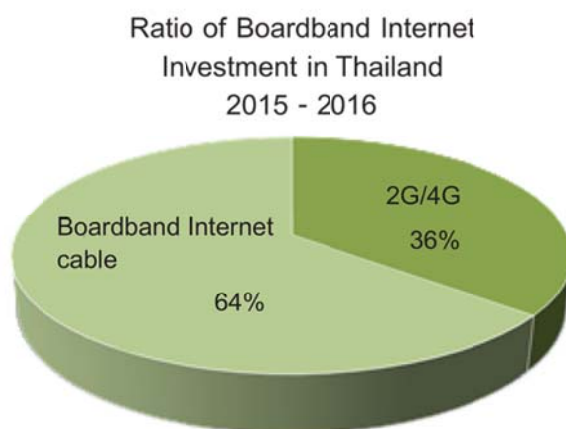
However, government have planned to accelerate investment in new projects under the Action Plan for 2015 amounting to urgent transportation 55,878.4 million baht, therefore Kasikorn Research forecasted that public investment tendency will show 4.0 - 6.5 (Y-o-Y) growth and 210,100 -215,200 million baht worth compared to the same period of last year.

Upon this circumstances show good sign to continue developing sales performance to serve future customer requirement effectively at the same time with seeking an opportunity to new product to maximize customer satisfaction.

Conditions in the Telecommunication industry

At present, competition in the mobile telephone market is competition between the 3 big service providers namely AIS, DTAC and True Move (including True Move H). Each provider is constantly upgrading its mobile signal transmission system by, for example, increasing the number of telecommunication towers to improve the coverage of their service, adjusting the direction of their antennas to improve the efficiency of their signal transmissions, and increasing the number of repeaters in readiness for an increase in the number of users although Increase of the Board band internet. Currently, mainly 3G network service providers serve through 2.1 GHZ frequency with only 15 MHZ frequency per license resulted in insufficiently wireless communication growth. As a result, the license auction on the 1800 MHZ and 900 MHZ frequency had initiated in extension to utilize of wireless broadband in terms of frequency and enhance efficiency of 4G network. Kasikorn Research forecasted that 2016 outlook will increasingly access to mobile broadband internet via both 3G and 4G network expansion expected to access up from 38.4 -39.7 million people or 11.0 -14.7 percent compared to previous year, representing a rate of 60.4 - 62.6 percent of the total population.

Kasikorn Research has foreseen that serving 4G network in 900 MHZ and 1800 MHZ frequency affect positively to various business especially mobile network operator, smart phones' manufacturer and distributor. Moreover, it also creates an indirect benefit too many businesses such as ecommerce software manufacture, online education services and entertainment.



Ref.: Kasikorn Bank Research

It can be seen that investment plans by mobile telephone service providers will have a positive impact on the Company as installations of telecommunications towers will be requires supporting the aforementioned services.

Competition

The distribution of products related to fire protection systems has a high market value and a wide range of products and services. The Company is currently the distributor of products for several companies, with various types of electrical wires as the core product. Domestic electrical wires production can be considered as a replacement for imported production since in the past all electrical wires used in the country was imported. Imports began to fall when the first factory manufacturing electrical wires was opened in 1962. The first factories were small and the industry subsequently experienced growth that led to further expansion and factories producing high-voltage cable and cable of all types and sizes, as well as telephone cables in joint ventures with foreign companies from Japan, Taiwan and the USA, for example. At present, there are 5 major manufacturers of electrical wires in the country:

- Phelps Dodge International (Thailand) Co., Ltd.
- Bangkok Cable Co., Ltd.
- Thai Yazaki Electric Wire Co., Ltd
- Charoong Thai Wire & Cable Public Company Limited
- MCI-Draka Cable Co., Ltd.

The electrical wires manufacturers in the country are able to produce and distribute products that are of a similar quality, with the result that the state of the industry and market for these products is a perfectly competitive market.

Competition in the installation of telecommunication towers depends primarily on the policies of the mobile telephone service providers towards investment and signal network development, which is in turn influenced by government policy. However, even though mobile service providers may assign companies from their own group to carry out installation and renovation of towers, the increasing volume of work and the need for speed and completion of the work on schedule means that mobile service providers have to subcontract outside companies to carry out this work. Opportunities of receiving work from the operators for design, purchasing or installation of telecommunication systems depends on the relationship with the owner of the network, experience and past results, the ability to provide a quality service and meet deadlines, and a strong financial status. In addition, since the Company is an independent operator, it is able to accept installation projects from every mobile service provider. It is normal practice for the employer to set a price for the work, leaving the contractor's profit up to their bargaining power when trying to purchase materials and telecommunications equipment at a

favorable price and conditions. Therefore, taking into consideration the factors of experience, results, financial status and relatively weak bargaining position with the employer, it is unlikely that new operators will come into the business. Also at present, there are a large number of state and private sector telecommunications projects that require completion in a short period. Overall, therefore, there is relatively little competition in the business.

Since there are few distributors of passive fire protection materials and equipment in the country, businesses offering fire protections system installation must use products from the major manufacturers that are sold in the country. Therefore, there is relatively little competition in this business.

Purchasing products and services

1. Distribution business

The Company's operating policy recognizes the importance of product quality and meeting deadlines. Therefore, quality of products and reliability of suppliers is an important factor in the Company's purchasing decisions. The Company is the chosen distributor of electrical wires and other electrical system products from leading international manufacturers. The Company distributes and orders products from both Thai and foreign manufacturers based in Thailand, as well as importing special products from foreign manufacturers. Details on the sources of the Company's products are as follows:-

Table showing sources of products sold through the Company's distribution business.

(Unit : %)

volume of finished goods	2012	2013	2014	2015
● Domestic	98.19	97.46	99.25	99.42
● Oversea	1.81	2.54	0.75	0.58
Total purchase volume of finished goods	100.00	100.00	100.00	100.00

At present, the Company is the appointed distributor of electrical wires and other electrical system products, as well as passive fire protection materials and equipment from leading manufacturers, with the details summarized as follows:

Brand	Product type	Partner company	Length of agreement	Important conditions
phelps dodge*	Cable	Phelps Dodge International (Thailand) Co., Ltd.	Not specified	- None
Philips**	Lamps and lighting equipment	Philips Electronics (Thailand) Co., Ltd. ("Philips")	1 year, expired 31 December 2015	<p>- The Company is restricted to distribution in areas specified by Philip, specifically the outer Bangkok area. The Company's distribution area was expanded to include 8 provinces in the upper central region from 1 July 2013.</p> <p>- The Company is not permitted to distribute products in competition with Philips.</p>
3M***	Passive fire protection materials and equipment	3M Thailand Co., Ltd.	1 year, expired 31 December 2016	- None
Bticino	Electrical system control equipment	Bticino (Thailand) Co., Ltd.	1 year expired on 31 December 2016, able to automatically extend for 1 year period continuously unless 3 months' notice is given.	<p>- The Company is only permitted to distribute products in Thailand.</p> <p>- The Company is not permitted to distribute products in competition with Bticino</p>
Ttm	Transformers	Thai Trafo Manufacturing Co., Ltd.	3 years, expiring 31 December 2015, with an option for 3 years extension	- None
TGG	Polyethylene pipes	Thai Gow Gai Group Co., Ltd.	Not specified	- None

Brand	Product type	Partner company	Length of agreement	Important conditions
Arrow	Steel conduits and fittings	J. S. V. Hardware Co., Ltd. (present: Arrow Syndicate Pcl.)	1 year, expired 1 April 2013, and may be extended according to later agreement	- None
CLIPSAL	White pvc pipes and fittings	U-Production Co., Ltd.	3 years, expired 31 December 2016	- None
KILLARK	Electrical products for hazardous locations	Killark Electric Manufacturing Company	No date of expiration unless 1-month's notice given	- The Company is only permitted to distribute products in Thailand.
Chalmit	Electrical products for hazardous locations	Hubbell Ltd.	No expiry date unless advance notice is given.	- The Company is only permitted to distribute products in Thailand.

Remark: Summary of the manufacturers of core products

* phelps dodge is manufactured and sold by Phelps Dodge International (Thailand) Co., Ltd., a company in the General Cable Corporation group and a subsidiary of Phelps Dodge International. Phelps Dodge International Corporation primarily manufactures electric wire and cable that is widely used in the electricity business, telecommunications, industry and mining, with plants making phelps dodge one of Thailand largest producers of electrical wires.

** Philips is one of the biggest electronics companies in the world, with factories and offices in over 60 countries worldwide and its head office in the Netherlands. At present, Philip Electronics (Thailand) Co., Ltd. manufactures its main product groups to meet demand from domestic consumers in the areas of healthcare, lighting and consumer lifestyle. The Company is one of the lamps and lighting equipment of Philips brand.

*** 3M is an American company that has offices and factories in over 65 countries worldwide and manufactures and sells more than 55,000 products. 3M Thailand Co., Ltd. has more than 5,000 products including materials and equipment for passive fire protection systems and other 3M electrical products

At present, the Company sells electrical materials and equipment without being officially appointed as the distributor by partners in addition to those detailed above, since it is the nature of the business that distributors do not usually require binding contracts unless partners require special conditions such as specifying the commercial area or not permitting the distribution of competitors' products. The Company operates in accordance with the trading conditions agreed with each partner, with the result that the Company is trusted and has continually extended its distribution contracts.

2. Installation business

Since the design and installation of passive fire protection and communication systems is a business that relies on engineering knowledge and specific expertise, the Company has recruited engineering teams with over 10 years' expertise and experience in the design and installation of telecommunication systems, and almost 20 years' experience in the design and installation of passive fire protection systems. The installation process is as follows:

2.1 Installation of telecommunication towers

The process of installing a telecommunication tower begins when the Company is hired by a mobile service operator or a contractor commissioned by the network owner. The characteristics and specifications of the telecommunications towers of each operator will be different. The Company's engineering team will study the needs of the customer and carry out an on-site survey and network feasibility study. The Company will then design the system and offer advice on the process, as well as purchase materials and equipment that is suitable for the project including foundation piles, concrete, steel frames and communication equipment that will enable efficient connection with the mobile network. Following this, the Company will hire a contractor to prepare the construction area, lay the foundations, construct the steel frame and install the communication equipment, with the Company's engineering team overseeing construction, connecting the signal and conducting tests to ensure that the quality of the work meets the customer's specifications and is handed over as scheduled, with an average time for project construction of approximately 45 - 60 days. The Company also provides an after-sales service with a 1-year warranty period to ensure customer satisfaction and confidence in the quality of the work and over time the Company has built up confidence with customers who repeatedly use the Company's services. Since telecommunication technology is constantly changing and the deterioration of steel frames due to length of use, the Company has business opportunities from an increase in the installation of telecommunication towers and/or the replacement of existing towers with larger installations.

It is not Company policy to purchase steel frames and equipment in advance since each project has will have characteristics and specifications and/or product properties that are different. The Company will order products once the project is underway, referencing the prices agreed with trading partners before entering the auction on each occasion. The Company has received ISO 9001: 2008 accreditation for the management of telecommunications system installation from United Registrar of Systems (Thailand) Co. Ltd. (URS)

2.2 Installation of passive fire protection systems

For the installation of passive fire protection systems, the Company will inspect the site where the customer wishes to install the system and assess the types of materials and equipment needed to present for the customer's approval. Once approval is given, the Company hires a contractor to carry out the installation, under the supervision of the Company's engineering team to ensure the quality of the work and that the work is completed as scheduled. The design and installation will include safety and aesthetic considerations in order to ensure the highest level of customer satisfaction. The time taken for the installation of passive fire protection system depends on the area where the system is to be installed and the time period of the building's construction.

3. Raw materials and inventory policy

Company policy is to store inventory for 30-45 days, which makes allowances for fluctuations in price, especially the price of electrical wires which is susceptible to fluctuations in copper prices, storage costs, inventory becoming obsolete, changes in technology, the quantity and frequency of delivery to vendors, the time taken to make deliveries to customers, as well as increased and reduced demand in line with the country's economic conditions. The Company has warehouse facilities at 4 locations, the first and second of which are located in Pakkred, Nonthaburi, the third is in Bangkapi, Bangkok and the fourth is at Sri Racha, Chonburi. Being able to hold goods at the Company's own warehouses allows the Company to deliver products immediately and provide ongoing services to customers. It is not Company policy to purchase steel frames and equipment in advance since each project has will have characteristics and specifications that are different. The Company will order products once the project is underway.

Projects have not yet delivered.

- None -

Environmental impacts

The Company's distribution operations have no environmental impact, while installation operations are always carried out in strict accordance with agreements relating to the environment. The Company has never received a warning or been fined over environmental issues.

Business assets

Property, plant and equipment

As of 31 December 2014 and 2015, the Company and its subsidiaries had properties, plants and equipment listed as follows:

Items	Net book value (THB Million)		Type of ownership	Obligation
	31 Dec 2014	31 Dec 2015		
1. Land consists of - Land title no. 93838, area 12-0-49 rai, location: Sriracha district, Chonburi - Land title no. 14343, area 25 square wah, location: Pakkred district, Nonthaburi - Land title no. 14481, area 25 square wah, location: Pakkred district, Nonthaburi - Land title no. 2404, area 13-2-74 rai, location: Pakkred district (Talad Kwhuan), Nonthaburi (acquired on 4 February 2013) - Land title no. 16288, area 104 square wah, location: Ladprao district, Bangkok - Land title no. 16289, area 104 square wah, location: Ladprao district, Bangkok - Land title no. 16290, area 60 square wah, location: Ladprao district, Bangkok	161.32	171.63	Under ownership of the Company	mortgaged ¹

Items	Net book value (THB Million)		Type of ownership	Obligation
2. Building consists of - Two-storey office building and one storey warehouse, total area approximately 4,500 sq.m. - Three-storey townhouses, 2 units, located at Pakkred district, Nonthaburi - The New Office Building No.329 Moo.3, Banmai, Pakkred, Nonthaburi	33.17	197.69	Under ownership of the Company and its subsidiaries	mortgaged ¹
3. Office decorating items	3.96	8.92	Under ownership of the Company and its subsidiaries	None
4. Tools and equipment	1.02	6.12	Under ownership of the Company and its subsidiaries	None
5. Office equipment	7.42	24.11	Under ownership of the Company and its subsidiaries	None
6. Vehicles	30.69	38.78	Under ownership of the Company/purchaser/ financial lessee	Under hire-purchase contract and financial lease ³
7. Equipment installed as per contract ⁴	24.31	20.81	Under ownership of the Company	None
8. Asset under installation process	-	-	Under ownership of the Company	None
9. Asset under transfer	85.66	-	Under ownership of the Company	mortgaged ¹
Total	347.55	468.06		

- Remarks : 1. In 2014 and 2015, the Company mortgaged land and buildings under ownership of the Company, at value approximately THB 198 million and 198 million respectively to the financial institutions.
2. As of 31 December 2014 and 2015, the Company and its subsidiaries have a certain amount of property, plant and equipments which has been deducted the depreciation cost, but remained in used. The book value before deduction of accumulated depreciation of such assets accounted at THB 9 million and 16 million respectively.
3. Some assets are under the financial lease contract and hire purchase contract where the Company acts as a lessor and purchaser. The net book value as of 31 December 2014 and 31 December 2015 accounted approximately THB 27 million and THB 36 million respectively.
4. The equipment installed as per contract are lights and energy-saving bulbs under Smart Way Project launched by the Energy Engineering Institute, Kasetsart University and the Electricity Development Division, Provincial Electricity Authority. The two institutes jointly determined the policy on saving public energy. The Company was assigned to invest in installation of energy-saving lights and 10 year maintenance. The yield upon investment is equal to value of the energy saved during such period.

Real estate for investment

As of 31 December 2014 and 31 December 2015, the Company and its subsidiaries have real estate for investment which can be shown as follows:

Items	Net book value (THB Million)		Type of ownership	Obligation
	31 Dec 2014	31 Dec 2015		
Land title no. 63680, area 100.1 square wah, location: Nongchok district, Bangkok	-	3.02	Under ownership of the subsidiary	None

Material part of the contract

1) Lease contract of warehouse

a) Lease contract of warehouse in Ramkhamhaeng

- Parties : Sri Kiri Enterprise Co., Ltd. (as a "Lessor") a person not related to the Company
: Communication & System Solution Public Company Limited (as a "Lessee")
- Date of contract : 2 July 2015
- Asset of lease : 1) 2-storey building, no. 142 Soi Ramkaemhaeng 40, Huamark sub-district, Bang Kapi district, Bangkok and the warehouse/storage and employees' accommodation, the area is approximately 742 sq.wah.
2) 2 containers, 1 telephone booth, and equipment used within the building
- Rental rate : The rent is divided into:
1) 2-storey building and the warehouse/storage and employees' accommodation:

THB 130,000 monthly

2) Containers, telephone, equipment used within the building: 10,000 monthly
(excluded VAT)

Term of contract : 3 years start from 1 January 2016 to 31 December 2018

Conditions of contract : The Lessee agrees to make advance payment as a security deposit against damages of the leased asset at the amount equivalent to THB 420,000 to the Lessor. The security deposit shall be returned to the Lessee upon termination of this contract.

The Lessee agrees to have insurance against fire, flood, storm and natural disasters, including asset within the leased building at the amount no less than THB 11,000,000 million. The Lessor is an beneficiary.

Before due term of this contract, if the Lessee wish to continue the lease, the Lessee shall give advance notice to the Lessor not less than 60 days prior to due date of the contract. The Lessor may adjust the price to be consistent with market condition.

b) Lease contract of warehouse in Pakkred district, Nonthaburi

Parties : Mrs. Pornpimol Dechkhamaeng (as a "Lessor") a person not related to the Company

: Communication & System Solution Public Company Limited (as a "Lessee")

Date of contract : 1 January 2016

Asset of lease : Land, land title no. 22687, 22695, 22696, located on Tiwanont Road, Ban Mai Sub-district, Pakkred District, Nonthaburi, the area approximately 600 sq. wah.
The purpose is to use the land for storage.

Rental rate : 35,000 THB /month.

Term of contract : 3 years start from 1 January 2013 to 31 December 2015

Conditions of contract : The Lessor agrees to renew the contract for another period of 3 years from the date of expiration under the same conditions.

Investment policy in joint ventures or subsidiaries.

Presently, the Company has invested in 2 subsidiaries by holding 99% of registered capital and paid-up capital in C.S.S. Energy Co., Ltd. (“Subsidiary”). The firm engages in a business mainly related to government authorities, act as an agent in purchase-sale of products.

At the Third quarter of 2015, the Company acquired to Neon Worx Communication (Thailand) Co.,Ltd. (NWC) by holding 70% of paid-up capital.(“Subsidiary”). NWC doing business about telecommunications as an agent installation, antenna, 3G phone and maintenance by Turnkey.

The future investment in subsidiaries, joint ventures and related companies will be concentrated on business that support and benefit the Company. The Company will consider factors related to yield and investment return that will support and promote business of the company group, proper investment proportion and yield upon investment, and benefit of the shareholders. Company will dispatch the directors and/or designated person to act as the Company’s representative in accordance with proportion of shares, to participate in business management, including voting in the board of directors’ meeting and shareholders’ meeting for the highest benefit of the Company.

Legal conflicts

As of 31 December 2015, the Company and its subsidiaries has no legal conflict that may cause negative impact to the asset of the Company which value higher than 5% of the shareholders as of 31 December 2015.

Risk Factors

The Company realizes the importance of risk management as a systematic and effective risk control. The risk is classified into 3 parts as follows:

1. Risk from Business Operation
2. Financial Risks
3. Other Risks

1. Risk Factors from Business Operation

The Company leading business activity is divided into 2 categories which are: trading business or sale agent and provision of service and design and installation of infrastructure passive fire protection systems etc. Therefore, the risk analysis concerning the 2 aforesaid disciplines as follows:

1.1 Trading business

1.1.1 Risks from fluctuation of the copper price

The revenue derived from sale of electrical wires accounted at 67%, 56% and 46%, of total revenue in year 2013 - 2015 respectively. Since main cost of electrical wire is a copper, the fluctuation its price directly affects the purchasing and selling price of electrical wires. Failure to adjust the selling price to be in accordance with increasing cost, or without proper management of the inventory, can subsequently affect the operation and financial status of the Company. Copper is categorized as a commodity product where the price is varied by global demand and supply. The price of copper in the global market since January 2010 onward is as shown in the chart below:-



ที่มา : Website www.infomine.com

According to the chart, the copper price in early of 2011 fluctuated with steady increase at the year end. The price increase continued until first quarter of 2011 when the copper price leaped to 4,600 USD/pound. Later in the latter half of 2011, the price started sliding down with slightly fluctuation from time to time between 2012-2014. Copper price constantly dropped and fell to lowest point in the third quarter of 2015 at 2,400 USD/pound. Furthermore, it is predicted that the copper price is likely to drop continuously. Amid such fluctuation, the Company realizes that it is crucial to adjust selling price to be in accordance with the price of copper. Based on good management, the risk from such fluctuation will cause little impact to the business operation and financial status of the Company.

However, the Company recognizes the importance in the management of such risks. The Company monitors copper prices on a regular basis to follow proper inventory management of electrical wires, and to be consistent in line with changes. Normally, the fluctuation of copper prices takes 6-7 months (lapse time) to have effect on the selling price and cost of electrical wires. In order to mitigate such risk, the Company has always followed up the changes in rates of copper in order to predict the price trend for managing the inventory of electrical cable at the appropriate level (such as closely review on quantity of inventory), decrease on delivery time, and matching orders. In addition, for trading, the selling price is determined by cost plus and thus, which means that upon fluctuation of prices, the Company would be able to adjust the additional profit in the selling price at the appropriate level while maintaining to generate profit. Even though the price of copper is uncontrollable, policy on managing inventory and strategy of setting up the selling price would be the key factors to mitigate effect from fluctuation on the price of copper at some level. The sale period is averaged between 30-45 days which is consistent to the Company's policy what states that the products should be stored for not more than 30-45 days.

1.1.2 Risks from Dependency on Major Suppliers

In 2013-2015, the electrical wires representing around 67%, 58% and 58% of total purchase of finished goods were purchased from Phelps Dodge International (Thailand) Company Limited ("Phelps Dodge"), an affiliate of General Cable Corporation and a subsidiary of Phelps Dodge International Corporation. The head office is located in USA, with more than 25 sales offices worldwide. Phelps Dodge International (Thailand) Company Limited is one of world's biggest manufacturers of electrical wires and cables. As Phelps Dodge has no policy to make the long term contract with any sales agents, the Company is exposed for risk from dependency on such supplier. In the event that Phelps Dodge decides to sell its product directly to the customers and/or terminate the sale made with the Company; and/or fail to deliver the products as ordered by the Company; and/or increases the price of product without advance notice; and the Company cannot procure products from any alternative source

in order to meet customer's time frame, the event could adversely affect sales volume as well as reliability, business operations and following financial status of the Company.

However, it is predicted that such factor will not cause significant impact to the Company as the said supplier has no policy to engage in direct distribution of their products. In addition, the Company has maintained good relationship between the supplier through constant order of electrical wires since 1999 as well as good purchase and payment history. In domestic market, the Company is the biggest distributor of Phelps Dodge products. Another supporting factor is that there are a number of domestic manufacturers of electrical wires and importers of oversea products which can be counted as alternative source. Those domestic suppliers also agree to have the Company as their distributors. All in all, the Company believes that the impact from dependency on major manufacturers will not be significant.

1.1.3 Risks from competition and new players

As the trading business does not require specialized techniques or complex skills, new entrepreneurs can manage to enter easily into this business. For this reason, it is estimated that in the future, the Company might experience the risks from numerous of new competitors. Such risk may affect the operation and financial status of the Company.

However, to run business smoothly, there are also crucial factors required such as a good relationship with suppliers; variety of product ranges and large stock enabling flexibility and ability to support customers' requirements in a timely manner; punctual delivery; marketing strategy to extend the customer base; and working capital allowing to reserves large quantities of products. Taking into account the importance of management strategies implemented, the Company has diversified categories of products covering whole segment of electrical systems, including certain installation. The Company's sales scope covers all products related to electrical systems, which enables convenience to customers in purchasing and collecting products. Goods are stored in large 4 warehouses with location convenient for customers' and transportation. This allows the Company to have sufficient storage and distribution within scheduled time frame. Comparing entrepreneurs in the same business field, the Company has advantages over them in term of funds and quantity of products, which build reliability on quality of service to customers.

1.2 Service of design, procurement and installation of communication systems

1.2.1 Risks from inconsistent revenue derived from Projects

The Company's services of designing and installing of communication systems is to render activity in the form of short term projects, without covenanted of long term contract. Therefore, the incomes derived from such projects are inconsistent and considered as unstable income toward the future.

Nonetheless, the Company is independent from the owners of telecommunication or mobile networks operators but has good relationship and working experience with the mobile phone services operators and their major contractors. Being accounted as trustworthy and reliable firm from all mobile phone networks operators, the Company has orders from them regularly and consistently. Furthermore, with aim to generate additional income and to lower the risk of inconsistent revenue derived from design, procurement and installation of communication system, the Company plans to extend scope of products by allowing electrical materials and equipment such as electrical wires, lightings, materials and fire protection equipment, etc.

1.2.2 Risks from delay in project completion

The design, procurement and installation of fire protection systems and telecommunication systems is rendered under projects with duration between 3 months to one year. In some projects, the delay in project completion is subjected to indemnification. Late project completion may cause higher cost of production to the Company as well as exposure to the risk of being charged for such delays.

To prevent the risk of delay in project completion, the Company has imposed advanced plan by coordinating with related parties such as suppliers, sub-contractors, engineers from the customers; closely follow-up and monitor the product delivery and installation tasks, allocate proper labor force to handle quantity of work. Constant following up work procedures allows the Company to address the problems and execute quick solutions, deliver project and/or products within specified time frame. So far, the Company has no records of delays in project delivery or being subject to claims for damages of such delays.

1.2.3 Risks from dependency on engineers

To undertake, proceed and complete the project within scheduled time frame, the Company requires personnel with experience and competent skills, especially an engineer's whose duties covers design, work control and management until the completion. Engineer duties and work performance have direct impact to the cost of production, duration and customers' requirement. Therefore, losing the team of these engineers may affect

the availability to undertake work as well as capability of managing projects with awareness to importance of personnel which is considered as the core of business operations,

The Company emphasizes on improving the loyalty of its employees by setting proper salary rates and compensation rate, provision of welfare and incentive to maintain employees' dedication to the organization in a long term. In addition, the Company provides training courses and seminars to its employees on regular basis with aim to (1) develop technical knowledge and skills and to manage proper position (2) enhance competitiveness of the Company and to decentralize the management authority to reduce dependency on individual personnel. That's why the Company has major engineers with competent expertise and experience who have been working with the Company for more than 10 years, in design and installation of telecommunication systems. During the past 10 years, there is only one engineer resigned from the Company, from total of 36 engineers on board.

2. Financial Risks

2.1 Risks from debt collection

As of 31 December 2013-2015, the Company had trade and other receivables of 1,018 million baht, 1,321 million baht, and 1,325 million baht, respectively, representing approximately 49%, 51% and 39% of total assets. The account receivables before deduction of allowance of doubtful accounts totaled of 891million baht, 961million baht and 1,029 million baht in year 2013-2015 respectively, while other receivables totaled of 246 million baht, 423 million baht and 362 million baht respectively. Most of the account receivables are customers from trading business. Normally, customers from trading business are granted credit when purchasing, which means that the growth of sales volume or revenue derived is followed by growth of debt value from account receivables. Furthermore, majority of our customers are from private sectors which presently reached 3,200 nationwide. The Company is exposed to the risk of delays in payment and incompliance with credit terms or even the possibility to get doubtful accounts. Such risks might affect the liquidity, operations and financial status of the Company.

Taking into consideration the quality of account receivables, payment follow-up and debt recovery are crucial factors in business operation. To lower the risk, the Company has formulated policies concerning debts by consider the grant of credit to each customer based on credit rating from history of financial statements, financial analysis, stability and their business growth, as well as regular review on credit loan. Normally, the Company allows 30-90 days for payment; therefore, the debt collecting period is 116, 101 and 112 days between years

2013-2015 respectively. The meeting of the board of directors is held on regular basis to monitor and follow the procedure and result of debt collection. The Company sets allowance for doubtful accounts at 50% and 100% for the payment delay longer than 6 and 12 months respectively. Allowance of doubtful account is reserved at total amount of 99, 64 and 67 million baht at year end of 2013-2015. Therefore, the net account receivables stood at 772 million baht, 897 million baht and 963 million baht in the same period of years. The amount of account receivables at 963 million baht at year end of 2015 to 31 January 2015 has significantly decreased to 545 million baht.

Other account receivables after deduction on allowance of doubtful accounts in installation of fire prevention system accounted at 246 million baht, 424 million baht and 362 million baht at year end of 2013-2015 respectively. Other receivables from completed projects (but the invoices has not been cleared yet) are mostly from installation of telecommunication projects accounted at 228, 278 and 300 million baht during the same period in each year respectively. The account receivables from installation of telecommunication projects are main contractors of the mobile phone network operators, which has reputation and stable financial status, good payment records and in some cases, the service charge were paid in advance. Therefore, the Company is able to collect the debt smoothly without reserving allowance for doubtful accounts and/or bad debt incurred. The executives have estimated that there is minimal chance that the Company will not be able to collect debt from such project. The total value of completed projects, but the invoices have not been cleared as of 31 December 2015, with value of approximately 300 million Baht, the new site projects represented 57%. As of 31 January 2015, the total value of completed projects where payment haven't been collected yet, accounted at THB 302 million baht.

Moreover, the Company has the measures to protect a risk by purchasing the insurance policy to cover defaults on payment of account receivables at maximum amount of 3,500 million. In case of default on payment of the receivables, the insurance company is liable to indemnify to the Company at actual amount in total not exceeding 200 million baht. Such amount is sufficient to reduce the risk. Comparing to previous records where the bad debt and/or debt which need to reserve allowance of doubtful account were low, total amount accounted approximately 15 million baht, 15.11 million baht. The Company reviewed that the insurance will benefit and reduce risk from unviability to collect debts from customers, and will consider to buy such insurance in the future.

2.2 Risks from changes of interest rate

As of 31 December 2014 and 31 December 2015, most of the interest bearing debt of the Company consisted of overdraft loan and loan from the financial institutions in the total amount of 74 million baht and 101

million baht, respectively. The above interest bearing debt had been referred to the floating interest rate - THB FIX. Therefore, if such interest rate tends to increase, the Company would have more interest expense according to the higher interest rate.

The Company managed such risk by maintaining proportion of the floating interest bearing debt at the level consistent with nature of operating business. As the Company received several loan facilities from several financial institutions, the Company could choose to use the loan facilities with the term of payment suitable to the situation at particular time. Moreover, after listing the security of the Company in the Stock Exchange of Thailand, the Company has set its objective to use some funding from IPO as working capital, which would mitigate burden from interest expense of the Company in the future at some level.

2.3 Risks from working capital

In the normal business operation regarding distribution of electrical wires and equipment and services of installation of telecommunication system, the Company requires working capital for purchasing products and maintaining inventory for sales. This should represent variety and adequate quantity to meet the customers' demand. In regard to service of installation of telecommunication systems, the Company also requires working capital for purchasing, hiring and preparing tasks prior to receiving the payment from the customers according to the agreement. To manage cash flow, the Company utilized the short term loan from the financial institutions which are bank overdraft, promissory note, and factoring service as a working capital. The liquidity ratio was approximately 1.58 and 1.57 in 2014 and 2015 respectively. The quick ratio was approximately 1.31 and 1.28 respectively in the same period.

3. Other Risks

-None-

Information of securities and shareholders

Company registered capital and Paid-up capital

At 6 January 2016, the Company has registered capital of THB 587,995,174.50, divided into 1,175,990,349 ordinary shares, at the par value of THB 0.50 per share. Paid-up capital value of THB 554,701,641.50, divided into 1,109,403,283 ordinary shares, at the par value of THB 0.50 per share.

The major shareholders

The list of major shareholders as of 2 February 2016 is as follows:

	Name - Surname			Number of Shares	%
<u>1. Kangsawiwat</u>					
	Mr.	Sompong	Kangsawiwat	208,148,836.00	18.76
	Mr.	Montri	Kangsawiwat	28,057,113.00	2.53
	Mr.	Sukij	Kangsawiwat	98.00	0.00
	Mrs.	Wandee	Kangsawiwat	78.00	0.00
Total of Kangsawiwat				236,206,125.00	21.29
2	Mr.	Opas	Tiyawannaroj	60,319,711.00	5.44
<u>3. Mekmanee</u>					
	Mr.	Kittirat	Mekmanee	39,663,865.00	3.58
	Mrs.	Oranee	Mekmanee	10,400,000.00	0.94
Total of Mekmanee				50,063,865.00	4.51
4	Mr.	Preecha	Aroonyingmongkol	36,423,940.00	3.28
5	Thai NVDR			36,075,444.00	3.25
6	Mr.	Sakol	Sanhachavee	29,747,728.00	2.68
<u>7. Sawatwannarat</u>					
	Mrs.	Kesorn	Sawatwannarat	22,313,466.00	2.01
	Ms.	Panida	Sawatwannarat	3,341,688.00	0.30
Total of Sawatwannarat				25,655,154.00	2.31
8	Mrs.	Pacharapan	Aroonyingmongkol	19,076,880.00	1.72
9	Mr.	Krieng	Sri-asdaporn	16,750,000.00	1.51
10	Mr.	Santad	Jindasa-nguan	15,980,331.00	1.44
Total of Top Ten				526,299,178.00	47.44
Other shareholders				583,104,105.00	52.56
Total				1,109,403,283.00	100.00

Restrictions of foreign Shareholders.

The foreigners can share ownership of the company not more than 49 percent of the total issued and paid-up shares, as of February 2 2016, has foreign holding of 1.01 percent of the total shares.

Issuance of others assets

-None-

Dividend Policy

The Company's dividend policy is to pay dividends at a rate of no less than 40 percent of its net profit, after deduction of corporate income tax in consolidated financial statement and all reserves as required by law, and retained funds as required by the Company. However, the dividend payment shall confirm the Company's financial status, business operation, investment plans, including necessities and other future considerations as deemed appropriate by the Board of Directors and/or shareholders.

The dividend policy of C.S.S. Energy Co., Ltd. and Neon Worx Communication (Thailand) Co.,Ltd are to pay dividends at a rate of no less than 40 percent of its net profit, after deduction of corporate income tax in consolidated financial statement of the subsidiary and all reserves as required by law, and retained funds as required by the subsidiary. However, the dividend payment shall confirm the Company's financial status, business operation, investment plans, including necessities and other future considerations as deemed appropriate by the Board of Directors and/or shareholders of the subsidiary.

However, during year 2012-2014, the dividend payment of the Company is performed as following:

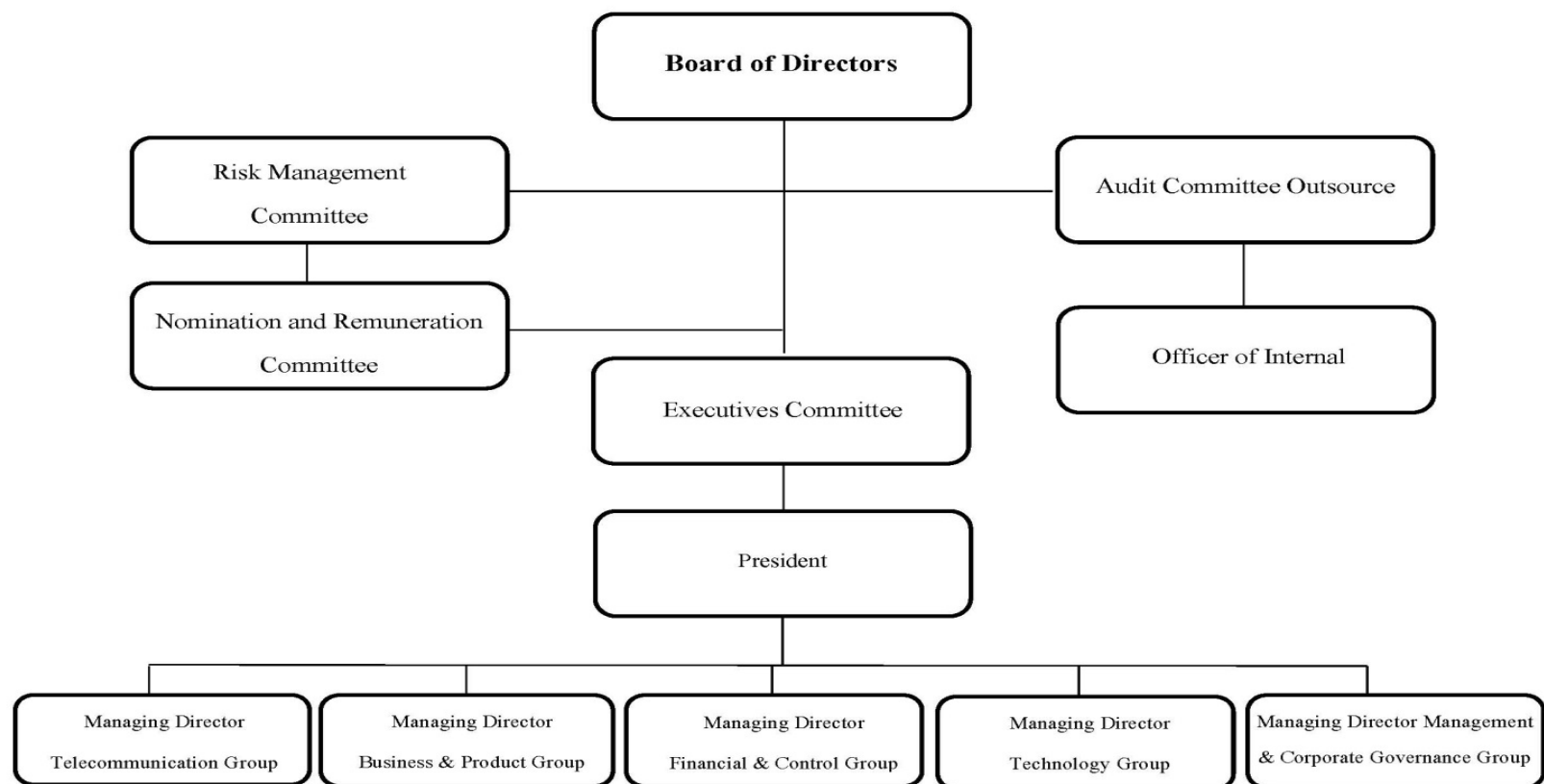
Year	Consolidated financial statements		
	2013	2014	2015
Earnings before pershare (THB)	0.19	0.25	0.21
Dividend per share (THB)	0.14	0.1712	0.20*
Dividend payment rate per net profit (%)	93%	65%	101%*

Remark; In 2015, the Company pay the interim dividend of performance in the first 6 months of the year 2015 of Baht 0.10 per share in cash and the Board of Directors Meeting No.1/2016 Approving to propose the Shareholder's Meeting to approve the dividend payment for last 6 months the year 2015 for all 0.20 Baht per share. However, the dividend payment has to approve by the AGM 2016 on 8 April 2016.

Management Structure



Communication & System Solution PCL.



Remark : * The internal Audit Unit works directly to the Audit Committee, liaise with the firm performing which the Company hires to perform on internal Audit Unit reports its auditing work and give advice to the President Directly

As of 31 December 2015, the management structure of the Company consists of the Board of Directors and the Executives. The Board of Directors consists of Independent Directors, executive and non-executive Directors. 1/3 of the members are Independent Directors.

The Board of Directors determines to have 3 sets of committee with the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee. And determine that the Chairman of the Board of Directors, Audit Committee and Nomination and Remuneration Committee are Independent Committee.

Structure of Directors and composition of the Board of Director

The Board of Directors provides the appropriate size businesses. The current Board has 10 directors consisting of 5 executives' directors and 5 non-executives directors (4 are Independent Directors).

The Independent Directors are as follow;

1. Pol.Maj.Gen. Supisal Bhakdinarinath (Ph.D)
2. Assoc.Prof.Pitipat Chataccaraphat (Ph.D)
3. Mr. Chattaphum Khantiviriya
4. Assoc.Prof.Prapart Praisuwanna

Independent Directors

The present Board of Directors consists of 4 Independent Directors, which is more than one third of all Directors. The Company realizes the importance of good corporate governance which defined the Chairman of the Board must not be the same person as the President in view of clear-cut responsibilities and duties. The Board of Directors gives consent of the definition and qualifications of Independent Directors, the regulations of which are more stringent than those of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), as follows:

1. Hold no more than 1% of the overall shares in the Company, subsidiaries, associated companies, or person(s) with potential conflicting interests.
2. Take no part in the Director administration, including not being an employee, personnel, permanent advisor, professional advisor to the Company such as an auditor, lawyer or authorized person of the Company or subsidiaries, or Associated companies, or person(s) with potential conflicting interests and with no invested interest for no less than two years and can attend the Directors' meetings with independent opinions.
3. Have no business connection, no vested interest, whether directly or indirectly, financially or administratively, including not being a client, partner, supplier, trade or creditor/debtor of the Company,

subsidiaries, associated companies, or person(s) with potential conflicts of interest and thus lacking independence.

4. Have no or never had business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which causes liability or obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3% of the net tangible assets of the applicant or equal or above 20 million baht, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction *mutatis mutandis*. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.

5. Is not or has never been the auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of applicant, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

7. Is not the director who is nominated to be the representative of directors of the applicant, major shareholders, or any other shareholder related to the major shareholders.
8. Do not operate the same and competitive business with the business of the applicant, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the applicant, or its subsidiaries.
9. Is not any otherwise which is unable to have the independent opinion regarding the business operation of the applicant.

Board of Directors

According to the Company's regulations, the Board of Directors consists of five and at least half of the directors must reside in the Kingdom without sex discrimination. The Directors must carry out their duties under the laws, objectives and regulations of the Company, as well as the resolutions of shareholders' meetings, safeguarding the Company's benefit and assign Company Executives to work on their behalf.

The Board of Directors consists of :

- | | | |
|-----|---|--|
| 1. | Pol.Maj.Gen.Supisal Bhakdinarinath (Ph.D) | Chairman of the Board of Directors /
Independent Director |
| 2. | Assoc.Prof.Pitipat Chataccaraphat (Ph.D) | Independent Director |
| 3. | Mr. Chattaphum Khantiviriya | Independent Director |
| 4. | Assoc.Prof.Prapart Praisuwan | Independent Director |
| 5. | Mr. Sompong Kangsawiat | President |
| 6. | Mr. Opas Tiawattanoj | Director |
| 7. | Mr. Kittirat Mekmanee | Director |
| 8. | Miss Panida Sawatwannarat | Director |
| 9. | Miss Nongnuch Temeesrisuk | Director |
| 10. | Mr. Wungson Panudulkitti | Director |

Remarks: Assoc.Prof.Pitipat Chataccaraphat (Ph.D), Mr. Opas Tiawattanoj's, Ms. Panida Sawatwannarat's and Mr.Wungson Panudulkitti's term of office were expired in years 2016. However, the appointment for replacement will be considered in the Annual General Meeting of Shareholders of year 2016.

Authorized Directors to sign behalf and bind the Company as stated in the Company's certificate

The directors authorised to sign their names binding the Company are Mr. Sompong Kangsawiwat, Mr. Opas Tiawattanaoj, Mr. Kittirat Mekmanee, Miss Panida Sawatwannarat and Miss Nongnuch Temeesrisuk, two out of five directors jointly sign their names affixed with the Company's seal.

Scope of duties and responsibilities of the Board of Directors

1. To hold annual general meeting of shareholders within 4 months from the end of fiscal year.
2. To hold the Board of Directors' meeting at least every 3 month, with attendance of all directors. Extra meeting may be held in case of necessity.
3. To provide annual report, to be responsible for execution and disclosure of financial statement audited by the auditors in order to reveal the financial status and operation result of the previous year, as well as to propose to the shareholders' meeting for consideration and approval.
4. To authorize and be responsible for compliance with laws, objectives and the Company's regulations, including resolution of the shareholders' meeting with honesty, while maintaining the benefit of the Company and the shareholders on regular basis.
5. To determine target, approach, policy, operation and budget plan of the Company, to efficiently and effectively control and manage the operation of the Executive Committee to be in compliance with the assigned policy in order to add maximum economic value to the Company as well as highest benefit to the shareholders.
6. To have a power of appointment or supervise the committee or operative group to consider or execute in a particular matter as considered appropriated by the Board of Directors.
7. To have the power to audit and approve on policy, approach and operation plan for large investment project as proposed by the Committee and/or the management
8. To control and oversee the compliance to securities and stock exchange law, including regulations of the Stock Exchange such as execution of connected transaction and acquisition or disposal of significant assets under criteria of the Securities and Stock Exchange Commission or the Stock Exchange of Thailand or applicable laws related to the business of the Company.
9. To be responsible for shareholders and to operate business based on the highest benefit of the shareholders, including disclosure information to the investors with accuracy, adequacy, standards and transparency.

-
10. To consider the management structure, pursue work procedures to be consistent with operation and budget plan on regular basis, monitor business operation and work performance of the committee and/or the management on regular basis to ensure the effective business operation of the Company.
 11. Must not operate any business or become a partner in ordinary partnerships or become a partner with unlimited liability in limited partnerships or become a director of other private company which have the same nature as and are in competition with the business of the Company regardless of for their own benefit or the others' unless the notification is made to shareholders meeting prior to the resolution for such appointment.
 12. A director shall notify the Company without delay of direct or indirect interest in a contract entered into with the Company or holds shares or debentures in an increased or decreased amount of the Company or an affiliate company.
 13. Responsible for shareholders and to operate business with focus on the highest benefit of the shareholders, including disclosing the information to the investors with accuracy, adequacy, standards and transparency.
 14. To supervise and set up an internal audit system to enable effective internal control system, reliable risk management and reliable financial report. The Internal Audit Unit is assigned to monitor and jointly work and liaise with the Audit Committee as well as external auditor in reviewing the internal control system.
 15. To have power to consider and approve any matters necessary and related to the Company or considered as appropriate and beneficial to the Company.
 16. The following matters can be executed by the Board of Directors only upon approval from the shareholders' meeting:
 - a) Any matters as stipulated by law that requires resolutions from the shareholders' meeting and
 - b) Any matters where the directors' interest involved and under the law or notifications from the Securities and Stock Exchange Commission and the Stock Exchange of Thailand which stipulated to require approval from the shareholders' meeting.
 17. The decision of the Board of Directors must receive approval from the shareholders' meeting with the votes of not less than three-fourths (3/4) of the shareholders attending the meeting and having the right to vote.
 - a) Disposal or transfer as a whole or important part to other person
 - b) Acquisition or receive business of other companies under ownership of the Company

- c) Conveyance, amendment or termination of agreements concerning all leasing business of the Company, as a whole or important parts, delegation other person to operate the Company's business, or merging with other juristic person with intention to share the profit margin
 - d) Amend the memorandum of association or articles of association of the Company
 - e) Increase, reduction or issuance of debenture stock of the Company
 - f) Amalgamation or dissolution
 - g) Any other matters set forth under the securities and stock exchange law and/or notification from the Stock Exchange of Thailand that requires approval from the Board of Directors' meeting and the shareholders' meeting with the vote aforesaid.
18. Report on one's own portfolio of securities, as well as those of their spouses and children not yet of legal age in the Company and subsidiaries to the monthly Board of Directors meeting and must report to the Company without delay
19. Each Director cannot hold a Director position in a listed company in SET and subsidiary company more than five companies.

However, any matters where the directors and/or related person have interest or conflict of interest with the Company and/or its subsidiaries (if any), the said directors has not right to vote on such matter.

The appointment and retirement of the Board of Directors

1. At each annual general meeting of shareholders, 1/3 of the directors, or if the number is not a multiple of 3, then the number nearest to 1/3, must retire from office. The directors who have been the longest in office shall retire first. The retiring directors may be re-elected.
2. Prior to annual general meeting of shareholder, the company will give an opportunity to any stakeholders to submit candidates, then the Nomination and Remuneration Committee will select and nominate qualified persons to be directors to the Board of Directors before seeking approval from the shareholders' meeting.
3. The shareholders' meeting shall appoint the Directors upon the rules and procedures below
 - 3.1 Each shareholder shall have one vote per share.
 - 3.2 Each shareholder may cast all his/her vote(s) according to electing one or several candidates as directors, and can allot the votes to any person at any number.

3.3 The candidates receiving the highest number of votes in the respective order of the votes shall be elected as directors at such time. In the event that a number of candidates receiving an equal number of votes for the last directorship exceed the number of directors required, Chairman of the meeting shall have a casting vote.

4. Apart from retirement by rotation, the Directors shall vacate the office upon:

1. Death;
2. Resignation;
3. Lack of qualification or possession of prohibited characteristics as written in section 68 Public Limited Companies Act B.E. 2535;
4. Removal by resolutions of the Shareholders' meeting as written in section 76 Public Limited Companies Act B.E. 2535;
5. Dismissal by a court order.

5. In the case of any vacancy on the Board of Directors not by purpose of retirement by rotation, the Nomination and Remuneration Committee shall elect a person who is qualified and does not possess any prohibited characterize as provided by the Public Limited Companies Act and the Securities and Exchange Act, to become member of the subsequent Board of Directors' meeting. Unless the remaining term of the directorship is less than 2 months, the replacement shall retain his/her office as same as the period for which the former director was entitled to retain. The resolution of the Board of Directors in respect of the first paragraph shall consist of not less than three-fourth votes of the remaining directors.

The Term of Office of Directors

Since year 2013, the Board of Directors has stipulated that members should not have a term of office exceed 3 consecutive terms. Unless any director who is qualified to hold the position longer, the Board shall consider the independence and efficiency of the duties of the Director and report a reason to shareholders.

Board of Directors' meeting

The Board of Directors announced the Board Meeting's schedule in advance for 1 entire year to the directors and the relevant parties requiring that arranged every quarter, with a special session meeting involved with company's benefit allowed to be convened as deemed necessary. The Company Secretary shall submits an invitation letter complete with the meeting agenda and accompanied by related documents to all board members at least 7 days ahead of the meeting date to allow the board members sufficient time to consider the issues whereas all board members are entitled to propose agenda items independently through the company secretary or shareholders.

In each meeting, the Chairman and Board of Directors will be person who stipulate and consider agenda topic that allows each director to express his/her opinions freely and efficiently. In case of a Director having a stake in a matter being considered, the Director shall inform the meeting of such stake and shall not participate in discussing the matter and not exercise the voting right on the matter. In the event that the votes are equal, Chairman of the meeting shall have an additional casting vote for.

In addition, the minute report will be written completely after the meeting, information approved and stored so that it could be examined by authorized person.

At least 3/4 of the total number of directors shall be presented to form a quorum at the same time of the Board passing a resolution. The Board of Directors should attend the board meeting consistently, with an average participation of at least 75% of total number of board meetings held in each year. (In 2015, a total of seven times meeting, attendance should not be less than six times)

In 2015, the Board of Director held 7 meeting, classified into 4 regular term meeting and a special session for 3 meeting regarding to performance result. In 2015, the Board of Directors has reviewed company's vision and mission to align with current business operations (company's vision and mission is reviewed every five years)

The details are as follows:

	Name		Position	Attendance				Remark
				Normal Term	Extra Term	Total	Meeting of Shareholders	
1	Pol.Maj.Gen.Supisarn	Bhakdinarinath (Ph.D)	Chairman and Independent Director	4/4	3/3	7/7	1/2	
2	Assoc.Prof.Pitipat	Chataccaraphat (Ph.D)	Independent Director	4/4	3/3	7/7	2/2	
3	Mr.Chattaphum	Khantiviriya	Independent Director	4/4	3/3	7/7	2/2	
4	Assoc.Prof.Prapart	Praisuwanna	Independent Director	4/4	2/3	6/7	2/2	
5	Mr.Sompong	Kangsawiwat	Presidebt	4/4	3/3	7/7	2/2	
6	Mr.Opas	Tiyawattanaroj	Director	4/4	2/3	6/7	2/2	
7	Mr.Kittirat	Mekmanee	Director	4/4	3/3	7/7	2/2	
8	Mr.Wungson	Panudulkitti	Director	2/4	1/3	4/7	2/2	Since 23 Feb. 2015
9	Ms.Panida	Sawatwannarat	Director	4/4	3/3	7/7	2/2	
10	Ms.Nongnuch	Temeesrisuk	Director	4/4	3/3	7/7	2/2	

The Audit Committee

The present Audit Committee consists of three Directors and they are specialist in accounting and finance or audit. Their meetings are to be convened at least once per quarter. The names of the Audit Committee are:

Name			Position
1	Assoc.Prof.Dr.Pitipat	Chataccaraphat	Chairman of Audit Committee and Independent Director
2	Mr. Chattaphum	Khantiviriya	Member of Audit Committee and Independent Director
3	Assoc.Prof.Prapart	Praisuwanna	Member of Audit Committee and Independent Director

Miss Panida Sawatwannarat is a secretary of the Audit Committee

Scope of Authority and Responsibilities of the Audit Committee

1. To verify the accuracy and adequacy of the Company's financial statement.
2. To verify the Company's Internal Control and Internal Audit systems are appropriate and effective, evaluate the independence of the Company's Internal Audit Unit, and approve the appointment, transfer and dismissal of the head of the Internal Audit Unit or any other unit that has responsibilities related to the internal audit.
3. To verify that the Company acts in compliance with the Securities and Exchange Act, regulations of the Stock Exchange and laws related to the Company's business.
4. To consider, select and propose the appointment of independent persons to act as auditors of the Company and their appropriate remuneration. They must also attend meetings with the auditors, without anyone from the management present, not less than 1 time per year.
5. To consider matters that is connected or may involve conflicts of interest, to ensure compliance with the law and regulations of the Stock Exchange and to have confidence that those matters are handled discreetly and in the best interests of the Company.
6. To produce the Audit Committee report for publication in the Company's annual report, to be signed by the Chairman of the Audit Committee and containing at least the following information:
 - a. Comments on the accuracy, completeness and reliability of the Company's financial report.
 - b. Comments on the adequacy of the Company's internal control system
 - c. Comments regarding the legality of practices in regard to the Securities and Exchange Act, regulations of the Stock Exchange or other laws relating to the Company's business.
 - d. Comments regarding the suitability of the internal auditor.
 - e. Comments matters where there is a possible conflict of interest.
 - f. The number of Audit Committee meetings and attendance of each committee member.
 - g. Comments or overall observations that the Audit Committee have received while carrying out duties in accordance with their charter
 - h. Other matters that should be reported to the shareholders or investors, within the scope of the duties and accountability received from the Board of Directors.
7. Other responsibilities assigned by the Board of Directors and accepted by the Audit Committee.
8. If, during the course of the aforementioned duties, the audit committee find or suspect any of the following matters or actions, which may have significant effects on the Company's financial stability or

business operations, they should report to the Board of Directors so that the matter may be rectified within a time period that the audit committee sees fit.

- a. Conflicts of interest.
- b. Dishonesty, irregularities or flaws in the internal control system.
- c. Violations of the Securities and Exchange Act, the regulations of the Stock Exchange or other laws relating to the Company's business. Should the Board of Directors or Company executives not rectify problems within the specified time period, one of the Audit Committee may report the matter to the Office of the Securities and Exchange Commission or the Stock Exchange.

Nomination, Remuneration and Corporate Governance Committee

The Board of Directors appoints the Nomination and Remuneration Committee to nominate and define criteria for transparent and fair remuneration to Directors and the senior executives in compliance. The Nomination and Remuneration Committee hold at least one (1) meeting a year. The Board of Directors Meetings' held on 29 December 2015 approved the appointment the Corporate Governance Committee by using the same set of the Nomination and Remuneration Committee and changed the name to "Nomination, Remuneration and Corporate Governance Committee" The names of Nomination, Remuneration and Corporate Governance Committee are:

Name		Position
1	Assoc.Prof.Dr.Pitipat Chataccaraphat	Chairman of Nomination, Remuneration and Corporate Governance Committee and Independent Director
2	Mr. Chattaphum Khantiviriya	Member of Nomination, Remuneration and Corporate Governance Committee and Independent Director
3	Miss Panida Sawatwannarat	Member of Nomination, Remuneration and Corporate Governance Committee and Director

Scope of Authority and Responsibilities of the Nomination, Remuneration Committee

1. Nominate appropriately qualified persons to serve on the Company's Board of Directors and committees (if any), including the achievements, qualifications of outgoing directors and their suitability for re-election, for the consideration of the Board of Directors and the AGM for approval of the appointment as a Director and/or committee member (if necessary).
2. To advise the Board of Directors on approving the structure of compensation for the Board and committees (if any), including monthly remuneration, incentives, bonuses, welfare, meeting allowances and other benefits, financial and otherwise, for approval of the Directors annual compensation by the AGM.

3. To consider, search for and specify appropriate qualifications and also set the compensation structure and terms of the employment agreement for the Company's Chief Executive Officer.
4. To advise the Board of Directors and oversee matters regarding the Company's vision and human resources strategy, including an executive development plan.
5. To undertake other duties related to the nomination and remuneration of directors, committee members (if any) and the Chief Executive Officer as assigned by the Board of Directors.

Scope of Authority and Responsibilities of the Corporate Governance Committee

1. To consider, review, and present the following policies for the Board of Directors' approval. Such policies are Corporate Governance Policy, Code of Conduct, Corporate Social and Environmental Responsibility Policy, Sustainable Development Policy, and any practice for supporting the Company' operation in compliance with corporate governance, transparency, fairness, and sustainable growth.
2. To monitor, review and ensure that systems in the organization comply with code of conduct and best practices as defined.
3. To oversee and operate with the good corporate governance of law and regulations of the Securities and Stock Exchange Commission and the Stock Exchange of Thailand.
4. To monitor and report the organization's performance as said in Corporate Governance Policy and relevant policies to the Board of Directors and external organizations as appropriate.

Policy on Director Nomination

In its nomination of directors, the Company values those that are knowledgeable, competent, and experienced, and command a sound career background, leadership, extraordinary vision, morality, ethics, and attitudes beneficial to the Company. They must be able to devote adequate time to their duties to benefit the Company's business.

Policy on Director Remuneration

To provide remuneration for Directors, the Company will take into consideration the appropriateness of duties and responsibilities as assigned and compared with listed companies on SET with a similar industry.

Risk Management Committee

The Risk Management Committee is responsible for the appropriate management of the Company as assigned by the Board of Directors in written form. The Committee has four members, at least one of whom must be an independent director as follows:

Name			Position
1	Mr. Sompong	Kangsawiwat	Chairman of Risk Management Committee
2	Mr. Opas	Tiyawattanaroj	Member of Risk Management Committee
3	Mr. Kittirat	Mekmanee	Member of Risk Management Committee
4	Miss Panida	Sawatwannarat	Member of Risk Management Committee
5	Mr. Chattaphum	Khantiviriya	Member of Risk Management Committee and Independent Director

Scope of Authority and Responsibilities of the Risk Management Committee

1. To set and present risk management policies for approval by the Board of Directors in areas such as liquidity risk, operational risk, marketing risk and other areas of significance for the Company.
2. To set strategies, plans and framework for risk management consistent with the policies, and analyzing, evaluating, testing and effective oversight of risk management procedures.
3. To study and revise the Company's working procedures in areas related to risk management to ensure that organizational risk management is adequate and appropriate.
4. To appoint persons and/or units and/or working groups and that are involve with risk management as appropriate and specifying their duties in accordance with the objectives.
5. To oversee, monitor and evaluate the work to ensure the appropriate use of risk management strategies in practice and for the revision and development of an efficient risk management system consistent with the Company's business operations, including assessment of potential risks that will affect operations from both external and internal factors.
6. To undertake any other duties related to risk management as assigned by the Board of Directors.

Executives Committee

The Executives Committee of the Company consisted of 5 persons as follows:

Name			Position
1	Mr. Sompong	Kangsawiwat	Chief Executives Officer
2	Mr. Opas	Tiyawattanaroj	Executives Committee
3	Mr. Kittirat	Mekmanee	Executives Committee
4	Miss Panida	Sawatwannarat	Executives Committee
5	Miss Nongnuch	Temeesrisuk	Executives Committee

Scope of Authority and Responsibilities of the Executives Committee

1. The Executive Committee has authority over management and corporate operations as specified by the Board of Directors or by approval of the Board in particular instances.
2. The Executive Committee has authority over the administration of the Company in accordance with the policies and plans that have been set.
3. The Executive Committee has authority as granted by the Board of Directors.
4. The following business must first be submitted for approval by the Executive Committee:
 - 4.1 matters related to Company policy;
 - 4.2 matters that if implemented would cause significant changes to the Company's activities;
 - 4.3 matters that by law have to be performed by the Board of Directors;
 - 4.4 matters that have to be performed according to Company rules;
 - 4.5 matters that the Executive Committee sees fit to submit for approval on a case-by-case basis or following the principles set out by the Board of Directors.
5. The Executive Committee has the authority and duty to carry out specified activities for the administration of the Company's success and to meet Company targets, which include:
 - 5.1 To produce and verify strategic objectives, financial plans and important Company policy, and presentation for Board of Director's approval.
 - 5.2 Scrutiny of the annual business plan, the investment budget, targets and new initiatives that important for target achievement, and presentation for Board of Director's approval.
 - 5.3 Scrutiny of projects that require capital expenditure beyond the amount allocated by the Board of Directors, and presentation for Board of Director's approval.
 - 5.4 Consideration and approval of various matters within their designated authority or as granted by the Board of Directors.
 - 5.5 Review of the authority to act in matters as specified in the table of authority, and presentation for Board of Director's approval;
 - 5.6 Management and balancing of short-term and long-term objectives;
 - 5.7 Development and oversight of human resources in line with human resources strategy approved by the Nomination and Remuneration Committee;
 - 5.8 Following up and reporting to the Board of Directors on Company operations and progress on meeting the Company's objectives;

6. Consideration of annual budget allocation for presentation to the Board of Directors for consideration and approval, approving changes and additions to the annual budget without a Board of Directors meeting in urgent circumstances, and presenting these actions at the next Board meeting;
7. Authorizing the purchase of raw materials, goods or services for the purpose of making sales or providing services to customers at an amount of no more than 300 million baht per purchase
8. Authorization of investment in fixed assets such as land, buildings or structures at an amount of no more than 100 million baht per purchase;
9. Authorization of important investment expenditure that was included in the annual budget for which authority was delegated by the Board of Directors or that has already been approved in principle by the Board;
10. Allocation of incentives and rewards that have already been authorized by the Board of Directors for staff and employees of the Company or other individuals who have done work for the Company;
11. Appointing or assigning a particular individual or group to act in a particular instance in place of the Executive Committee as is seen fit and the Executive Committee may cancel, withdraw, change or revise this authority.

Authorization by the Executive Committee will not include approval of any matter in which the committee or any individual has a conflict of interest of any form with the Company or a subsidiary (if any), including reports that require approval from the shareholders and the acquisition or sale of any significant property belonging to the Company and/or a subsidiary, in accordance with the regulations of the Office of the Securities and Exchange Commission or the Stock Exchange, or other laws relating to the Company's business.

Attendance of Directors at Committees Meeting

Name			Attendance			Remark
			Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Executives Committee	
1	Pol.Maj.Gen.Supisarn	Bhakdinarinath (Ph.D)	-	-	-	
2	Assoc.Prof.Pitipat	Chataccaraphat (Ph.D)	4/4	1/1	-	
3	Mr.Chattaphum	Khantiviriya	4/4	1/1	-	
4	Assoc.Prof.Prapart	Praisuwanna	4/4	-	-	
5	Mr.Sompong	Kangsawiwat	-	-	12/12	
6	Mr.Opas	Tiyawattanaroj	-	-	12/12	
7	Mr.Kittirat	Mekmanee	-	-	12/12	
8	Mr.Wungson	Panudulkitti	-	-	-	
9	Ms.Panida	Sawatwannarat	-	1/1	12/12	
10	Ms.Nongnuch	Temeesrisuk	-	-	9127	

Performance Assessment of Directors

The company has set an approach to measure and assess the performance of the Board of Directors complied with good corporate governance principles, starting with Board's evaluation system annually. By stipulating procedure and assessment topic compliance with the Stock Exchange will help the Board to review performances, issues and obstacles during the past year to increase the effectiveness of corporate governance.

The Company Secretary will distribute evaluation form to each member of Board to evaluate annual performance in term of group, and then all documents will be collected to Company Secretary in order for summarizing annual performance result and report to Board for acknowledgment.

Performance Assessment of Chief Executive Officer

The company has developed an organization's measurement and evaluation system concerning on global management to measure performance in term of balanced scorecard that comprised of 4 aspects; financial, customer, internal management, learning and development, also adjusted company objective, orientation to meet sustainability driven by financial aspect leading to money efficiency in order for enhancing learning process to improve better internal management resulting to the highest satisfaction of various stakeholders.

Human Resource department shall submit evaluation form through Chief Executive Officer and management level to appraise annually. Once completed, human resource department shall collect and show the

result in aspect of individual and overall organization management together with report to Board for acknowledgment.

New Director Orientation

The Board of Directors recognizes the importance of new director orientation by assigning all incoming directors to attend and Executive team will provide themselves with information relevant to the directors' duties such as Directors Guidelines, Corporate Governance, Capital Structure, relevant rules and regulations, and other information pertaining to the Company's business in order to enhance the new directors' knowledge and understanding of the company's operations in all respects.

The Board of Directors who has been trained various courses as follows:

Thailand Institute of Directors

- Director Certification Program (DCP 209/2015) Pol.Maj.Gen.Supisarn Bhakdinarinath (Ph.D)
- Financial Statement for Directors (FSD) batch 27/2015 Pol.Maj.Gen.Supisarn Bhakdinarinath (Ph.D)

Capital Market Academy

- Senior Executive Program (SEP), batch 20, Mr.Sompong Kangsawiwat
- Senior Executive Program (SEP), batch 21, Pol.Maj.Gen.Supisarn Bhakdinarinath (Ph.D)

The Board of Directors who has been trained about the the action of directors program such as Corporate Governanue for Executives, Role of the Chairman Program (RCP), Director Accreditation Program (DAP) and Director Certification Program (DCP) summerrized as follow;

	Name	Positions	Corporate Governanue for Executives	Role of the Chairman Program (RCP)	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Remark
1	Pol.Maj.Gen.Supisarn Bhakdinarinath	Chairman and Independent Director	2014	2014	2015	-	
2	Assoc.Prof.Dr.Pitipat Chataccaraphat	Independent Director	-	-	-	2005	
3	Mr. Chattaphum Khantiviriya	Independent Director	-	-	-	2008	
4	Assoc.Prof.Prapart Praisuwanna	Independent Director	-	-	-	2009	
5	Mr. Sompong Kangsawiwat	President	-	2012	2006	2011	
6	Mr. Opas Tiyawattanaroj	Director	-	-	2006	-	
7	Mr. Kittirat Mekmanee	Director	-	-	2011	-	
8	Mr. Wungson Panudulkitti	Director	-	-	2011		
9	Miss Panida Sawatwannarat	Director	-	-	2005	2005	
10	Miss Nongnuch Temeesrisuk	Director	-	-	2005	2005	

Report on Securities Holding of Directors, Executives, Director's spouse or minor child of Directors and Executives

Board of Directors has determined that directors and executives have a duty to report holdings of its own securities and related since the election as the directors and executives of the company. Each time there is a change in the holding of such securities. Must Reports to the company and the Securities and Exchange Commission of Thailand (SEC) Within 3 business days for report of a Director's Executive spouse, child immature of directors and management as at 31 December 2015. Thus

Ordinary Share

Name	Number of Shares		Increase (Decrease)
	at 31 December 2014	at 31 December 2015	

The Board of Directors

1	Pol.Maj.Gen.Supisam Bhakdinarinath	-	-	
2	Assoc.Prof.Dr.Pitipat Chataccaraphat	-	-	
3	Mr. Chattaphum Khantiviriya	-	-	
4	Assoc.Prof.Prapart Praisuwanna	-	-	
5	Mr. Sompong Kangsawiwat	153,654,188	205,985,025	52,330,837
6	Mr. Opas Tiyawattanaroj	40,091,712	60,319,711	20,227,999
7	Mr. Kittirat Mekmanee	40,314,888	39,663,865	(651,023)
8	Miss Panida Sawatwannarat	2,784,740	3,341,688	556,948
9	Miss Nongnuch Temeesrisuk	1,252,440	1,502,928	250,488
10	Mr. Wungson Panudulkitti	-	-	-

Executives

1	Mr. Sompong Kangsawiwat	153,654,188	205,985,025	52,330,837
2	Mr. Opas Tiyawattanaroj	40,091,712	60,319,711	20,227,999
3	Mr. Kittirat Mekmanee	40,314,888	39,663,865	(651,023)
4	Miss Panida Sawatwannarat	2,784,740	3,341,688	556,948
5	Miss Nongnuch Temeesrisuk	1,252,440	1,502,928	250,488
6	Mr. Narachet Chatratitiphan	-	-	-

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Name		Number of Warrants at 31 December 2014	Number of Warrants at 31 December 2015	Increase (Decrease)
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The Board of Directors

1	Pol.Maj.Gen.Supisarn Bhakdinarinath	-	-	
2	Assoc.Prof.Dr.Pitipat Chataccaraphat	-	-	
3	Mr. Chattaphum Khantiviriya	-	-	
4	Assoc.Prof.Prapart Praisuwanna	-	-	
5	Mr. Sompong Kangsawiwat	61,301,675	11,801,675	(49,500,000)
6	Mr. Opas Tiyawattanaroj	14,500,684	-	(14,500,684)
7	Mr. Kittirat Mekmanee	16,125,955	11,985,755	(4,140,200)
8	Miss Panida Sawatwannarat	-	-	-
9	Miss Nongnuch Temeesrisuk	-	-	-
10	Mr. Wungson Panudulkitti	-	-	-

Executives

1	Mr. Sompong Kangsawiwat	61,301,675	11,801,675	(49,500,000)
2	Mr. Opas Tiyawattanaroj	14,500,684	-	(14,500,684)
3	Mr. Kittirat Mekmanee	16,125,955	11,985,755	(4,140,200)
4	Miss Panida Sawatwannarat	-	-	-
5	Miss Nongnuch Temeesrisuk	-	-	-
6	Mr. Narachet Chattratitiphan	-	-	-

Corporate Secretary

The Board of Directors approved Ms.Nongnuch Temeesrisuk as a Corporate Secretary since 15 February 2013. The Profile is as follow;

Miss Nongnuch Temeesrisuk

- Director, Managing Director Management & Corporate Governance Group and Corporate Secretary
- Age 51 years old

- Educations / Training

- Bachelor of Accounting of Ramkhamhaeng University
- Director Accreditation Program Class 37/2005, IOD
- Director Certification Program Class 60/2005, IOD
- Company Secretary Program Class 27/2008

- Experiences

Communication & System Solution PCL.

- | | | | |
|---|------------|---|--|
| ■ | 2013 - Now | : | Managing Director Management & Corporate Governance Group, Corporate Secretary |
| ■ | 2011 - Now | : | Executive Director |
| ■ | 2005 - Now | : | Director |

Other

- | | | | |
|---|------------|---|--|
| ■ | 2015 – Now | : | Director, Neon Worx Communication (Thailand) Co.,Ltd |
| ■ | 1997 – Now | : | Director, C.S.S. Energy Co.,Ltd |

Scope of Authority and Responsibilities of the Executive Committee

1. Preparing and storing important documents
 - a) The registration of the Company's directors
 - b) The invitation letter and minutes of the Board of Directors Meeting
 - c) The invitation letter and minutes of the Shareholders Meeting
2. Reports of conflicts of interest filed by directors and executives.
3. Executing additional duties about governance as assigned by the Board of Directors.

Remuneration of the directors

The Annual General Meeting of Shareholders 2015, held on 28 April 2015 passed its resolution to determine remuneration of the directors of year 2015. The directors consist of the Board of Directors, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee which included but not limited to salary, bonus, attendance fee, extra compensation, and other compensation not exceeding value of 4.5 million baht. Details are as follows:

1. The Board of Directors

Monthly remuneration

- Chairman of the Boards 100,000 Baht per Month

Meeting allowance

- The Board of Director 30,000 Baht per Meeting

2. Audit Committee

Monthly remuneration

- Chairman of Audit Committee 50,000 Baht per Month

- Member of Audit Committee 20,000 Baht per Month

Meeting allowance

- Audit Committee 10,000 Baht per Meeting

3. Risk Management Committee

Meeting allowance

- Risk Management Committee 10,000 Baht per Meeting

4. Nomination and Remuneration Committee

Meeting allowance

- Nomination and Remuneration Committee 10,000 Baht per Meeting

*Item 3 – 4 The Executives Directors are exempted from receiving attendance fee.

5. The remaining is reserved for bonus, extra compensation and other compensation to the Board of Directors. The Board of Directors will then allocate the remaining amount.

In 2015, the individual remuneration of Directors was as follows:

Name - Surname	Attendance Fee (Baht)			Monthly Remuneration of Directors	Total
	The Board of Director	The Audit Committee	The Nomination, Remuneration and Corporate Governance		
1. Pol.Maj.Gen.Supisarn Bhakdinarinath (Ph.D)	210,000.00	-	-	800,000.00	1,010,000.00
2. Mr.Sompong Kangsawiwat	210,000.00	-	-	-	210,000.00
3. Assoc.Prof.Pitipat Chataccaraphat (Ph.D)	210,000.00	40,000.00	10,000.00	600,000.00	860,000.00
4. Mr.Chattaphum Khantiviriya	210,000.00	40,000.00	10,000.00	240,000.00	500,000.00
5. Assoc.Prof.Prapart Praisuwanna	180,000.00	40,000.00	-	240,000.00	460,000.00
6. Mr.Opas Tiyawattanaroj	210,000.00	-	-	-	210,000.00
7. Mr.Kittirat Mekmanee	210,000.00	-	-	-	210,000.00
8. Ms,Panida Sawatwannarat	210,000.00	-	-	-	210,000.00
9. Ms.Nongnuch Temeesrisuk	210,000.00	-	-	-	210,000.00
10. Mr.Wungson Panudulkitti	90,000.00	-	-	-	90,000.00
Total	1,950,000.00	120,000.00	20,000.00	1,880,000.00	3,970,000.00

Comparison of Remuneration of Directors in 2014 and 2015

Remuneration	2014		2015	
	Persons	Baht	Persons	Baht
Monthly and Attendance	10	2,499,972	10	3,970,000
Bonus	10	-	10	-
Total		2,499,972		3,970,000

Remuneration of Executives

The Company uses measuring performance of the executive in the form of performance indicators. (Key Performance Indicators: KPI). This is the way to measure the performance of each department. However, the president uses characteristics of KPI overview of the Company to determine the remuneration.

In year 2014 and 2015, the remuneration in cash has been paid to 6 executives in form of salary, bonus and other welfares, total amounting of 17 million baht and 25 million baht, respectively.

Other Remuneration

Provident Fund

The Company has established a provident fund to the executives. The Company contributed to the fund monthly at the rate of 5 percent of basic salary. During the year 2014 and 2015, the Company contributed total THB 730,500 baht and 997,400 baht, respectively, to the fund.

Personnel

Total employees of the Company (exclude the executives) as of 31 December 2015 were 410 people.

Details of employees in each business line are as followings:

No.	Group	Employee
1	Sale and Telecommunication	60
2	Sale and Marketing	240
3	Business Information and Technology	13
4	General Management	97
total		410

Remuneration of the employees (exclude executives)

In year 2014 and 2015, the remuneration in cash has been paid to 5 non-executive employees in form of salary, wage, over time, bonus, living expense, and other welfares, total amounting of THB 159 million and 203 million, respectively.

Other remuneration of the employees (exclude executives)

During the year 2014 and 2015, the Company contributed total THB 3.3 million and THB 3.9 million, respectively, to the fund.

Welfare

For improving the quality of working life, company not only provides benefits as required by law, also offers various welfare benefits such as ward, group insurance, annual health check, welfare grants the employee's death and the deaths of his parents in order to build morale and strengthen confidence in working with the company and highest benefit to employee.

Human Resource Development

The company has classified management into categories on this below;

1. Profit Center: defines as sales and business related sector which known as key sector
2. Cost Center: defines as general administrative comprises of finance and account, various administrative

For this reason, the company has developed Human Resource policy to suit more consistent with HR policy of CSS divided into 3 main areas on this below;

- 2.1 Human Resource Management (HRM): manage HR assignment to make better quality of employee's life as a second home, including being a good advisor to all employees and create employee satisfaction in form of HR Clinic
- 2.2 Human Resource Development (HRD): support employee skill by learning and applying into actual practice leading to individual growth in the future
- 2.3 Safety & Quality Management (SQM): consist of 2 mainly tasks; employee's safety and ISO 9001: 2008 in order to create accountability and global acceptance

Nowadays, according to rapid change in technology, HR department has developed software to support fast-moving implementation, while employee can access information by himself to meet program objective.

Apart from above, administrating other resources to be ready for use is also crucial because it increases efficiency of workforce, for example, workplace environment, and other equipment etc.

Activities that employee could participate and contribute to a positive image and has been recognized is CSR activities from a small project but the result was a grand prize guarantee from Nonthaburi's Governor is 1.the public benefit 2.drugs

Significant labor dispute in the past 3 years

-None-

Personnel of Subsidiaries

Subsidiaries	Employees
C.S.S.Energy Co.,Ltd.	2
Neon Worx Communication Co.,Ltd.	74

Remark: C.S.S.Energy Co.,Ltd. has no employee, because employees have been transferred to the company then all. In addition, there is no labor dispute in the last 3 years of Subsidiaries

Remuneration of the employees from subsidiaries

In year 2015, the subsidiaries is Neon Worx Communication Co.,Ltd has been paid the remuneration in cash to employees in form of salary, wage, over time, bonus, living expense, and other welfares, total amounting of THB 39 million, respectively.

Corporate Governance

Corporate Governance Policy

It is Company policy to follow the Code of Best Practice in order to ensure transparency and for the benefit of the company's business operations as it creates confidence in shareholders, investors and all related parties. The Board of Directors has therefore set out principles of corporate governance which follow the best practice specified by the Stock Exchange of Thailand. The Company's principles of corporate governance fall into 5 categories:-

Category 1 The Rights of Shareholders

The Company places importance on the basic rights of shareholders both as owners of the Company and as investors in stocks such as the right to trade or transfer stocks, the right to receive adequate information about the Company, the right to receive a share of the profits from the Company, rights in shareholder's meetings, the right to express an opinion, the right to take part in making decisions on important Company issues such as issuing dividends, appointing or removing directors, appointing auditors, and approving important business transactions that affect the running of the business.

Apart from the various basic rights mentioned above, the Company also acts for the convenience of shareholders exercising their rights in various matters as follows:

1. The Company organizes an Annual General Meeting within 4 months of the end of the fiscal year, sending out a notice of the meeting and relevant information to inform shareholders 7 days in advance, and placing notices in newspapers announcing the date for 3 consecutive days ahead of the meeting. With each meeting agenda, the views of the Board of Director are also included.
2. The Company puts information relevant to the agenda of shareholder's meetings on the Company website, and explains the rights of shareholders to participate and vote in the meeting.
3. If the shareholder is unable to attend the meeting in person, the Company allows them to authorize an independent director or another individual to act as a proxy by using one of the power of attorney forms sent out with the notice of the meeting.
4. The Company will provide an opportunity for shareholders to submit opinions, suggestions and questions to the email address of the secretary to the Board of Directors before the meeting takes place.

5. During the meeting, the Company will open opportunities for shareholders to ask questions, make suggestions or voice opinions freely and equally. Directors and executives will be present at the meeting to answer questions and provide information.

Business Operation Year 2015 (section 1)

The Board of Directors support shareholder meeting regarding on shareholder's rights and equitable treatment in compliance with law and corporate governance principles as follows:

- The company gives all shareholders an opportunity to submit an agenda and candidates for becoming a committee together with advance question prior to annual general meeting of shareholders for year 2015. The company has set up time frame for any shareholder to submit agenda and candidate during 2nd October 2014 till 2nd January 2015 via Stock Exchange of Thailand news announcement together with a guideline and procedure at website, www.cssthai.com in "investor relation" menu, then meeting of shareholder sub-menu. Nevertheless, none of shareholder submit an issue to company.
- Presentation and information delivery to shareholders, the Company has appointed Thailand Securities Depository Co., Ltd. (TSD) as its securities registrar to send the meeting invitation notice, documents and other information which is important and necessary for decision-making to shareholders (in English in case of foreign shareholders) in advance before the meeting date and in accordance with laws or/and regulatory concerned. Besides, company has put in place a communication and data distribution channel that is updated through the Company's website before meeting in order for shareholder to adequate consideration. In addition, company also published in a newspaper stating date, time, place and agenda of meeting consecutively three days before the meeting.
- The company has delivered proxy legally with instruction and stamp duty to facilitate proxies free of charge. Shareholder could send back an original proxy by post with essential document in advance, attention to Office of Corporate Secretary before the meeting.

Category 2 The Equitable Treatment of Shareholders

The Company will give equal opportunity to every shareholder and allocate voting rights at the meeting according to the number of shares held, one share equivalent to one vote, and will do nothing that restricts, violates or dispossess shareholders of their rights, whether major shareholders, minor shareholders, investors or foreign shareholders. The Company assigns an independent director to assist minor shareholders, allowing them to make proposals, express opinions or raise complaints with the independent director who will decide on the appropriate

way to proceed in each case. For example, in the case of a complaint, the independent director will investigate the facts and find an appropriate solution. In the case of a proposal on an important issue that affects the stakeholders or the Company's business, the independent director will put the matter to a shareholder's meeting to consider putting it on the meeting agenda.

The meeting proceeds according to Company regulations, following the meeting agenda. Detailed information is presented for each item and relevant information is clearly presented for consideration. Additional items will not be added to the agenda without notifying shareholders in advance, unless there is good reason. If the shareholder is unable to attend the meeting in person, the shareholder may authorize the independent director or another individual to attend as a proxy, by using the power of attorney form sent out with the notice of the meeting. Voting is transparent and follows the meeting agenda. The election of directors gives shareholders the opportunity to exercise their right to appoint directors, with votes being cast for individuals.

The Company has also taken measures to prevent insider trading by related persons, which means directors, executives or any staff that work in units dealing with internal information (including spouses and children of minor age). Related persons are not permitted to trade in Company stock for a period of at least 1 month before the quarterly and annual financial statements are released and should wait for at least 24 hours after this information is made public. It is also forbidden to pass that information on to other individuals.

The Company informs directors and executives of their duty to report their stock holding in the Company and the penalties specified in the Securities and Exchange Act 1992 and the regulations of the Stock Exchange of Thailand. In instances where directors or executives trade Company stock, they must report the stock held by themselves, spouse and children who are still minors in compliance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 working days to the Office of the Securities and Exchange Commission for the information to be put into the public domain.

Business Operation Year 2015 (section 2)

- The Board of Directors conduct meeting followed by those listed in the notice of meeting without additional agenda. In order for fairness of shareholder who is absent.
- During the shareholder meeting, the company provides ballot in a presence of voting in order for adherence to integrity and transparency, together with counting and disclosing result of voting and recording explicitly into report
- The Board of Directors has stipulated that the directors, management and their related persons (as defined by SEC and SET) must prepare and submit a report on interests annually.

Category 3 The Role of Stakeholders

The Company places importance in all groups of stakeholders, whether they are internal stakeholders, i.e. the Company staff and management, or external stakeholders such as competitors, partners and customers. The Company is aware that support and input from all groups of stakeholders is valuable to the Company's business and development. Accordingly, the Company acts in compliance with the relevant laws and regulations to ensure that the rights of the stakeholders are properly respected. To create a stable business environment, the Company works together with each group of stakeholders in the following ways:

(a) Shareholders

The Company is focused on development and continuous growth which will lead to an increase in Company earnings and profits. This will increase the value of the Company and mean that shareholders will receive the best returns. ,

(b) Customers

The Company considers the quality and standards of its products, while customer care and other responsibilities are carried out with honesty and fairness.

(c) Partners

Company policy is to deal fairly with trading partners according to the trading terms and/or contractual agreements in order to establish good business relationships that benefit all parties.

(d) Competitors

The Company supports free and fair competition and conducts its business according to the regulatory framework on proper competition.

(e) Employees Company policy is to treat employees equitably and fairly, providing appropriate remuneration and welfare as well as supporting development of their knowledge and ability.

(f) Community and society The Company recognizes its responsibilities towards the community and society, conducting an ethical business and supporting creative social projects as appropriate.

(g) The Environment The Company strictly follows laws and regulations relating to the environment and constantly sets measures to control environmental impact.

The Company operates in compliance with the relevant laws and regulations to ensure that the rights of stakeholders are well protected.

Business Operation Year 2015 (section 3)

The company has expanded the scope of development in order to know the needs of all stakeholders, also designated process of implementation that is revealed in CSR report for year 2015

Category 4 Disclosure and Transparency

The Company is aware of the importance of the complete and accurate disclosure and transparency of financial and general information in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other important information affecting the Company's stock price, as this influences decision making by investors and stakeholders. The Company makes information available to shareholders, investors and the general public through the channels provided by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as on the Company website: www.cssthai.com

To manage investor relations, the company secretary has been assigned the duty of communicating with investors, shareholders, analysts and relevant state agencies. The Board of Directors is responsible for the financial statement and information that appears in the annual report. The financial statement is compiled in accordance with Thai accounting standards, with a selected accounting policy that has been consistently followed and presents adequate financial information. The Audit Committee reviews the quality of the financial report and the internal audit process, as well as the adequate nature of information in the financial statement's remarks.

Business Operation Year 2015 (section 4)

- Company's financial reports have been delivered to the Securities and Exchange Commission and The Stock Exchange of Thailand within a specified period. And none of the auditors commented on issue.
- The company has not been recorded to amend its financial statements to the Stock Exchange of Thailand and the Securities and Exchange Commission
- Company's annual registration statement (56-1) and annual report has been revealed to meet Stock Exchange of Thailand's requirement to maximize shareholder's and stakeholder's benefit by disclosing information involved with business operations and operating results in recent years, including Vision, Mission, Goals, Business model, Shareholder hierarchy, Management, governance, Internal control, Report from the Board of Directors and committee, Number of meeting attended, Financial statement and Operation performance, Report of the Board of Directors on financial statement, connected transaction policy, Report on the interest of director or executive together with Report on Executive's securities holding and Social responsibility.
- The company has made available communication and data distribution channel so that shareholders, investors and other stakeholders can access information thoroughly and equitably through various channels on a regular basis

- The company has set company visiting to communicate the Company's information which are beneficial to shareholders, investors, securities analysts and interested persons to access information.
- The Board of Directors has designated policy toward the directors, management and their related persons must prepare and submit a report on interests annually.

Category 5 Responsibilities of the Board of Directors

1. Structure of the Board of Directors

The Company's Board of Directors consists of individuals with knowledge and ability, who have an important role in setting policies and the overall direction of the Company. They are also responsible for governance, checking and evaluating the performance of the Company against the plans that were set.

The current Board has 10 directors consisting of 5 executive directors and 5 non-executive directors who are qualified to be independent directors and provide balance when votes are taken. The Audit Committee consists of 4 independent directors who represent the shareholders in overseeing transparency in the governance of Company operations.

According to Company regulations, one in three directors must resign at the annual general meeting. If the total number of directors is not divisible by three, the number closest to this proportion is used. The longest-serving directors should resign first but may be re-elected.

The Board also appoints 4 committees: the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee and the Risk Management Committee. Each committee has areas focus areas on which they make proposals for the consideration of or acknowledgement by the Board of Directors, with each committee also having its own specified rights and duties.

The Company has clearly separated the role and responsibilities of the Board of Directors and the Company's executives. The Board is responsible for setting policies and oversight of the executives at the policy level. The executives are responsible for the management of the Company's operations in line with the policies that have been set. At Board of Directors Meeting No.4 on 17 October 2014 the appointment of Police Major General Dr. Supisarn Bhakdinarinath as Chairman of the Board was approved. The Company sets a clearly defined scope of authority for the Board of Directors and the Chief Executive Officer, meaning that neither has total authority. This creates a balance in important votes which must be approved by the Board of Directors and/or the shareholder's meeting. Neither the Chief Executive Officer nor the Chairman may use their authority to approve matters in which they have any form of conflict of interest with the Company or its subsidiaries.

It is the duty of the Company Secretary to give advice to the Board of Directors regarding regulatory requirements to coordinate implementation of the Board's decisions.

2. Role, Duties and Responsibilities of the Directors

The Board of Directors is composed of individuals with a great depth of knowledge, skills and expertise, who are recognized for their leadership. The board of directors has an integral role in setting the vision, mission, strategy, policy, business approach and compliance with the law, objectives, regulations and the resolutions of shareholders meetings in order for the benefit and oversight of the Company's operations. The Board of Directors has therefore set up various committees to oversee the operations of the Company.

2.1 Corporate Governance Policy

The Company has a written corporate governance policy that was accepted by the Board of Directors meeting in order that they might review this policy and act accordingly. Moreover, after the Company's ordinary shares are registered on the Stock Exchange of Thailand, the Company will act in accordance with the law and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The corporate governance report will be released in the annual report and the information disclosure form (Form 56-1).

2.2 Code of Conduct

The Company has set out a code of conduct that the Board of Directors, management and staff are expected to adhere to at all times as they carry out their duties according to the Company's mission, displaying honesty and impartiality towards the Company, the stakeholders, the public and society. The Company has therefore announced and informed all employees to act in strict accordance with this approach.

2.3 Conflicts of Interest

The Company's policy regarding conflict of interest is set on the principle that any decision affecting business operations should only be made in the interests of the Company and any action that creates a conflict of interest should be avoided. Persons with an interest in a matter under consideration must inform the Company of their relationship or connection in that matter, must not take part in the decision and have no authority to approve that business.

The Audit Committee will advise the Board of Directors on matters that are connected and matters where there is conflict of interest, giving full consideration of the appropriateness in accordance with the guidelines of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The information will be included in the annual report and the information disclosure form (Form 56-1).

2.4 Internal Control

The Company places importance on the internal control system at both the management and operational levels. To ensure operational efficiency, the Company has clearly defined in writing the duties and authority of those performing tasks and the executive. There is oversight of the beneficial use of Company property and the separation of duties between those performing tasks and those supervising and evaluating. The Company appoints the Audit Committee to test the internal control system and carry out an appropriate and effective internal audit, as well as to hire outside experts to inspect the internal control system and report the results to the Audit Committee to ensure that the Company's main operations follow the specified approach and are effective.

2.5 Risk Management

The Company made an evaluation of the adequacy of the existing internal control system in order to consider methods of revising operations to further improve efficiency.

2.6 Board of Directors Report

The Audit Committee is responsible for verifying the financial statement, with the accounts division and auditor presenting their financial report quarterly at the Board of Directors' meeting. The Board of Directors are responsible for the Company's budget and the financial information that appears on the annual report (Board of Directors responsibility to the financial report). The financial statement is produced to accredited accounting standards and checked/verified by the Company's auditor and the important information disclosed, both financial and non-financial, is done so on the basis of truth and consistency.

Business Operation Year 2015 (section 5) Committee's report

- The Board of Directors has recruited an expert to serve internal control system and monitor the operation consistent with business that result can be summarized to adequate control system in order to achieve company's objective.

3. Meetings of the Board of Directors

In accordance with Company regulations, a meeting of the Board of Directors is held at least once every 3 months, with special meeting called when necessary. Invitations are sent out 7 days in advance, unless the situation requires an emergency meeting to protect the Company's interests. Each meeting has a clearly organized agenda. Documents with full details are prepared and sent to the directors in advance so that they have sufficient time to study the information before the meeting.

The Chairman and Company directors jointly set the agenda and decide the subjects to be discussed at the meeting, with every director having the chance to propose topics for inclusion. Directors may discuss and give their opinions openly and the Chairman summarizes and concludes the views expressed. Votes are passed by a majority with each director having one vote. Directors with an interest will not attend the meeting and/or vote on that matter. If votes are equal, the Chairman will have a deciding vote. The minutes of the meeting will be written after the meeting has finished and the approved minutes will be kept for inspection by the directors and others.

Business Operation Year 2015 (section 5) Board conference

In year 2015, the company has taken delivery of documents agenda in advance in order for the Directors have adequate time to study the issue and assigned board secretary to attend every meeting. Board secretary have recorded a minute report then submitted to chairman for signature, and proposed first agenda endorsed for next meeting together with act as person to store information and document involved with meeting for reference.

4. Remuneration of Directors and Executives

The Company appointed the Nomination and Remuneration Committee to suggest appropriate remuneration for the various committees to the Board of Directors so that policy on remuneration of Company directors is clear and transparent and is at a level that is appropriate for the duties and responsibilities of each director, sufficient to retain directors with knowledge and ability. The Company will present suggested remuneration for these directors for approval at the Annual General Meeting: AGM.

The Company discloses the remuneration paid to Directors and Executives in the format specified by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

5. Development of Directors and Executives

The Board of Directors has a policy to provide training for the relevant Directors in the corporate governance system of the Company, which includes Directors, the Audit Committee, the Executive Committee, the Risk Management Committee, the Nomination and Remuneration Committee and Company executives, so that there is continuous development. If there are changes in the Board of Directors will provide advice to new Directors on the Company's business approach and useful information on carrying out their duties in order to support continued efficiency under the corporate governance framework.

Business Operation Year 2015 (section 5) Directors and Executives development

The Board of Directors who has been trained various courses as follows:

Thailand Institute of Directors

- Director Certification Program (DCP 209/2015) Pol.Maj.Gen.Supisarn Bhakdinarinath (Ph.D)
- Financial Statement for Directors (FSD) Class.27/2015 Pol.Maj.Gen.Supisarn Bhakdinarinath (Ph.D)

Capital Market Academy

- Senior Executive Program (SEP), Class.20, Mr.Sompong Kangsawiwat
- Senior Executive Program (SEP), Class.21, Pol.Maj.Gen.Supisarn Bhakdinarinath (Ph.D)

Governance of Operations of Subsidiaries and Associate Companies

The Company has the following policies on the governance of subsidiaries and associate companies:

- To send directors and/or persons assigned by the Company to be its representative according to the proportion of shares held in order to participate in the management of that business, including the right to vote in Board of Directors meetings and shareholders meeting, for the greatest benefit to the Company;
- To set the scope of authority and responsibilities of the directors and executives representing the Company in that business in overseeing or taking part in setting important policies for business operations;
- To ensure complete and accurate disclosure of the financial status and operating results, transactions made between the subsidiary and a connected person, the acquisition or disposal of assets, or other important transactions of the subsidiary, and to apply the rules concerning disclosure and transactions of a nature similar to the rules of the Company;
- To ensure that there is an internal control system that is suitable, efficient and adequate for the main business of the subsidiary, and also other mechanisms in the governance of the subsidiary such as approving a capital increase or decrease, winding up the subsidiary etc.

Oversight of the use of inside information

The Company has the following policies and methods for the oversight of the directors and executives using inside information that has not yet been publically disclosed for their own benefit, including the trading of assets:-

- To inform directors and executives of various divisions regarding their duty to disclose assets held by themselves their spouse and children still of minor age to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in compliance with Section 59 and subject to the penalties prescribed by Sections 59 and 275 of the Securities and Exchange Act B.E. 2535.
- To require directors and executives to report changes in their assets to the Office of the Securities and Exchange Commission in compliance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 working days from the date of the changes, and to send a copy of this report to the Company on the same day.
- The Company requires directors, executives and others carrying out related duties who receive important inside information that could influence the price of stock must refrain from trading in Company stock for a period of at least 1 month before the financial or inside information is disclosed publicly, and at least 24 hours afterwards, and also must not disclose that important information to others.

The Company will take disciplinary action against those violating rules against the use of inside information for their own benefit, including written warnings, pay cuts, suspension without pay or dismissal. Penalties will be determined by the intention of the act and the seriousness of the violation.

Remuneration for the Company's Auditors

In 2015, the Annual General Meeting of Shareholders 2015, on 28 April 2015, approved remuneration for the Company's auditors of 1.47 million baht and an audit fee for the subsidiary of 0.25 million baht.

In 2015, the Company paid remuneration to the Company's auditors of 1.47 million baht and an audit fee for the subsidiary of 0.855 million baht, because of in the third quarter the Company has got 1 more subsidiary with neither the Company nor the subsidiary using any other services from the auditor.

Corporate Social Responsibility

The company has prepared a corporate social responsibility report (CSR) for the year 2015, separate copies from annual report in order to disclosure policy and social responsibility implementation together with sustainable development in conjunction with its participation in the development of economy, society and environment.

The company's CSR report 2015 has been distributed together with annual report for shareholders and disclosed via the www.cssthai.com.

Internal Control and Risk Management

Board of Director's opinion on the Company's internal control system

The Company places importance on internal control and the Board of Directors has assigned the Audit Committee to review and assess the internal control process on a constant basis in order to have a system that is sufficient and appropriate for the risks and ensure efficient operations, including the use of resources, the maintenance of assets, the prevention or reduction of errors and damage to the Company. In the Board of Directors Meeting No.1/2016 held on 25 February 2016 with members of the audit committee present every occasion, the Audit Committee reported to the Board of Directors on the completeness and appropriateness of the Company's internal control process.

In 2015 the Audit Committee met 4 times. The accountants, the internal audit office and the Audit Committee have carried out their duties in accordance with the law and as assigned by the Board of Directors in the articles of the Audit Committee charter, specifically reviewing financial statements, overseeing risk management, nominating auditors, overseeing the internal audit and duties required by law and regulations relating to the Company's operations.

The Board of Directors agrees with the view of the Audit Committee regarding the Company's internal control system. The main points can be summarized as follows:

1. Organization and Environment

The Company promotes and supports an appropriate internal control environment. The Board of Directors oversees the business, with the management of each unit being assigned clear business targets and an annual plan that is clear and can be evaluated. There is development of the target-setting process and strategy plan with strategies that respond to conditions and quickly adapt to business conditions. The structure of the Company has a command chain that clearly specifies authority and duties at each level, allowing operations to proceed smoothly with key performance indicators that provide guidelines for working and monitoring progress towards the targets. The Company has a systematic approach to recruitment and human resources development that is consistent with the organizational culture, and takes a considered approach to staff compensation. The Company's code of conduct is communicated to all employees for practical application, with importance given to honesty, ethical behaviour and responsibility towards the stakeholders. The Company participated in the declaration of intent against corruption and is in the process of producing a self-evaluation form related to measures against corruption.

2. Risk Management

The Company places importance on operating according to the risk management policy and process. The management and all units assess the threats, impacts and opportunities, and risk management plan consistent with changing threats both internal and external. The Company's acceptable level of risk is clearly defined to provide guidelines for the management of the business. The risk management system is integrated with the organization's strategic planning process.

3. Control Activities

The Board of Directors appointed 2 committees, the Audit Committee and the nomination and remuneration committee. Both committees work to the boundaries, duties and responsibilities assigned. There are measures to prevent any opportunities or interests belonging to the Company being used for personal interest. There is also monitoring to ensure compliance with all relevant laws and announcements and management of the organization under the internal control system that is adequate and appropriate.

4. Information and Communication

The Company places importance on the information and communication system, both internal and external, which is an important tool for the Company's business, to present operating results and financial reporting in order to assist in decision-making by the Board of Directors and Company management that is founded on complete, accurate and credible data and increases competitive potential, communicating with staff regarding operating within the law regarding information. Duties and responsibilities are designated and rights regarding data in the various systems are clearly defined. The Company is aware of the importance of developing information technology systems to support business activities and the communication of important business information to promote efficient management.

5. Monitoring Activities

The Company has systems in place to monitor operations at management and operational levels. The Board of Directors and management compare operating results with targets and set clearly defined approaches. In cases where targets are not met, both committees monitor and report to the Board of Directors. Should there be major issues that will affect the organization, the president and management shall review operational results and corrective approaches from the unit each month. The internal auditor specifies an audit plan to create balance and transparency covering the management process and important operations and also has the duty of evaluating the completeness and compliance with the internal control system determined by the management effectively and efficiently, as well as regularly reporting the results of the audit and monitoring to the Audit Committee, the president and the management.

Related Party Transaction

In 2015, the company has transaction with subsidiary; this transaction is normal business operations. For procedure for the approval of the transaction, the company has conducted business according to general trade agreement, market price and conditions. In case of unusual trade nor in accordance with market terms and conditions must be submitted to the Board of Directors to approve all the transaction.

However, consideration of all the transaction shall be in attendance to Audit Committee's review to examine the appropriateness of the price rates of return. Except in case of normal transaction or usual business according to market terms and conditions, Executive Committee or Chief Executive Officer or senior management has entitled to approve the scope of the authorization given. Yet, in event that the committee does not have the expertise to consider the transaction, the company shall provide expert such as auditors or independent experts to comment on the transaction said. The Board of Directors or a person with special expertise will be applied to the decision of the Board of Directors or shareholders, as the case.

Moreover, company will reveal such transactions in the financial statements 'notes audited by the auditors. The transaction shall be done in accordance with the law, notifications, or regulations of the Securities and Exchange Commission and / or Stock Exchange of Thailand including compliance with the disclosure of transactions and the acquisition or disposal of major company's assets.

For future transaction, company has procedure for approving transaction. Company has stipulated policy to proceed according to general trade, market terms and conditions to maximize company's benefit.

Details of Related Party Transaction are as follows;

(unit: billion Baht)

Individual / related parties	Detail	Transaction value		Remark
		31-Dec.-15	31-Dec.-14	
CSS Energy Co.,Ltd subsidiary	Buy-Sell electric wire	1,267	3,910	Based on general trade and support the company's operations to maximize benefit.
CSS Energy Co.,Ltd subsidiary	Buy-Sell property	1,215	-	Based on general trade, this transaction concern on market conditions.

Financial Status and Results of Operation

Audit Report

2013-2015 Audited by Mr. Supachai Panyawattano A Certified Public Accountant - registration no. 3930
Ernst & Young Corporate Services Limited

For financial statement of year end 2013 as of 31 December 2013

According to the auditor's report for consolidated financial statement of the Company and subsidiaries of the year 2013, the auditor expressed his unqualified opinion that the financial statement presented operation result and cash flow for the same year end of the Company and subsidiaries and jointly-controlled entities as well as entities under sole control of the Company accurately, in all material respect in accordance with financial report standard as at the same year end.

According to the auditor's report for consolidated financial statement of the Company and subsidiaries of year 2013, the auditor expressed his unqualified opinion that the financial statement as at 31 December 2013 presented operation result and cash flow for the same year end of the Company and subsidiaries, including the entities under sole control of the Company, accurately, in all material respect in accordance with financial report standard according to report dated 24 February 2014.

For financial statement of year end 2014 as of 31 December 2014

According to the auditor's report for consolidated financial statement of the Company and subsidiaries of year 2014, the auditor expressed his unqualified opinion that the financial statement presented operation result and cash flow for the same year end of the Company and subsidiaries and jointly-controlled entities and entities under sole control of the Company accurately, in all material respect in accordance with financial report standard.

According to the auditor's report for consolidated financial statement of the Company and subsidiaries of year 2014, the auditor expressed his unqualified opinion that the financial statement as at 31 December 2014 presented operation result and cash flow for the same year end of the Company and subsidiaries, including the entities under sole control of the Company, accurately, in all material respect in accordance with financial report standard according to report dated 23 February 2015.

For financial statement of year end 2015 as of 31 December 2015

According to the auditor's report for consolidated financial statement of the Company and subsidiaries of year 2015, the auditor expressed his unqualified opinion that the financial statement presented operation result and cash flow for the same year end of the Company and subsidiaries and jointly-controlled entities and entities under sole control of the Company accurately, in all material respect in accordance with financial report standard.

According to the auditor's report for consolidated financial statement of the Company and subsidiaries of year 2014, the auditor expressed his unqualified opinion that the financial statement as at 31 December 2014 presented operation result and cash flow for the same year end of the Company and subsidiaries, including the entities under sole control of the Company, accurately, in all material respect in accordance with financial report standard according to report dated 25 February 2016.

And has comments to note 9 to the financial statements that the process of assessing the fair value of identifiable assets, liabilities and contingent liabilities of a subsidiary has not yet completed.

Analysis and explanation of the Management

Business Overview

During the past years, Communication & System Solution Public Company Limited ("the Company") places focus on installation of telecommunication systems by entering into joint venture with 2 organizations which are C.S.S. Nature International Co., Ltd, and Downer CSS Co., Ltd. Nonetheless, the two joint ventures dissolved their entity in 2008 and 2010 respectively upon project accomplishment. Since then the Company started service of installation of telecommunication systems in 2010. In 2004, the Company made an investment by acquiring 99% of paid-up capital of C.S.S Cable and Accessories Co., Ltd, a subsidiary which later changes its name to C.S.S. Energy Co., Ltd., with the Ministry of Commerce on 24 October 2014 ("a subsidiary"). The firm's main business involves distribution of electrical wires and equipment from the world's leading brands.

The Company adjusted its business structure by accepting business transfer from its subsidiary as a distributor of electrical wires and equipment and started operating in 2011. Therefore, at present the Company becomes a distributor of electrical wires and equipment from the world's leading brands and service providers of design and construction of telecommunication network nationwide. In the meantime, the subsidiary has limited its business extend to government agencies only and become sales agent where most of the operations are undertaken by Company's own personnel.

Presently, the main income of the Company is obtained from sales of electrical wires and related equipment. As, trading business does not require high cost of investment in fixed assets as in production and distribution, but it does require high cost of working capital for purchasing and storing products for sale which need to be diversified to meet customers' requirements. The factors of success in trading business depending on marketing strategy, inventory management and effective payment collection. The Company distributes products of international standard manufacturers such as Phelps Dodge, 3M and Phillips. Similar to distribution of other product

types, gross profit from distribution of electrical wires and equipment is set in medium range rate, therefore, to increase the net profit, the Company concentrated on sales volume. In addition, the growth of such business distribution of electrical wires and equipment depending on economic growth of construction and real estate businesses mainly.

Another income of the Company is derived from provision of installation service which consists of communication network, fire protection equipment etc. As for business of installation of communication network, the scope of work includes design, procure and contract installation of communication network which the types, patterns, height and weight of the pole including communication equipment can be adjusted to meet customers' requirements. Types of services includes new site installation to support network expansion, installation of additional devices to upgrade properties and performance of existing poles for customers who are network owners or mobile phone service providers such as True move, AIS and DTAC or act undertake job as a subcontractor for network owner such as Huawei, AWC and ZTE. Each project contains several sites for installations, where normally the installation takes 45-60 days per one site. In case where the project is passed to sub-contractors, the engineering team will be assigned to control such project. The service charge is fixed upon complexity of work which consisted of important factors which are: landscape of the area (on the building or on the ground level), distance of the site, types and patterns of the poles and duration of operation. However, the installation of communication network expanded consistently with investment of the mobile phone service providers who will make decision mainly based on economic situation, changes of technologies and consumer behaviors.

In the previous years, the Company recognized income received from communication service installation based on percentage of completion, referring to report proven by engineer. Nonetheless, from 2012 onwards, the Company started recognition income derived from first phase at 95% of total project value upon project completion and ready to be installed because such phase is acknowledged by the Company and customer that the work has been actually completed. The other portion of income will be recognized at 5% of total project value after the customer has examined and accepted the delivery as well as issued Final Acceptance Certificate to certify a 100% completion of work. Normally, the period between 2 phases is around 1-2 months. Project in progress is not recognized as an income while cost of the project is recorded as 'on-going project' in the inventory. When the project is 95% completed, the Company will transfer record of 'on-going project' and recognize as an income and cost in income statement with diligence principles.

In 2010-2013, the Company was hired to install and maintain light and energy-saving bulbs under the project "Smart Way" ("contract installation") launched by the Institute of Energy Engineering, Kasetsart University and Electricity Development Division, Provincial Electricity Authority with aim to implement policy on saving public

energy. The Company's role was to invest in installation of energy-saving lights as well as maintain for a period of 10 years in Ratchaburi and Mueang Pattaya. The agreed income to be based on the energy savings during the project duration. However, presently, the Company has no policy to invest in the such project toward the future.

The Company's consolidated financial statement comprises of consolidated financial statement of the Company, subsidiaries and joint ventures as per proportion of controlling-stake. The Company has controlling proportion of 99% in C.S.S.Energy Co.,Ltd., Neon Worx Communication (Thailand) Co.,Ltd in 70%, its subsidiaries where 40% is in Downer CSS (dissolved in 2014) and 50% in C.S.S. Nature International Co., Ltd. (inform dissolution with the Revenue Department in 2008). Therefore, the analysis of financial status and operation result during 2013-2015 will be based on consolidated financial statement where the material parts are operation result of the Company and subsidiaries.

Operating Results

Total incomes

Main incomes of the Company are from sales of electrical systems such as electrical wires and equipment, installation services which consist of communication system and fire protection equipment etc. Other sources of incomes are such as revenue received from service of electrical equipment installation, marketing promotion of distributor, interest received, rent, profit from asset disposal, and profit from exchange rate.

Structure of total incomes of the Company Group is summarized as follows:

Types of Products	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Electrical wire	2,107.19	66.67	2,235.70	55.78	2,186.94	47.76
Lamps and lighting equipment	230.23	7.28	440.60	10.99	499.85	10.91
Electrical conduits and fittings	104.08	3.29	101.08	2.52	168.09	3.67
Electrical system control equipment	93.21	2.95	140.86	3.52	211.87	4.84
Passive fire protection materials and equipment	49.96	1.58	37.31	0.93	36.82	0.80
Information Technology equipment	24.66	0.78	13.96	0.35	23.48	0.51
Other	28.12	0.89	7.98	0.20	37.25	0.80
Total sales revenues	2,637.45	83.45	2,977.49	74.29	3,174.30	69.29

Types of Products	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Telecommunication system installation revenue	468.60	14.83	827.36	20.64	1,278.49	27.96
Passive fire protection system installation revenue	26.68	0.84	27.57	0.69	35.89	0.79
Electrical equipment installation revenue	-	-	144.55	3.61	15.86	0.35
Other service revenue	5.70	0.18	7.38	0.18	10.71	0.24
Total installation service revenues	500.98	15.85	1,006.86	25.12	1,340.95	29.34
Liaise income	-	-	-	-	34.70	0.83
Other income	22.09	0.70	23.75	0.59	24.45	0.54
Total revenues	3,160.52	100.00	4,008.10	100.00	4,574.40	100.00

During 2013-2015, the Company's total incomes were 3,161 Million Baht, 4,008 Million Baht and 4,574 Million Baht respectively. Main income was from sales of electrical wires and equipment which accounted 69 -84% of total incomes. Other source of incomes were from installation service which accounted 16-29% of total incomes

In 2015, total income of the Company was 4,574 Million Baht, increased by 14.13% comparing to 2014. The income comprised of sales from electrical wires and equipment and installation service which represented 69% and 29% of total incomes respectively.

Incomes from sales and services

- Total sales income

Main incomes of the Company were from sales of electrical wires and equipment. During year 2013-2015, sale income of the Company reached 2,637 Million Baht and 2,978 Million Baht and 3,174 Million Baht respectively or 83%, 74% and 69% of total incomes respectively.

Sale income during year 2013-2015 is classified by products types as follows:

Sales Revenue	2013		2014		2015	
	Million THB	%	Million THB	%	Million THB	%
Electrical wire	2,107.19	79.89	2,235.70	75.09	2,186.94	68.90
Lamps and lighting equipment	230.23	8.73	440.60	14.80	499.85	15.75
Electrical conduits and fittings	104.08	3.95	101.08	3.39	168.09	5.30
Electrical system control equipment	93.21	3.54	140.86	4.73	221.87	6.99
Passive fire protection materials and equipment	49.96	1.89	37.31	1.25	36.82	1.16
Electrical transformers	24.66	0.93	13.96	0.47	23.48	0.74
Other	28.12	1.07	7.98	0.27	37.25	1.17
Total Sales Revenues	2,637.45	100.00	2,977.49	100.00	3,174.30	100.00

Sale incomes derived in 2013-2015 grew by 7-13% per annum on average. It was a result of increase in sale volume of electrical wires mainly which portioned approximately 9-16% of sale incomes, average growth per annum at 90%. During such period, sale income in 2014 was increased approximately by 13% comparing to the previous year. The ratio of Sales Revenue in 2015 increased 7% comparing with the previous year. For revenue of sales decrease because of the copper price.

Sale quantity and volume of the electrical wires during 2013-2015 is summarized as follows:

Product	2013		2014		2015	
	Million THB	Million Meter	Million THB	Million Meter	Million THB	Million Meter
Electrical wire	2,107.19	68.06	2,235.70	85.00	2,186.94	92.00

Sales incomes of electrical wires of the Company in 2014 at 2,236 million THB, increased by 6% comparing to 2013. The main reason was because of the Company had more projects such as Sky train project, Housing Development project etc.

In 2015 the Company's sale income of the electrical wire was 2,187 million THB, decreased by 2% comparing to the previous year. The main reason was because of the reduction in selling price of electrical wires as a result of reduction of copper price, which is the important cost of electrical wire. The price of electrical wire

dropped to 32 THB per meter in 2015, previously 33 THB per meter in 2014 in average, representing 3% reduction of the price per unit.

Income from sale of other electrical equipment which are bulbs, lights, electric conduit and installation equipment, power control devices, materials and equipment related to fire protection, transformers etc. amounted at 530 million THB, 742 million THB and 987 million THB during year 2013-2015 respectively, representing 20-30% of sale income. Income from sale of bulbs and lighting devices grew more in average because the Company was delegated as a distributor. In 2015, The Company has added products of Information technology which accounted for 1% of total sales.

In addition, the Company's income from sale of electrical wire and equipment are from domestic customers nationwide which mostly are from private sectors totaling of approximately 3,200 customers. The Company has policy to expand customer base to over sea, targeting ASEAN region in correspond to ASEAN Economics Community: AEC. Furthermore, the Company plans to focus more on government departments by assigning its subsidiaries to cope with operations involving thereof. With such proactive marketing, the Company assures that it will support growth of sale income continuously.

The Company has policy to seek for customers by direct contact the target groups by meeting and/or connecting through media such as telephone, fax and Internet etc. or through introduction of business allies such as the Board of Directors, executives, customers and suppliers. The Company has determined policy on analysis of financial status and payment record of customers on regular basis in order to specify and improve policy on credit loan approval as well as credit duration for each customer to ensure that the Company will be able to control sale volume to each customer efficiently.

Income from installation services

Installation services of the Company are classified into 3 main types: (1) Service of Design, procure and contractor for installation of communication system including maintenance service thereof (2) Service of design, procurement and installation of Fire Protection System (3) Service of installation of electrical equipment (subsidiary). The Company's income derived from installation service were 501 million THB, 1,007 million THB and 1,341 million THB in 2013-2015 or 16%, 25% and 29% respectively, which representing 67% of annual growth. Such growth is mainly a result of increase of installation of communication system which accounted 82-95% of total income from installations since the communication industry has been growing and developing constantly, especially, expansion on telecommunication towers and installation of support devices to enable compatibility with 4G networks of mobile phone providers. In 2015 the Company's income from installation accounted 1,341 million THB, an increase by 33%

comparing to previous year due to increase in installation of communication system by 451 million THB. Because the Company include the revenue of subsidiaries Neon Worx Communications (Thailand) Co.,Ltd and the Company signed a contract of construction of telecommunication tower of 4G signal with TRUE, a mobile phone service provider for the “Telecommunications Growth Infrastructure Fund” for a period of 2 years (Continue from 2014).

Income received from installation service during year 2013-2015 is as follows:

installation service Revenues	2013		2014		2015	
	Million THB	%	Million THB	%	Million THB	%
Telecommunication system installation revenue	468.60	93.54	827.36	82.17	1,278.49	95.34
Passive fire protection system installation revenue	26.68	5.33	27.57	2.74	35.89	2.68
Electrical equipment installation revenue	-	-	144.55	14.36	15.86	1.18
Other service revenue	5.70	1.14	7.38	0.73	10.71	0.80
Total installation service revenues	500.98	100.00	1,006.86	100.00	1,340.95	100.00

During 2013-2014 the Company's income from installation of communication system amounted of 469 million THB and 827 million THB respectively, an increase by 77%. As for 2015 the income from installation of communication system amounted of 1,278 million THB, an increase by 55% comparing to the previous year.

Incomes from installation of communication system are from domestic customers which are owners of communication network, big contractors that undertake work directly from owners of communication systems. As of year-end 2015, the Company's contract of installation of communication system valued at approximately 3,928 million THB, income from service recognized as of the closing date up to 95% amounted of 3,718 million THB, recognized as an income during year 2015 at 1,313 million THB. Types of services of installation are construction of new site, upgrade of supporting devices. As of 31 December 2013 and 31 December 2015, new site project value were at 1,259 million THB and 2,297 million THB and 3,068 million THB respectively, representing 77%, 80% and 78% of total project values, respectively. The details of Installation Services during 2014-2015 are summarized as follows:

(Unit : Million THB)

	2014				2015			
	Project Values	Income Accumulated ($\geq 95\%$)			Project Values	Income Accumulated ($\geq 95\%$)		
		Income Accumulated To January 2014	Income recognized in 2014	Total Income Accumulated		Income Accumulated To January 2015	Income recognized in 2015	Total Income Accumulated
New Site	2,296.95	1,214.53	683.45	1,897.98	3,068.11	1,897.98	1,015.44	2,913.42
Upgrade	409.92	233.11	135.43	368.54	600.02	368.54	197.58	566.12
IBC	-	-	-	-	47.57	-	37.52	37.52
Other *	152.86	129.51	8.49	138.00	212.61	138.00	27.96	165.96
Total	2,859.73	1,577.15	827.37	2,404.52	3,928.31	2,404.52	1,278.50	2,683.02

Remark: * *Other works are installation on new site as well as upgrading of devices and specific installation*

Income from installation of Fire Protection System totaled of 27 million THB, 28 million THB and 36 million THB between years 2013-2015 consecutively. The service scope of design, procurement and installation of fire protection system consists of installation materials and equipment to protect fire spread on opened lid of electrical conduit, power system, water system, and air-conditioning system. The system is capable to protect heat, flame and smoke for at least 3 hours. At present, most entrepreneurs are interested and realize the importance of installation of fire protection system more since the system slow down the flame and smoke in case of fire.

Incomes from other services in 2013-2015 were mainly from Smart Way project launched by the Energy Engineering Institute, Kasetsart University and Electricity Development Division, the Provincial Electricity Authority. The Company invested, installed and maintained equipment of lighting devices and energy-saving bulbs. Income from installation of electrical equipment comprises installation of circuit switchers for the Provincial Electricity Authority, project value totaled of 158 million THB. The Company recognized income with proportion of completed part in 2014 at 145 million THB and 13 million THB and more 2 million THB in 2015.

Commission income

Commission income is from the subsidiaries having taken an action on communications amounted 35 million THB, representing 1% of total income.

Other incomes

Other incomes of the Company are administrative income, commission, transportation fees, income from marketing promotion of manufacturers, interest received, rent, profit from assets disposal and profit from exchange rate etc. In 2013-2015 other income of the Company amounted at approximately 22 million THB, 24 million THB and 24 million THB consecutively, representing 1% of total income.

Details of other incomes of the Company during year 2012-2014 are as follows:

Other incomes	2013		2014		2015	
	Million THB	%	Million THB	%	Million THB	%
Commission income	6.80	30.79	-	-	-	-
income from marketing promotion of manufacturers	-	-	4.12	17.35	-	-
interest received	6.58	29.78	8.62	36.30	9.86	40.33
profit from assets disposal and profit from exchange rate	1.07	4.85	0.53	2.23	3.90	15.95
transportation fees	2.31	10.46	3.08	12.97	-	-
Bad debt recovery	-	-	-	-	-	-
Other*	5.33	24.12	7.40	31.15	10.69	43.72
Other income	22.09	100.00	23.75	100.00	24.45	100.00

Remarks:* Other includes income from rent, profit/loss from exchange rate, reimbursement for insurance claim, tax returns and adjustments etc.

Cost of sales and service and coordination

Cost of sales

Cost of sales of the Company was mainly from cost of purchasing products for re-selling. Normally, the Company has policy to determine selling price by adding profit margin prior to selling to customers. In 2013-2015 cost of sales of the Company were 2,411 million THB and 2,700 million THB and 2,880 million THB respectively. The amounts increased constantly due to increase of sale income which represented 91% comparing to sale income respectively.

In 2013 cost of sale of the Company was 2,411 million THB, rose by 5% comparing to the previous year as a result of higher amount of sale income. The ratio of sale cost per sale income stood at 91%, increased from 89% in 2012 as the reduction of copper price cause reduction in selling price of the product, while the cost of products

was not reduced as the Company records cost by method “First in-first out”. In addition, as the Company did not receive any discount from large suppliers, the discount received was dropped from 59 million THB in 2012 to 15 million THB in 2013. The Company has set reserves for adjustment of cost of inventory to be net price at 26 million THB in 2013.

In 2014 cost of sale of the Company was 2,700 million THB, rose by 12% comparing to the previous year as a result of higher amount of sale income. The ratio of sale cost per sale income stood at 90%, decreased from 91%. The Company has set reserves for adjustment of cost of inventory to be net price at 26 million THB in 2014.

In 2015 cost of sale of the Company was 2,880 million THB, rose by 7% comparing to the previous year as a result of higher amount of sale income. The ratio of sale cost per sale income stood at 90%, decreased from 91%. The Company has set reserves for adjustment of cost of inventory to be net price at 29 million THB in 2014.

Cost of installation

Cost of installation is derived from service provision on installation of communication system, fire protection system etc. During year 2013-2015 cost of installation were approximately 332 million THB, 695 million THB and 908 million THB respectively, representing 66%, 69% and 68% of installation incomes respectively. Cost of installation consists of main expenses such as labor cost, products used in installation such as telecommunication towers, equipment related to communication systems, equipment related to fire protection system, equipment related to electrical system etc. All these totaled in average in 2013 - 2015 approximately 86%, 80% and 87% of the cost of installation consecutively. Costs of installation are mainly derived from installation of communication system. As of 31 December 2013 - 2015 cost of installation which recognized as at the closing date were 1,092 million THB, 1,653 million THB and 2,514 million THB respectively. Details are as follows:

Cost of Installation Communication System	31 Dec 2013	31 Dec 2014	31 Dec 2015
Costs of Installation Recognized	(Million Baht)	(Million Baht)	(Million Baht)
Costs of Installation Recognized at beginning period	790.33	1099.28	1,652.82
Costs of Installation Recognized during period	308.95	553.54	861.58
Costs of Installation Recognized at ending period	1,099.28	1,652.82	2,514.40

As of 31 December 2013 - 2015, the Company estimated cost of installation for total communication projects at 1,139 million THB, 1,970 million THB and 2,806 million THB. Cost of installation recognized at its 95% completion were 1,099 million THB, 1,653 million THB and 2,515 million THB which divided into cost of telecommunication at 790 million THB, 1,099 million THB and 1,653 million THB. Costs of installation of communication recognized between 2013 - 2015 were 309 million THB, 554 million THB and 862 million THB. Cost

of installation of communication system was mainly from new site construction which accounted 80% of total cost of communication project estimated.

Expenses

Major expenses of the Company were sales expense, administrative expense, and financial expenses. In the recent year, sale expenses and administrative expenses decreased in comparison to total income, total of the expenses represented 8% of total income in 2013-2014 and 10% in 2015. Financial expenses remain stable, representing 0.5% of total incomes in the same period. Summary and analysis of expense in each category is shown as following.

Sale expense

Sale expenses include expenses related to sales persons, commission, transportation fee, sales promoting expenses mainly. In 2013-2015, sale expenses amounted of approximately 74 million THB, 86 million THB, 86 million THB and 101 million THB respectively or 2-3 % of total income. The increases of sale expense are a result of increase sale volume.

Administrative expenses

Administrative expenses during year 2013-2015 were 186 million THB, 223 million THB and 332 million THB respectively, representing 6-8% of total incomes. Administrative expenses mainly consist of expenses related to employees which accounted 53-64% of administrative expenses. Other administrative expenses were depreciation cost of vehicles and office equipment, rent paid in accordance with work contract, office and warehouse rent.

Administrative expenses during year 2013 were 186 million THB, decreased by 2 million THB or 1% comparing to year 2012

Administrative expenses during year 2014 were 223 million THB, increased by 37 million THB or 20% comparing to year 2013 as a result of increasing expenses related to employees. The Company hired more employees as well as raise the compensation for employees in accordance with increasing profit.

Administrative expenses during year 2015 were 332 million THB, increased by 109 million THB or 49% comparing to year 2014 as a result of increasing expenses related to The Company has added 2 businesses about Information Technology and Energy include the subsidiaries, so it made more expenses amount 58 million THB. At the beginning of 2015, the Company invested in Energy business, but due to some problem so the Company has to cancel investment that made cause loss of 2.4 million THB. Between 2015, the Company has moved to the New office building, it made costs of transport charge and service charge 3 million Baht include all the new assets,

decoration and office's equipments etc. 8 million THB. Other costs of subsidiaries 18 million THB. These make the cost in 2015 more previous year.

Financial expenses

Financial expenses of the Company were from interest incurred from loan from financial institutions. During year 2013- 2015 the financial expenses of the Company were 21 million THB, 6 million THB and 11 million THB respectively. Average interest rate was between 5-8% per annum.

In 2013 the Company acquired short-term loan from financial institution at approximately 459 million THB for cash flow and between the years 2015 the Company acquired Long-term loan from financial institution at approximately 118 million THB in order to purchase the land for construction of office building and new warehouse.

In 2014 the Company did not have short-term loan or interest incurred from long-term loan applied.

In 2015 the Company has short-term loan 100 million THB include the interest incurred from long-term loan applied from the New Office building and New Warehouse.

Profits

During 2013-2015 the Company's gross profit from sale of electrical wire and equipment and installation service were 396 million THB, 590 million THB and 728 million THB respectively, presenting 13%, 15% and 16% of total gross profit. Details are summarized as follow:

Gross profit-sale of electrical wire and equipment

The Company's gross profits from sale of electrical equipment were approximately 227 million THB, 277 million THB and 295 million THB in year 2013-2015 respectively. Gross profit margin was 9% of sale income.

Gross Profit - Installation Service

The Company's gross profit from installation service were approximately 169 million THB and 312 in year 2013-2014 Gross profit margin were 34% and 31% of sale income from installation service respectively. The increase in gross profit is because most of the work in 2014 was new site construction; therefore, the gross profit margin in 2014 is higher than in 2013.

In 2015, the Company's total gross profit from installation service stood at 433 million Baht, representing gross profit margin at 33% of total income from installation service. Because of the New site stations.

Net profit

Net profits of the Company in year 2013-2015 were 110 million THB, 235 million THB and 268 million THB, representing net profit margin of 3%, 6% and 6% respectively.

In 2013 profit before tax of the Company was 137 million THB, and corporate income tax expense was approximately 27 million THB, divided into interim corporate income tax approximately 24 million THB; deferred income tax incurred from temporary differences and reverse of temporary differences was approximately 4 million THB, tax expenses paid accounted 20% of profit before tax which such rate is close to the Royal Decree Issued Under the Revenue Code Regarding Reduction and Exemption from Revenue Taxes (No. 530) B.E. 2554 which stipulated reduction of corporate income tax rate during year 2013-2014 to 20% per annum from 30%

In 2014 profit before tax of the Company was 299 million THB, and corporate income tax expense was approximately 64 million THB, divided into interim corporate income tax approximately 55 million THB; deferred income tax incurred from temporary differences and reverse of temporary differences was approximately 9 million THB, tax expenses paid accounted 21% of profit before tax which such rate is higher than the rate stipulated due to adjustment on tax items.

In 2015 profit before tax of the Company was 343 million THB, and corporate income tax expense was approximately 75 million THB, divided into interim corporate income tax approximately 69 million THB; deferred income tax incurred from temporary differences and reverse of temporary differences was approximately 6 million THB, tax expenses paid accounted 22% of profit before tax which such rate is higher than the rate stipulated due to adjustment on tax items.

Return on equity

During year 2013-2015, the Company's returns on equity were 15%, 21% and 19% respectively. Such increase is in consistent with raising of net profit in each year. The Company's dividend payment policy is to pay dividends at a rate of approximately 40% of its consolidated net income, after deduction of all reserves as required by law and the Company (see more details in Clause 2, Article 8.3 Dividend Payment Policy). During year 2013-2015 the Company's consolidated net income accounted 106 million THB, 214 million THB and 222 million THB respectively. Dividend from such profit was paid to shareholders at the amount of 98 million THB, 123 million THB, and 224 million THB respectively, which represented 89%, 71% and 101% of consolidated net income respectively. Details are summarized as follows:

Dividend	Dividend per share (THB)	Total dividend paid (Million THB)
Dividend of year 2012 comprises:-		
1st interim dividend paid in cash to shareholders totaling 40 million shares at the par value of 5 THB per share.	0.28	11.20
Dividend for operation result during year 2012 - net after deduction of 1st interim dividend, paid in cash to shareholders, totaling 40 million shares at the par value of 5 THB per share *	2.80	112.00
Dividend of the year 2012	3.08	123.20
Dividend of year 2013 comprises:-		
Interim dividend paid in cash to shareholders totaling 700 million shares at the par value of 0.50 THB per share.	0.06	42.00
Dividend for operation result during year 2013 - net after deduction of 1st interim dividend, paid in cash to shareholders	0.08	56.00
Dividend of the year 2013	0.14	98.00
Dividend of year 2014 comprises:-		
Interim dividend paid in cash to shareholders totaling 700 million shares at the par value of 0.50 THB per share.	0.06	42.00
Dividend for operation result during year 2014 - net after deduction of 1st interim dividend, paid in stock dividend (at the rate 5 existing shares to 1 stock dividend)	0.10	
Cash dividend	0.011.20	
Total	0.112	80.70
Total dividend during year 2014	0.1112	122.70
Dividend of year 2015 comprises:-		
Interim dividend paid in cash to shareholders totaling 1,050 million shares at the par value of 0.50 THB per share.	0.10	106
Dividend for operation result during year 2014 - net after deduction of 1st interim dividend, paid in cash to shareholders*	0.10	111
Totals dividend of the year 2015	0.20	217

Remark: The payment of dividend for last 6 months of the year 2015, it must be approved by the Annual General Meeting of the Shareholders for the year 2016. In addition, the total of the dividend to be paid shall be varied if the shareholders holding the CSS-W1 exercise their rights before 31 March 2016, or before the closing date of the shareholder registration book. The total of the dividend shall be varied to the shares allocated under the exercised right of the CSS-W1. If the shareholders exercise the right of CSS-W1 in full, the total number of dividend for 2015 will amount to approximately 224 million baht.

Toward the future, the Company continues to strictly comply with Dividend Payment Policy as specified in Clause 2, Article 8: Fund Structure, Article 8.3 Dividend Payment Policy

Financial Analysis

Total Assets

Total assets of the Company as of 31 December 2013-2015 amounted of approximately 2,060 million THB, 2,612 million THB and 3,437 million THB respectively. Most of the assets are trade receivables and other receivables which portioned 39-51% of total assets. Other assets are inventory, property, building and equipment about 13-15% of total assets. Land and equipment which pointed 13% of total assets.

Total assets of the Company as of 31 December 2014 valued of 2,612 million THB, an increase by 552 million THB, which represented 26.79% in comparison to year end 2013. The reason was due to cash and cash equivalents raised by 182 million THB while trade receivables and other receivables increased by 303 million THB, inventory increased by 21 million THB, bank deposit under collateral decreased to 18 million THB, property, building and equipment increased by 72 million THB as a result of construction of new office building as well as purchase of vehicles and office equipment for use in new warehouse.

Total assets as of ending year 2015 increased to approximately 825 million THB or 32% comparing to year 2014. Because of the Company has more investment in subsidiary (Neon Worx Communication (Thailand) Co., Ltd. and the new office building is done. The new office is furnished. And purchase equipment to be used for the operation. Currently, the company has moved to the new office building. And cancel the lease of office building including warehouses.

Details of main assets of the Company are summarized as follows:-

Trade receivables and other receivables

As of 31 December 2013-2015 the Company's trade receivables and other receivables were approximately at 1,018 million THB, 1,321 million THB and 1,325 million THB respectively, which represented 49%, 51% and 39% of total assets. Details of the Company's assets are as follows:

Trade receivables

As of 31 December 2013-2015, the Company's trade receivables-net were approximately at 772 million THB, 897 million THB and 963 million THB respectively, represented 37%, 34% and 28% of total assets. The increase in trade receivables is due to increase in sale volume of the Company. In addition, the Company has set clear policy on sale of products and approval of credit for customers based on credit rating, analysis on previous financial statements, financial status and business operation. The financial amount of credit approved is reviewed on regular basis. Averagely, the Company allows payment duration around 30-90 days. Details of trade receivables of the Company as of 31 December 2013-2015 are summarized as follows:-

Table showing age of trade receivables

(Unit: Million THB)

Items	2013		2014		2015	
	Value	Proportions	Value	Proportions	Value	Proportions
Not yet Due	413.38	47.45%	519.48	54.04%	548.00	53.26%
Trade Receivables past due						
Up to 3 Months	316.14	36.29%	322.80	33.60%	359.00	34.89%
3 - 6 Months	17.84	2.05%	27.17	2.82%	32.00	3.11%
6 - 12 Months	19.41	2.23%	26.82	2.79%	7.00	0.68%
Over 12 Months	104.47	11.99%	64.87	6.75%	83.00	8.06%
Total Trade Receivables	871.24	100.00%	961.14	100.00%	1,029.00	100.00%
Less: Allowance for doubtful debts	(99.41)	(11.41)%	(64.47)	(6.70)%	(67.00)	(6.52)%
Total Trade Receivables Net	771.83	88.59	896.67	93.30	962.00	93.49

The Company has set policy on forecasting of allowance for receivables doubtful accounts based on record of payment collection, analysis of aging of outstanding payment. The Company sets its allowance for doubtful accounts at 50% of receivable value for 6-12 month outstanding payment, 100% for outstanding payment up to 12 months.

As of 31 December 2013, the ratio of receivables which are not yet due and receivables which have outstanding payment less than 6 months increased to 86% of total trade receivables while the ratio between outstanding payment between 6-12 months and up to 12 months accounted 2% and 12% of total trade receivables respectively. In addition, the Company has set allowance for doubtful account at the amount of 99 million THB or 11% of total trade receivables. As a result the Company's net-trade receivables stood at approximately 772 million THB.

As of 31 December 2014, the ratio of receivables which are not yet due and receivables which have outstanding payment less than 6 months amounted of 90 % of total trade receivables while the ratio between outstanding payment between 6-12 months and up to 12 months accounted 3% and 7% of total trade receivables respectively. In addition, the Company has set allowance for doubtful account at the amount of 65 million THB or 7% of total trade receivables. As a result the Company's net-trade receivables stood at approximately 897 million THB.

As of 31 December 2015, the ratio of receivables which are not yet due and receivables which have outstanding payment less than 6 months increased to 91% of total trade receivables while the ratio between outstanding payment between 6-12 months accounted 1% and up to 12 months accounted 8% of total trade

receivables respectively. In addition, the Company has set allowance for doubtful account at the amount of 67 million THB or 7% of total trade receivables. As a result the Company's net-trade receivables stood at approximately 963 million THB.

The executives are of the opinion that the Company's policy on allowance for doubtful accounts and control and monitor Debt Payment System are appropriate and sufficient for the business operation. However, the Company may consider improvement on receivable policy to be appropriate and consistent to the current situation based on risks and benefit of the Company.

During year 2013-2015 the Company's financial ration on collection period were approximately 146 days, 109 days and 104 days respectively. Such duration was similar to credit loan policy for trade receivables of the Company.

Other receivables

Other receivables consists of accrued income from installation of fire protection system and others, unbilled completed works, other receivables, other accrued income, advance expenses and advance costs which totaled of approximately 245 million THB, 424 million THB and 362 million THB, as of 31 December 2013-2015 respectively. Other receivables mainly consists of unbilled completed work which represented approximately 65-97% of total other receivables.

Value of unbilled completed work is an income from installation of communication systems which is recognized as income based on percentage of completion but the payment is not due yet. Such income comprises of cost of materials, labor, contractors, service and other expenses totaling 228 million THB, 278 million THB and 300 million THB, as of 31 December 2013-2015 respectively.

In 2013 the Company's work value of communication installation contract totaled of 1,634 million THB, the work progress until closing date totaled of 1,577 million THB. Recognized income accumulated to 1 January 2013 amounted of 468 million THB. Income recognized in 2013 amounted of 468 million THB respectively. The payment collected from customers was 1,350 million THB, while the unbilled completed work was 228 million THB. Types of services are classified as follows:

Installation of Communication System	Total Project Value	Income recognized based on % of work completion in each area ($\geq 95\%$)	Income accumulated to 1 Jan 2014	Income recognized in 2014	Payment collected from customers	Unbilled completed work
New Site	2,296.95	1,897.98	1,214.53	683.45	1,687.08	211.04
Upgrade	409.92	368.54	233.11	135.43	302.26	66.32
Other	152.86	138.00	129.51	8.49	141.67	0.41
Total	2,859.73	2,404.52	1,577.15	827.37	2,131.01	277.77

Work value of unbilled completed work as of 31 December 2013 was approximately 228 million THB, which represented 59% of new site installation. As of 31 December 2014 the Company's work value which is completed but the payment cannot be collected totaled of 202 million THB.

In 2014 the Company's work value of communication installation contracts totaled of 2,860 million THB, the work progress until closing date totaled of 2,405 million THB. Recognized income accumulated to 1 January 2014 amounted of 1,577 million THB, income recognized in 2014 amounted of 827 million THB respectively. The payment collected from customers was 2,131 million THB while the unbilled completed work was 278 million THB. Types of services of installation are classified as follows:

Installation of Communication System	Total Project Value	Income recognized based on % of work completion in each area ($\geq 95\%$)	Income accumulated to 1 Jan 2015	Income recognized in 2015	Payment collected from customers	Unbilled completed work
New Site	3,068.11	2,913.42	1,897.98	1,015.44	2,749.49	136.42
Upgrade	600.02	566.12	368.54	197.58	525.28	79.34
IBC	47.57	37.52	-	37.52	34.16	0.33
Other	212.61	200.66	138.00	62.66	184.12	16.53
Total	3,928.31	3,717.72	2,464.52	1,313.20	3,493.05	232.62

In 2015 the Company's work value of communication installation contracts totaled of 3,928 million THB, the work progress until closing date totaled of 3,718 million THB. Recognized income accumulated to 1 January 2015 amounted of 2,405 million THB. Income recognized in 2015 amounted of 1,313 million THB respectively. The payment collected from customers was 3,493 million THB while the unbilled completed work was 232 million THB. In 2015, the Company has added the IBC project. Types of services of installation are classified as follows:

Inventories

The Company has set policy on recording value of finished goods and on-going project based on cost (First in-First out) or the net value expected to receive depended on the lower value. Finished product (cables) recorded value as cost (specific) or the net value expected to receive depended on the lower value.

However, the Company records loss incurred from reduction of product value in income statement in case where the cost of inventory in any accounting period is higher than net profit expected to receive. Upon the circumstance that it is not necessary or less necessary to reduce of product value to be lower than product cost, the Company will reverse the loss recognized in the previous accounting period in income statement of the particular accounting period.

As of 31 December 2013-2015 the Company's inventory valued of approximately 312 million THB, 334 million THB, and 451 million THB respectively, which represented 15%, 13% and 13% of total assets respectively. Details of inventory of the Company as of 31 December 2013-2015 are concluded as follows:

Table showing details of inventory

Items	2013		2014		2015	
	Value	Proportions	Value	Proportions	Value	Proportions
Finished Goods	335.00	107.23%	337.00	100.90%	358.00	79.38%
<u>Less: Reduce cost to net realizable value</u>	<u>(26.24)</u>	<u>(8.40%)</u>	<u>(26.00)</u>	<u>(7.78)%</u>	<u>(29.00)</u>	<u>(6.40)%</u>
Finished goods - Net	308.76	98.83%	311.00	93.00%	329.00	72.95
Installation in Progress - Telecommunication Project	2.81	0.90%	19.00	5.70%	108.00	23.95
Installation in Progress - passive fire protection equipment and other	0.85	0.27%	4.00	1.20%	14.00	3.10
Inventories - Net	312.42	100%	334.00	100.00%	451	100

Inventory of the Company is mainly in form of finished goods-net value portioned 73 - 99% of total inventory while the rest are on-going project-communication work and installation in progress- fire protection system and other installations. The Company started having on-going project-communication projects since 2012 as the Company recognized income derived from installation of communication systems during the first phase at 95% of project value upon completion of work. Therefore, the on-going project is recorded as 'on-going project' in the inventory which amounted of 3 million THB, 19 million THB and 108 million THB in 2013 - 2015 respectively, or represented 1%, 6% and 24% of net- inventory value during the same period respectively.

During year 2014 - 2015 the sale duration in average were 40 days, 41 days and 37 days consecutively. Presently, the Company has set its policy on storage of finished goods at around 30-45 days of sale volume forecast in order to be sufficient for customers' requirement which is consistent to the current sale duration of the Company.

The Company has set policy on reserves for allowance of price reduction of finished goods at 25% of electrical wire stored longer than 2 years and 25-100% allowance in accordance with period of storage of other products which is longer than 1 year. Since most of the finished goods are electrical wires, the Company experienced no obsolete and depreciation. In 2013 and 2014, the Company has set its allowance for price reduction of finished goods at approximately 26 million THB. As for year 2015 the Company increased by 3 million THB. The allowance for value reduction remained in amount at 29 million THB.

Property, plant and equipment

As of 31 December 2013-2015 the Company's property, building and equipment valued of approximately 276 million THB, 348 million THB and 468 million THB respectively, mainly are building and vehicles which represented 71%, 56% and 79% of property, building and equipment consecutively. Other assets are vehicles, supporting devices for work contract represented 17%, 16% and 13% of property, building and equipment and net equipment respectively.

At year end of 2013 the Company's net property, building and equipment increased to 276 million THB or by 159 million THB or 136% comparing to year end of 2012 since the Company invested in land at the area of 13-2-74 rai, at the amount of 148 million THB (not included fee around 2 million THB) in order to use for constructing of office building and new warehouse. Investment put on land reclaim was 19 million THB. In 2013 the Company deducts depreciation cost of the assets based on duration of useful life at amount of 17 million THB.

As of 2014 the Company's property, building and equipment increased to 348 million THB or by 72 million THB or 26% comparing to year 2013 since the Company purchased equipment, tools and office equipment in order to support new warehouse, and purchased more vehicles. In 2014 the Company deducted depreciation cost of the assets based on duration of useful life at amount of 19 million THB.

As of 2015 the Company's property, building and equipment increased to 468 million THB or by 120 million THB or 34% comparing to year 2014. During the year the Company has investments in subsidiaries and combined assets of subsidiary company in the consolidated financial statements. And The Company's new office building and warehouse is already completed. The property is decorated in parts of the building office equipment and office equipment increased than the previous year. 2014 the Company deducted depreciation cost of the assets based on duration of useful life at amount of 34 million THB.

Asset of deferred income tax

In 2013 the Company has implemented Accounting Standard Edition 12 subject: Income Tax to the regulation which determine that the Company shall specify temporary differences incurred out of differences of asset value and liability between accounting and taxation in order to recognize impact of tax as asset or liability of deferred income tax as stipulated in accounting standard. After implementation of such accounting standard, the Company's asset of deferred income tax as of 31 December 2012, 2013 and 2014 were 29 million THB, 20 million THB and 18 million THB respectively.

	2013	2014	2015
Return On Fixed Assets*	64.49%	81.61%	70.47%
Return On Assets	5.44%	10.07%	8.87%
Total assets turnover (times)	1.56	1.72	1.51

Remarks: * Based on net-property, building and equipment ** Calculation by annualization adjustment

During year 2013-2015 the Company was managed to operate business and generated income from asset constantly. Trend of utilization of the asset to business operation is likely to be better. Rate of return from fixed asset was approximately 64%, 82% and 70% respectively. Rate of return from asset were 5%, 10% and 9% respectively while the asset turnover were 1.56 times, 1.72 times and 1.51 times respectively.

Liquidity

(Unit: Million)

	2013	2014	2015
Net cash from operating activities	213.38	334.70	446.97
Net cash in investing activities	(202.83)	(51.57)	(410.70)
Net cash in financing activities	145.46	(101.30)	278.04
Net increase (decrease) in cash	155.91	181.83	341.31

As a result of business policy which aims to increase income from sales of product and service, most of the cash flow was spent as working capital in form of inventory and trade receivables. Therefore, in each year, the Company mainly spent cash flow in operating activities and investing activities.

In 2013 the Company received 213 million THB of cash flow from operating activities which mainly were from decrease of trade and other receivables at 327 million THB, profit before tax was 137 million THB while account and other payables decreased to 214 million THB, inventory decreased to 39 million THB. Cash flow spent in investing activities at 203 million THB which divided in purchase of land, land reclaiming and purchase of other

assets totaling 173 million THB. Cash flow received from funding activities at the amount of 145 million THB which derived from long-term loan as to purchase land at the amount of 118 million THB while bank overdraft and to short-term loan from financial institutions declined to 429 million THB. Cash received from capital increased to the stock exchange at the amount of 631 million THB. Nonetheless, this year 2013 the Company paid dividend in cash to shareholders for operation result of year 2012 plus accumulated profit at the amount of 154 million THB. Therefore, the net cash flow of the Company in 2013 increased to 156 million THB, cash and cash equivalent as of year-end 2013 was approximately 216 million THB.

In 2014 the Company received 335 million THB of cash flow from operating activities, which mainly were from a decrease of trade and other receivables at 268 million THB, profit before tax was 299 million THB while account and other payables increased to 370 million THB, inventory decreased to 21 million THB. Cash flow spent in investing activities at 52 million THB which divided in construction of new office building and purchase of other assets totaling 72 million THB. Cash flow received from asset disposal and deposit in bank pledges as collateral decreased to 20 million THB. The Company spent on funding activities at 101 million THB which derived from repayment of long-term loan and liabilities under the financial leasing contract at the amount of approximately 42 million THB. Cash received from warrant exercise at the amount of 39 million THB. Nonetheless in 2014 the Company paid dividend in cash to shareholders at the amount of 98 million THB. Therefore, the net cash flow in 2014 increased to 182 million THB while cash and cash equivalent as of year-end 2014 was at 398 million THB.

In 2015 the Company received 447 million THB of cash flow from operating activities, which mainly were from a decrease of trade and other receivables at 122 million THB, profit before tax was 343 million THB while account and other payables decreased to 11 million THB, inventory decreased to 21 million THB. Cash flow spent in investing activities at 411 million THB which divided in construction of new office building and purchase of other assets totaling 98 million THB. The Company Invested in subsidiaries about 316 million THB. The Company spent on funding activities at 278 million THB which short-term loan 70 million THB, long-term loan 37 million THB and derived from repayment of loan the financial leasing contract at the amount of approximately 13 million THB. Cash received from warrant exercise at the amount of 298 million THB. Nonetheless in 2015 the Company paid dividend in cash to shareholders at the amount of 115 million THB. Therefore, the net cash flow in 2015 increased to 314 million THB while cash and cash equivalent as of year-end 2015 was at 712 million THB.

The Company's liquidity ratio during year 2013-2015 were at 1.69 times, 1.58 times and 1.57 times consecutively while the quick liquidity ratio accounted at 0.90 time, 1.35 times, 1.31 times and 1.28 times consecutively. Such ratio were ranked in average level due to the business operation requires working capital. In the past years, the Company applied for short-term loan as a source of fund to purchase or reserve the products,

expenditure on installation of communication system, fire protection system etc. including investing in partial fixed assets such as vehicles and every-saving equipment.

Source of fund

Structure of fund

The ratio of debt per shareholders' equity (D/E) as of 31 December 2012-2014 was at 1 time, 1.17 times and 1.07 times, respectively.

Liabilities

Total liabilities of the Company as of 31 December 2013-2015 were 1,032 million THB, 1,411 million THB and 1,750 million THB respectively. Main liabilities were trade and other payables, short-term loans which represented 78% of total liabilities.

Total liabilities of the Company as of 31 December 2013 was 1,032 million THB, which consist of current liabilities at the amount of 917 million THB, representing 89% of total liabilities. Main current liabilities are trade and other payables at approximately 769 million THB, unbilled cost accounted at 114 million THB. Trade and other payables decreased by 22% comparing to 2012 due to decrease of trade payables from 817 million THB to 721 million THB. Advanced payment dropped from 118 million THB to 3 million THB. Non-current liabilities of the Company was 115 million THB, presenting 11% of total liabilities. Main non-current liabilities consists of long-term loan from financial institutions-net from payment due within 1 year at amount of 103 million THB, liabilities under hire-purchase contract-net from payment due within 1 year at the amount of 10 million THB and reserves for employees' benefit at 12 million THB.

Total liabilities of the Company as of 31 December 2014 was 1,411 million THB, which consist of current liabilities at the amount of 1,308 million THB, representing 93% of total liabilities. Main current liabilities is trade and other payables at approximately 1,139 million THB, unbilled cost accounted at 109 million and long-term loan which repayment due within 1 year at the amount of 18 million THB. The Company's non-current assets was 103 million THB, representing 7% of total liabilities. Main non-current liabilities consists of long-term loan from financial institutions-net from payment due within 1 year at amount of 74 million THB, reserves for employees' benefit at 13 million THB and liabilities under hire-purchase contract-net from payment due within 1 year at the amount of 16 million THB.

Total liabilities of the Company as of 31 December 2015 was 1,750 million THB, which consist of current liabilities at the amount of 1,591 million THB, representing 91% of total liabilities. Main current liabilities is trade and other payables at approximately 1,218 million THB, unbilled cost accounted at 167 million and long-term loan which

repayment due within 1 year at the amount of 28 million THB. The Company's non-current assets was 159 million THB, representing 9% of total liabilities. Main non-current liabilities consists of long-term loan from financial institutions-net from payment due within 1 year at amount of 101 million THB, reserves for employees' benefit at 22 million THB and liabilities under hire-purchase contract-net from payment due within 1 year at the amount of 19 million THB.

Loans from financial institutions

Recently, the Company's source of fund was mainly from short-term loans which the Company is exposing to the risk of financial liquidity. However, main financial credit the Company was granted were bank overdraft, short-term loan in form of promissory note, factoring service. The financial institutions grant the loan to enable the Company use as working capital in business operation to ensure that the Company will be able to repay the loan within the due course.

Liabilities incurred out of loan from financial institution as of 31 December 2015 are as follow:-

Short-term loan: total of 1,884 million THB divided into

- Bank overdraft at financial amount of 78 million THB, amount allocated for 2014 has not been used.
- Short-term promissory notes, trade on demand which is similar to promissory note but with option to withdraw cash from financial institution as of balance of receivables and/or payables of reference, financial credit total of 1,806 million THB (total project finance amounted of 125 million THB). Amount allocated for 2015 has not been used.

Long-term loan: total of 198.10 million THB divided into

- Long-term loan for purchase of land and building where the warehouse of Bangphra district, Chonburi province located. The total financial credit was 18.10 million THB. An amount of 16.21 million THB has been used, remaining amount was at 1.9 million THB. The payment is on monthly basis, at the amount of 0.68 million THB monthly. The loan was completely paid in October 2014.
- Long-term loan for purchase of land and construction of office building and new warehouse at Pakkred district, Nonthaburi province. Total of financial amount 180 million THB, which divided into purchase of land amount 120 million THB. And amount for construction of new office building and warehouse at 60 million THB. The Company has withdrawn 118.40 million from the long-term loan to purchase the land. The repayment of loan is determined on monthly basis, total 78 payments, each payment is at 0.83 million THB. The first payment was in July 2015. The outstanding balance approximately 130 million THB.

In addition, the Company was granted financial credit for foreign currency trading at total amount of 250 million THB. As of 31 December 2015 the Company had no outstanding balance for such financial credit.

However, the loan from financial institution is guaranteed by the Company's assets which are land, and building and cash at bank, including guaranteed by assets of the directors and close relative of the directors which are land and building as well as personal guarantee (please see more details in Clause 2 Article 11 Related Transactions).

Interest coverage ratios of the Company during year 2013-2015 were at 12.55 times, 71.72 times and 46.51 times respectively. In 2013 interest coverage ratio of the Company was quite low due to cash flow from operation at 213 million THB as a result of increase in trade and other receivables at the amount of 327 million THB while trade and other payables declined to 214 million THB.

However, the interest coverage ratio in 2014 increased to 71.72 times as the Company received better cash flow from operating activities. Profit before tax raised at 299 million THB while trade and other payables increased to 370 million THB, which could support the increase of trade and other receivables at approximately 268 million THB. Therefore, the Company's interest coverage ratio was improved.

In 2015 the interest coverage ratio decreased to 46.51 times from 2014 due to the improved situation in cash flow received from operating activities while trade and other payables decreased to 122 million THB, which decrease of trade and other receivables at approximately 11 million THB.

Liabilities under the financial lease

The Company has entered into financial lease and hire-purchase contract with leasing company in order to lease and hire-purchase vehicles for use in business operation of the Company. The duration of contract is averagely between 2-5 years. The repayment is set on monthly basis, average interest rate at 2.35-10.64% per year during 2013-2015.

As of 31 December 2013-2015 the Company had obligation to pay the minimum rent as per financial lease contract and hire-purchase contract at the amount of 17 million THB, 22 million THB and 31 million THB consecutively. The details of payment are as follows:

Million Baht

	31 December 2013			31 December 2014			31 December 2015		
	Less than a year	1 - 5 years	Total	Less than a year	1 - 5 years	Total	Less than a year	1 - 5 years	Total
Future minimum lease payments	6.34	10.88	17.22	8.49	13.89	22.38	9.25	21.73	30.98
Deferred interest expenses	(0.86)	(0.96)	(1.82)	(0.89)	(1.39)	(2.28)	(1.34)	(2.34)	(3.68)
Present value of future minimum lease payments	5.48	9.92	15.40	7.60	12.50	20.10	7.91	19.39	27.30

Unbilled costs

During 2013-2015 the Company's cost of service for communication recognized during the accounting period at the amount of 309 million THB and 553 million THB and 861 million THB respectively. During year 2013-2015 the Company received invoices for cost of service at the amount of 275 million THB, 574 million THB and 910 million THB respectively. Ongoing project totaled of 2 million THB, 19 million THB and 107 million THB in 2013 - 2015 respectively. The Company recognized income from installation of communication system during the first phase at completion percentage of 95% of project value upon work completion. Therefore, the ongoing communication projects are recorded as "ongoing project" in the inventory. As a result, at year-end of 2013-2015 the unbilled cost were 114 million THB, 109 million THB and 164 million THB respectively. Details are summarized as follows:-

Unit : Million THB	31 Dec 2013	31 Dec 2014	31 Dec 2015
Costs of installation recognized			
Costs of installation recognized as at the beginning period	790.33	1099.28	1,652.82
Costs of installation recognized during period	308.95	553.54	861.58
Total costs of installation recognized	1,099.28	1,652.82	2,514.40
Less The actual costs of installation			
The actual costs of installation as at the beginning period	(713.69)	(988.44)	(1,545.05)
The actual costs of installation during period	(274.74)	(574.24)	(910.08)
Add Work in process	2.81	19.14	107.61
Total the actual costs of installation	(985.62)	(1,543.54)	(2,347.52)
Unbilled costs	113.66	109.28	166.88

Shareholders' equity

Shareholder's equity as of 31 December 2013-2015 were 1,028 million THB, 1,202 million THB and 1,687 million THB respectively. The increase was in consistent with the net profit at 110 million THB, 235 million THB and 249 million THB respectively because during year of 2014, the Extraordinary General of Shareholder Meeting No.1/2014 approved of the issuance of the warrants (CSS-W1) to all existing shareholders for free.

In addition, the 1st Annual General Meeting of shareholder in 2013, held on 1 March 2013 passed its resolution to approve on dividend payment in cash for the operation result of 2012 to shareholders at the rate of 3.08 THB per share (par value of 5 THB per share), totaling of 123 million THB or representing 75% of net income from the financial statement of the Company. The meeting also changed the par value from 5 THB to 0.50 THB per share and increased 300 million shares of capital increase at the par value of 0.50 THB, totaling 150 million THB.

100 shares were offered to existing shareholders at the par value of 0.50 THB per share, totaling 50 million THB and 200 million shares to public offering (included directors, executives and employees of the Company and subsidiaries) at the par value of 0.50 THB per share, totaling 100 million THB. The Company offered capital increase to the existing shareholders and increased its capital on 15 March 2013 which resulted the paid-up capital of the Company to increase from 200 million THB to 250 million THB.

As of 31 December 2013 the Company's shareholder's equity was 1,028 million THB which comprises 350 million THB of paid-up capital, 7 million THB of differences from consolidation under common control which, 186 million THB of retained earnings, which divided into 24 million THB reserves as stipulated by law and 161 million THB of unappropriated retained earnings, 485 million THB of premium on share from share disposal in the stock exchange. In November 2013, the meeting of the Board of Directors passed its resolution to pay dividend in cash derived from retained earnings to shareholders at the amount of 42 million THB. The dividend was paid in December 2013.

As of 31 December 2014 the Company's shareholder's equity was 1,202 million THB, an increase of 174 million THB from the previous year as a result of advanced payment from warrant exercise for ordinary shares at the amount of 39 million THB, net profit of 235 million THB. During the year the Company paid dividend at the amount of 98 million THB.

As of 31 December 2015 the Company's shareholder's equity was 1,687 million THB, an increase of 485 million THB from the previous year as a result of CSS-W1's exercised. It increased the capital more 183 million THB and 187 million THB of premium on share from share disposal in the stock exchange. As a result of advanced payment from warrant exercise for ordinary shares at the amount of 54 million THB, net profit of 268 million THB. During the year the Company paid dividend at the amount of 115 million THB.

Auditors' remuneration

Details of audit fee are summarized as follows:-

- In 2014 the Company paid audit fee to the Company's auditor at the amount of 1.40 million THB, including the audit fee for its subsidiaries at 0.23 million THB. The Company and its subsidiaries did not use additional service from other auditors.
- In 2015 the Company paid audit fee to the Company's auditor at the amount of 1.40 million THB, including the audit fee for its subsidiaries at 0.86 million THB. The Company added a subsidiary and its subsidiaries did not use other additional service from auditors.

Main factors and influences that may have impact to the financial status and operation result in the future.

Main factors and influences that may have impact to the financial status and operation result in the future are:-

- **Risk from fluctuation in copper price which impact the income and cost of the product (electrical wire)**

Main cost of electrical wire is copper which its price is changes upon global demand and supply. Changes in copper price directly affect the buying price or cost of electrical wire including selling price, income and gross profit of the Company. Significantly when the price of copper will decline if the Company will not be able to adjust the product price to be consistent to the changes of product cost, it may adversely affect the sale cost and value if inventory of the Company. For this reason, the Company has put its emphasis on risk management on such matter by regularly monitor the price of copper in order to forecast direction and trend of copper price to apply appropriate inventory management. Normally, upon fluctuation of copper price, it takes around 6-7 months (Lapse Time) to actually affect the selling price and cost of electrical wires. For such method, the Company will be able to ease the impact from copper price fluctuation at a certain level.

- **Risks from inconsistent revenue derived from Projects**

Service design and installation of communication of the Company is conducted under project scope with schedule of completion, not long-term contract. Therefore, the consistency of income is depended on opportunity to undertake each project. However, the Company has good working background, deliver project within specified time frame. In addition, the communication industry is likely to grow steadily upon auction of license on mobile phone 4G network as well as demand to improve mobile phone signal regularly, the executives believes that the Company will not be affected from such risk much.

- **Risks from working capital**

In the normal business operation regarding distribution of electrical wires and equipment and services of installation of communication system, the Company requires working capital for purchasing products and maintaining inventory for sales. This should represent variety and adequate quantity to meet the customers' demand. In regard to service of installation of communication systems, the Company also requires working capital for purchasing, hiring and preparing tasks prior to receiving the payment from the customers according to the agreement. To manage cash flow, the Company utilized the short-term loan from the financial institutions as a working capital to operate such business. Therefore, the liquidity ratio and quick liquidity ratio in 2013 were 1.69 times and 1.35 times respectively while liquidity ratio and quick liquidity ratio in year 2014 were 1.58 times and 1.31 times respectively. In 2015 were 1.57 times and 1.28 times respectively.

Declaration of the Directors' Responsibility for the Financial Statements

The Board of Directors is particularly the responsibility for financial statements of Communication & System Solution Public Company Limited and its subsidiaries. Under the Public Company Limited Act of 1992, the Accounting Act of 2000, the Securities and Exchange Act of 1992, such statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies and due and reasonable discretion exercised in the preparation of financial statements.

The Board has instituted and maintained effective risk management and internal control systems to become reasonably confident of accurate, complete, and adequate accounting information to retain Company assets and prevent frauds or significant anomalies in operation. The Audit Committee, acting on behalf of the Board, has been assigned responsibility for the quality of financial reports and internal control system, and its opinions duly appear in its own report found in this publication.

It is our view that the Company's internal control system is, on the whole, satisfactory and can reasonably assure us that the financial statements of Communication & System Solution Public Company Limited and its subsidiaries are reliable under generally accepted accounting standards, legally sound, and acceptable to relevant regulations.

(Pol.Maj.Gen.Supisarn Bhakdinarinath) Ph.D.

Chairman

(Mr.Sompong Kangsawiwat)

Chief Executive Officer

Report of the Audit Committee

The Audit Committee has performed duties and responsibilities pursuant to the Audit Committee Charter as well as the regulations. All members of the Audit Committee are fully qualified as per specified in the Audit Committee Charter and are in accordance with the regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Such as Review the quarterly and annual financial statements, Review the internal control system and the internal control operations and Consider on selection and proposal for appointment of the Company's auditor

In the year 2015, the Audit Committee held 4 Meetings, The Audit Committee attended at all times which its material results can be concluded as follows:

1. Review the financial statements of the Company and its subsidiaries

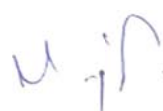
The Audit Committee reviewed the quarterly and annual financial statement and consolidated financial statement of the Communication & System Solution PCL. and its subsidiaries for 2015 which had already been reviewed and audited by the external auditor. Prior to approval of the financial statement, meetings with the management and the external auditor had been held to review its accuracy and completeness to ensure that its essence has been correctly prepared pursuant to the generally accepted accounting principles with adequacy of the financial disclosures and beneficial to the operators. The Audit Committee was of opinion that the Company correctly and adequately prepared and disclosed the essence information in the financial statement pursuant to the general accepted accounting standards.

2. Review the internal control system and the internal control operations

In the meeting of the Audit Committee No.1/2015 held on 23 February 2015 approved the appointment of the Dharmniti Auditing Co.,Ltd (the internal Audit) which is an independent company from the outside Responsible for checking and monitoring the internal control of the company. The Dharmniti Auditing Co.,Ltd appointed Mr.Saksri Ampawan is responsible for the major in the internal audit of the company.

3. Consider on selection and proposal for appointment of the Company's auditor for 2015

The Audit Committee considered the nomination, appointment and annual remuneration The E.Y. Officer Co.,Ltd to be of the external auditor for 2015 who has suitable qualifications. The processes taken into consideration were the knowledge, ability, reliability, independence and performance in the past year.



(Assoc.Prof.Pitiphat Chataccarapat)

Chairman of the Audit Committee



Financial Statement

and Notes to the Financial Statements

Communication & System Solution PCL.

For year 2015, ended on 31 December 2015



Independent Auditor's Report

To the Shareholders of Communication & System Solution Public Company Limited

I have audited the accompanying consolidated financial statements of Communication & System Solution Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Communication & System Solution Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of matter

I draw attention to note 9 to the financial statements that the process of assessing the fair value of identifiable assets, liabilities and contingent liabilities of a subsidiary has not yet completed. My opinion is not qualified in respect of this matter.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 25 February 2016

Communication & System Solution Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents		712,312,496	398,002,058	525,143,001	316,775,382
Trade and other receivables	7	1,324,824,213	1,320,600,091	1,197,054,087	1,216,411,123
Inventories	8	450,922,867	333,697,537	334,578,963	318,205,098
Other current assets		8,433,190	8,822,357	2,731,695	5,369,952
Total current assets		2,496,492,766	2,061,122,043	2,059,507,746	1,856,761,555
Non-current assets					
Restricted bank deposits		187,948,633	177,948,633	176,048,633	176,048,633
Investments in subsidiaries	9	-	-	494,158,940	150,000,000
Estimated amount of interest in the net assets value					
of subsidiary that under purchase cost	9	257,766,989	-	-	-
Property, plant and equipment	10	468,065,876	347,563,538	433,587,895	352,677,321
Deffered tax assets	20	17,810,257	20,284,010	10,463,168	8,919,332
Other non-current assets		8,949,201	5,524,403	4,747,668	5,099,611
Total non-current assets		940,540,956	551,320,584	1,119,006,304	692,744,897
Total assets		3,437,033,722	2,612,442,627	3,178,514,050	2,549,506,452

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

Communication & System Solution Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions		146,974,494	-	100,000,000	-
Trade and other payables	11	1,217,839,722	1,138,630,568	1,177,665,475	1,138,336,362
Accrued costs		166,878,921	109,276,813	149,269,510	109,276,813
Current portion of long-term loans	13	28,200,000	18,240,000	28,200,000	18,240,000
Current portion of liabilities under					
finance lease agreements	14	7,907,533	7,572,330	6,378,350	7,203,219
Other current liabilities					
Income tax payable		6,685,113	21,715,801	6,685,113	21,715,800
Others		16,187,796	12,333,438	10,551,655	12,267,314
Total current liabilities		1,590,673,579	1,307,768,950	1,478,750,103	1,307,039,508
Non-current liabilities					
Long-term loans, net of current portion	13	101,140,000	74,320,000	101,140,000	74,320,000
Liabilities under finance lease agreements,					
net of current portion	14	19,390,434	12,535,030	17,226,982	10,969,670
Share subscriptions payable	9	16,800,000	-	16,800,000	-
Provision for long-term employee benefits	15	21,789,985	16,165,188	18,564,533	16,165,188
Total non-current liabilities		159,120,419	103,020,218	153,731,515	101,454,858
Total liabilities		1,749,793,998	1,410,789,168	1,632,481,618	1,408,494,366

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

Communication & System Solution Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Shareholders' equity					
Share capital	16				
Registered					
1,175,990,349 ordinary shares (2014: 980,000,000 ordinary shares) of Baht 0.5 each		587,995,175	490,000,000	587,995,175	490,000,000
Issued and fully paid-up					
1,066,502,238 ordinary shares (2014: 700,000,000 ordinary shares) of Baht 0.5 each		533,251,119	350,000,000	533,251,119	350,000,000
Share premium		671,756,325	485,036,000	671,756,325	485,036,000
Share subscriptions received in advance	17	53,583,408	38,603,265	53,583,408	38,603,265
Difference resulting from business combination					
under common control		6,827,505	6,827,505	-	-
Retained earnings					
Appropriated - statutory reserve	18	46,300,000	35,100,000	46,300,000	35,100,000
Unappropriated		321,059,310	286,086,689	241,141,580	232,272,821
Equity attributable to owners of the Company		1,632,777,667	1,201,653,459	1,546,032,432	1,141,012,086
Non-controlling interests of the subsidiary		54,462,057	-	-	-
Total shareholders' equity		1,687,239,724	1,201,653,459	1,546,032,432	1,141,012,086
Total liabilities and shareholders' equity		3,437,033,722	2,612,442,627	3,178,514,050	2,549,506,452
		-	-	-	-

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

Directors

Communication & System Solution Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2015	2014	2015	2014
Profit or loss:					
Revenues					
Sales		3,174,301,295	2,977,490,651	3,174,291,895	2,973,566,960
Installation service revenue		1,340,979,958	1,006,863,427	1,081,753,121	862,316,717
Commission revenue		34,701,548	-	-	-
Other income		24,451,953	23,750,745	14,986,669	22,268,562
Total revenues		4,574,434,754	4,008,104,823	4,271,031,685	3,858,152,239
Expenses					
Cost of sales		2,879,038,533	2,699,590,522	2,880,018,063	2,700,662,910
Installation service costs		908,129,878	694,501,618	728,627,311	577,291,326
Selling expenses		101,202,978	86,106,803	99,909,166	85,779,756
Administrative expenses		331,741,817	223,255,627	274,390,317	220,810,987
Total expenses		4,220,113,206	3,703,454,570	3,982,944,857	3,584,544,979
Profit before finance cost and					
income tax expenses		354,321,548	304,650,253	288,086,828	273,607,260
Finance cost		(11,455,089)	(5,634,677)	(9,529,371)	(5,634,677)
Profit before income tax expenses		342,866,459	299,015,576	278,557,457	267,972,583
Income tax expenses	20	(74,631,502)	(63,796,007)	(56,279,985)	(54,011,873)
Profit for the year		268,234,957	235,219,569	222,277,472	213,960,710
Other comprehensive income:					
Other comprehensive income not to be reclassified to					
profit or loss in subsequent periods					
Actuarial losses, net of income tax		-	(1,679,929)	-	(1,679,929)
Other comprehensive income not to be reclassified to					
profit or loss in subsequent periods, net of income tax		-	(1,679,929)	-	(1,679,929)
Other comprehensive income for the year		-	(1,679,929)	-	(1,679,929)
Total comprehensive income for the year		268,234,957	233,539,640	222,277,472	212,280,781

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

Communication & System Solution Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit attributable to:				
Equity holders of the Company	248,381,333	235,219,569	222,277,472	213,960,710
Non-controlling interests of the subsidiary	<u>19,853,624</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>268,234,957</u>	<u>235,219,569</u>	<u>222,277,472</u>	<u>213,960,710</u>
Total comprehensive income attributable to:				
Equity holders of the Company	248,381,333	233,539,640	222,277,472	212,280,781
Non-controlling interests of the subsidiary	<u>19,853,624</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>268,234,957</u>	<u>233,539,640</u>	<u>222,277,472</u>	<u>212,280,781</u>
Earnings per share	21			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.24</u>	<u>0.27</u>	<u>0.21</u>	<u>0.25</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.21</u>	<u>0.25</u>	<u>0.19</u>	<u>0.23</u>

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

Communication & System Solution Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:				
Profit before tax	342,866,459	299,015,576	278,557,457	267,972,583
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	34,111,937	19,712,750	29,573,096	18,935,059
Allowance for doubtful accounts (reversal)	2,338,377	(34,939,824)	2,969,547	1,301,089
Reduction of inventory to net realisable value (revers)	3,283,024	(425,186)	4,373,651	6,200,386
Provision for long-term employee benefits	2,895,153	2,205,356	2,399,345	2,205,356
Gain from sales of property, plant and equipment	(104,253)	(221,209)	(185,680)	(231,313)
Gain from the return of capital from jointly controlled entity	-	-	-	(3,621,838)
Interest income	(9,860,632)	(8,628,245)	(7,543,800)	(6,938,724)
Interest expenses	11,455,088	5,634,677	9,529,371	5,634,677
Profit from operating activities before changes in operating assets and liabilities	386,985,153	282,353,895	319,672,987	291,457,275
Operating assets (increase) decrease				
Trade and other receivables	121,716,133	(267,521,302)	16,211,073	(202,424,704)
Inventories	(20,887,665)	(20,851,819)	(20,747,516)	(29,244,709)
Other current assets	5,671,061	(2,836,767)	2,638,257	(1,279,888)
Other non-current assets	1,683,342	18,539,736	123,701	(2,029,518)
Operating liabilities increase (decrease)				
Trade and other payables	(10,578,363)	369,513,238	39,329,113	294,993,758
Accrued costs	50,347,759	(4,381,679)	39,992,697	(4,381,679)
Other current liabilities	573,494	(7,852,197)	(1,741,853)	10,950,446
Cash flow from operating activities	535,510,914	366,963,105	395,478,459	358,040,981
Cash received from interest income	10,358,127	8,204,154	7,720,216	6,806,118
Cash paid for long-term employee benefits	-	(287,400)	-	(287,400)
Cash paid for interest expenses	(10,520,142)	(4,634,519)	(8,594,425)	(4,634,519)
Cash paid for income tax	(88,381,694)	(35,539,288)	(72,854,509)	(34,803,269)
Net cash flows from operating activities	446,967,205	334,706,052	321,749,741	325,121,911

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

Communication & System Solution Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from investing activities:				
Decrease (increase) in restricted bank deposits	-	17,956,050	-	(6,543,950)
Cash paid for investment in subsidiary	(315,548,455)	-	(327,358,940)	-
Proceeds from sales of property, plant and equipment	2,558,356	2,132,966	3,340,747	2,132,966
Acquisition of property, plant and equipment	(97,710,730)	(71,664,922)	(97,374,982)	(71,161,522)
Cash received from the return of capital				
from jointly controlled entity	-	-	-	4,061,838
Net cash flows used in investing activities	<u>(410,700,829)</u>	<u>(51,575,906)</u>	<u>(421,393,175)</u>	<u>(71,510,668)</u>
Cash flows from financing activities:				
Increase in short-term loans from financial institutions	98,964,161	-	100,000,000	-
Repayment of short-term loans	(28,896,628)	-	-	-
Cash receipt from long-term loans	60,000,000	-	60,000,000	-
Repayment of long-term loans	(23,220,000)	(24,445,723)	(23,220,000)	(24,445,723)
Repayment of liabilities under				
finance lease agreements	(12,626,346)	(17,456,542)	(11,511,822)	(16,521,013)
Proceed from exercise of warrants	298,118,111	38,603,265	298,118,111	38,603,265
Cash received from investment of non-controlling inter	1,080,000	-	-	-
Dividend paid	(115,375,236)	(97,998,260)	(115,375,236)	(97,998,260)
Net cash flows from (used in) financing activities	<u>278,044,062</u>	<u>(101,297,260)</u>	<u>308,011,053</u>	<u>(100,361,731)</u>
Net increase in cash and cash equivalents	<u>314,310,438</u>	<u>181,832,886</u>	<u>208,367,619</u>	<u>153,249,512</u>
Cash and cash equivalents at beginning of year	<u>398,002,058</u>	<u>216,169,172</u>	<u>316,775,382</u>	<u>163,525,870</u>
Cash and cash equivalents at end of year	<u>712,312,496</u>	<u>398,002,058</u>	<u>525,143,001</u>	<u>316,775,382</u>
	-	-	-	-
Supplemental cash flow information:				
Non-cash item				
Increase in equipment through financial leases	15,648,000	21,106,813	15,648,000	18,236,813

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



Communication & System Solution Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
	Issued and	Share subscriptions	Difference resulting		Retained earnings		Total equity	Equity attributable	Total
	paid-up		combination under				attributable to	to non-controlling	shareholders'
Note	share capital	Share premium	received in advance	common control	Appropriated	Unappropriated	owners of	interests of	equity
							the Company	the subsidiary	
Balance as at 1 January 2014	350,000,000	485,036,000	-	6,827,505	24,355,316	161,289,993	1,027,508,814	-	1,027,508,814
Profit for the year	-	-	-	-	-	235,219,569	235,219,569	-	235,219,569
Other comprehensive income for the year	-	-	-	-	-	(1,679,929)	(1,679,929)	-	(1,679,929)
Total comprehensive income for the year	-	-	-	-	-	233,539,640	233,539,640	-	233,539,640
Exercised warrants	17	-	38,603,265	-	-	-	38,603,265	-	38,603,265
Dividend paid	24	-	-	-	-	(97,998,260)	(97,998,260)	-	(97,998,260)
Unappropriated retained earnings transferred to statutory reserve	18	-	-	-	10,744,684	(10,744,684)	-	-	-
Balance as at 31 December 2014	350,000,000	485,036,000	38,603,265	6,827,505	35,100,000	286,086,689	1,201,653,459	-	1,201,653,459
Balance as at 1 January 2015	350,000,000	485,036,000	38,603,265	6,827,505	35,100,000	286,086,689	1,201,653,459	-	1,201,653,459
Profit for the year	-	-	-	-	-	248,381,333	248,381,333	19,853,624	268,234,957
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	248,381,333	248,381,333	19,853,624	268,234,957
Acquisition of investment in subsidiary	-	-	-	-	-	-	-	33,528,433	33,528,433
Receipt of investment from non-controlling interests	-	-	-	-	-	-	-	1,080,000	1,080,000
Increase in share capital	16	96,417,643	186,720,325	(283,137,968)	-	-	-	-	-
Exercised warrants	17	-	298,118,111	-	-	-	298,118,111	-	298,118,111
Dividend paid	24	86,833,476	-	-	-	(202,208,712)	(115,375,236)	-	(115,375,236)
Unappropriated retained earnings transferred to statutory reserve	18	-	-	-	11,200,000	(11,200,000)	-	-	-
Balance as at 31 December 2015	533,251,119	671,756,325	53,583,408	6,827,505	46,300,000	321,059,310	1,632,777,667	54,462,057	1,687,239,724

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



Communication & System Solution Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

Separate financial statements

	Note	Issued and paid-up		Share subscriptions received in advance	Retained earnings		Total
		share capital	Share premium		Appropriated	Unappropriated	
Balance as at 1 January 2014		350,000,000	485,036,000	-	24,355,316	128,734,984	988,126,300
Profit for the year		-	-	-	-	213,960,710	213,960,710
Other comprehensive income for the year		-	-	-	-	(1,679,929)	(1,679,929)
Total comprehensive income for the year		-	-	-	-	212,280,781	212,280,781
Exercised warrants	17	-	-	38,603,265	-	-	38,603,265
Dividend paid	24	-	-	-	-	(97,998,260)	(97,998,260)
Unappropriated retained earnings transferred to statutory reserve	18	-	-	-	10,744,684	(10,744,684)	-
Balance as at 31 December 2014		<u>350,000,000</u>	<u>485,036,000</u>	<u>38,603,265</u>	<u>35,100,000</u>	<u>232,272,821</u>	<u>1,141,012,086</u>
Balance as at 1 January 2015		350,000,000	485,036,000	38,603,265	35,100,000	232,272,821	1,141,012,086
Profit for the year		-	-	-	-	222,277,472	222,277,472
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	222,277,472	222,277,472
Increase in share capital	16	96,417,643	186,720,325	(283,137,968)	-	-	-
Exercised warrants	17	-	-	298,118,111	-	-	298,118,111
Dividend paid	24	86,833,476	-	-	-	(202,208,713)	(115,375,237)
Unappropriated retained earnings transferred to statutory reserve	18	-	-	-	11,200,000	(11,200,000)	-
Balance as at 31 December 2015		<u>533,251,119</u>	<u>671,756,325</u>	<u>53,583,408</u>	<u>46,300,000</u>	<u>241,141,580</u>	<u>1,546,032,432</u>

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

Communication & System Solution Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2015

1. General information

Communication & System Solution Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution and installation of equipment production for electricity, water, air conditioning and telecommunication systems. The registered office of the Company is at 329 Moo 3 Banmai, Pakkred, Nonthaburi.

The Company has branches as follows:

1. Ramkhamhaeng Branch: 142 Soi Ramkhamhaeng 40, Hua Mark, Bangkapi, Bangkok.
2. Chonburi Branch: 59 Moo 7, Bang Pra, Sriracha, Chonburi.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Communication & System Solution Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) as follows:

Name of entity	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2015</u>	<u>2014</u>
			Percent	Percent
<u>Subsidiaries company</u>				
C.S.S. Energy Company Limited	Distribution and installation of electric cables, tube and electrical products	Thailand	100	100
Neonworx Communications (Thailand) Limited	Distribution and installation of equipment product for telecommunication systems	Thailand	70	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, as from the date on which the Company obtains control, and continues to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that is not held by the Company and is presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

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

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

TAS 19 (revised 2014) Employee Benefits

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

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the Company and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

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

This standard does not have any significant impact on the Company and its subsidiaries' financial statements.

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

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

4. Significant accounting policies

4.1 Revenues and expenses recognition

Sales of goods

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

Revenues from installation services

The Company and its subsidiaries recognise revenues from installation services on a percentage of completion basis, according to the amount of work completed per the service contract that has passed inspection. Recognised revenue that is not yet due per the contracts has been presented as “Unbilled receivables” under the caption of “Trade and other receivables” in the statement of financial position.

Installation service costs

Installation service costs are recognised in accordance with the percentage of work completed based on total estimated costs. Provision for anticipated losses on projects is made in the accounts in full when the possibility of loss is ascertained. Differences between the estimated costs and the actual costs are recognised as inventories or accrued costs in the statement of financial position.

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade and other receivables

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

4.4 Inventories

Finished goods are valued at the lower of cost (under the first-in first-out method), except large size cables (under the specific identification method), and net realisable value.

4.5 Investments

Investments in subsidiaries are accounted for in the separate financial statements under the cost method less allowance for loss on impairment (if any).

4.6 Property, plant and equipment/Depreciation

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

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

Buildings	-	20 years
Furniture and fixtures	-	5 years
Toolings and equipment	-	5 years
Office equipment	-	3, 5 years
Motor vehicles	-	5 years
Installed equipment under contract	-	10, 20 years

Depreciation is included in profit or loss.

No depreciation is provided on land and assets under installation.

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

4.7 Related party transactions

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

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

4.8 Long-term leases

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

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.9 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

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

Gains and losses on exchange are included in determining profit or loss.

4.10 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The treat these severance payment obligations as a defined benefit plan.

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

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

The defined benefit liabilities comprise the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

4.12 Provisions

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

4.13 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company and its subsidiaries' plant and equipment and to review estimate useful lives and residual values when there are any changes.

Estimation of installation service costs - telecommunication project

In recognising revenue from installation service - telecommunication project, the Company and its subsidiary need to estimate all project installation service costs, including design costs and construction costs. The management estimates these costs based on their business experience and revisit the estimation on a periodical basis or when the actual costs incurred significantly vary from the estimation.

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

6. Related party transactions

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2015	2014	2015	2014	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	-	1,282	Cost plus margin more than 2%
Purchases of goods	-	-	1,267	2,628	Cost plus margin more than 2%
Sales of assets	-	-	915	-	Based on agreed basis
Purchases of assets	-	-	300	-	Based on agreed basis
<u>Transactions with related parties</u>					
Sale of assets	-	-	447	-	Based on agreed basis

As at 31 December 2015 and 2014, the balances of the accounts between the Company and its subsidiaries were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables - Subsidiary (Note 7)	-	-	1,226	1,226
Share subscriptions payable directors (Note 9)	14,437	-	14,437	-
Trade payables - Subsidiary (Note 11)	-	-	16,445	15,318

Directors and management's benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	37,483	23,455	32,412	23,455
Post-employment benefits	762	496	530	496
Total	<u>38,245</u>	<u>23,951</u>	<u>32,942</u>	<u>23,951</u>

7. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	547,817	519,481	509,015	519,481
Past due up to 3 months	358,832	322,798	346,318	322,785
3 - 6 months	32,349	27,172	31,892	27,172
6 - 12 months	7,225	26,827	7,117	26,827
Over 12 months	83,177	64,864	41,230	22,240
Total	1,029,400	961,142	935,572	918,505
Less: Allowance for doubtful debts	(66,810)	(64,472)	(24,816)	(21,847)
Total trade receivables - unrelated parties, net	962,590	896,670	910,756	896,658
<u>Trade receivables - related party (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	-	-	-	1
Past due up to 3 months	-	-	-	990
3 - 6 months	-	-	-	235
6 - 12 months	-	-	1	-
Over 12 months	-	-	1,225	-
Total trade receivables - related party	-	-	1,226	1,226
Total trade receivables, net	962,590	896,670	911,982	897,884
<u>Other receivables</u>				
Accrued income for installation services	30,639	75,461	30,639	5,639
Less: Allowance for doubtful debts	(684)	(684)	(684)	(684)
Accrued income for installation services, net	29,955	74,777	29,955	4,955
Unbilled receivables	300,201	277,774	230,437	277,774
Other receivables	8,445	3,401	5,347	3,366
Advance payments	9,187	55,880	8,244	20,880
Other accrued income	7,639	5,743	7,631	5,415
Prepaid expenses	6,807	6,355	3,458	6,137
Total other receivables, net	362,234	423,930	285,072	318,527
Total trade and other receivables, net	1,324,824	1,320,600	1,197,054	1,216,411

8. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories – net	
	2015	2014	2015	2014	2015	2014
Finished goods	358,644	337,108	(29,099)	(25,816)	329,545	311,292
Installation in progress - telecommunication projects	107,610	19,135	-	-	107,610	19,135
Other installation in progress	13,768	3,271	-	-	13,768	3,271
Total	480,022	359,514	(29,099)	(25,816)	450,923	333,698

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories – net	
	2015	2014	2015	2014	2015	2014
Finished goods	333,634	310,816	(17,925)	(13,551)	315,709	297,265
Installation in progress - telecommunication projects	5,101	19,135	-	-	5,102	19,135
Other installation in progress	13,768	1,805	-	-	13,768	162
Total	352,504	331,756	(17,925)	(13,551)	334,579	318,205

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 7 million (2014: Baht 8 million) (The Company only: Baht 7 million and 2014: Baht 7 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company and its subsidiaries reversed the write-down of cost of inventories by Baht 4 million (2014: Baht 8 million) (The Company only: Baht 3 million and 2014: Baht 1 million), and reduced the amount of inventories recognised as expenses during the year.

9. Investments in subsidiaries

9.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2015	2014	2015	2014	2015	2014
			(Percent)	(Percent)		
C.S.S. Energy Company Limited	150,000	150,000	100	100	150,000	150,000
Neonworx Communications (Thailand) Limited	9,000	-	70	-	344,159	-
Total investments in subsidiaries					494,159	150,000

The subsidiaries did not declare any dividend during the years.

Neonworx Communications (Thailand) Limited ("Neonworx")

On 28 April 2015, the Annual General Meeting of the Company's shareholders passed a resolution to approve the purchase of ordinary shares by 70% of the registered share capital in Neonworx. The details were as follows:

(Unit: Thousand Baht)

Cost of acquisition (63,000 ordinary shares of Baht 5,333.33 each)	336,000
Less: Share subscriptions payable	(16,800)
Cash paid for acquisition	319,200
Less: Cash and cash equivalents as of acquisition date	(3,652)
Net cash paid in the acquisition - net from cash and cash equivalent received	315,548

On 8 May 2015, The Company made the payment for the share by Baht 319 million and had the unpaid balances to the shareholders who are directors by Baht 14.4 million (Note 6) and to other shareholders by Baht 2.4 million. The unpaid balances will be paid within 5 years as specified in the agreement. The Company therefore presented the amount under the caption of "Share subscriptions payable".

Under TFRS No. 3 (revised 2014), the Company must consider the net fair value of the identifiable assets, liabilities and contingent liabilities of Neonworx on the acquisition date. The Company made preliminary assessment the difference between purchase cost of the investment and net book value of assets was approximately Baht 258 million. However, the Company is in the process of assessing the fair value of the identifiable assets, liabilities and contingent liabilities of Neonworx as of the acquisition date, and this process is currently not completed. Such discrepancy of Baht 258 million is therefore recorded as current assets under “Estimated amount of interest in the net asset value of subsidiaries that under purchase cost” in the consolidated statement of financial position. The details were as follows:

	(Unit: Thousand Baht)
Cost of acquisition	336,000
Estimated carrying amounts of net assets acquired (70% of net assets value)	<u>(78,233)</u>
Estimated amount of interest in the net assets value under purchase cost	<u><u>257,767</u></u>

The carrying amounts of assets and liabilities of Neonworx on the acquired date were as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	3,652
Trade and other receivables	128,776
Inventories	99,621
Restricted bank deposits	10,000
Property, plant and equipment	44,483
Bank overdraft and short-term loans from financial institutions	(48,010)
Trade and other payables	(89,787)
Short-term loans	(28,897)
Accrued costs	(7,254)
Others	<u>(822)</u>
Net assets	<u><u>111,762</u></u>

On 15 July 2015, the Extraordinary Meeting of Neonworx’s shareholders resolved to call up the uncalled portion of its capital from the shareholders, amounting to Baht 3.6 million. The Company paid its portion of the shares, amounting to Baht 2.5 million, on 21 July 2015.

9.2 Details of investments in subsidiary that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		(Unit: Thousand Baht) Profit/loss allocated to non-controlling interests during the year	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(%)	(%)				
Neonworx Communications (Thailand) Limited	30	-	54,462	-	19,854	-

9.3 Summarised financial information that based on amounts before inter-company elimination of Neonworx Communications (Thailand) Limited that have material non-controlling

Summarised information about financial position

	(Unit: Million Baht)	
	<u>2015</u>	<u>2014</u>
Current assets	253,549	-
Non-current assets	54,473	-
Current liabilities	122,280	-
Non-current liabilities	4,201	-

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the year ended 31 December	
	<u>2015</u>	<u>2014</u>
Revenue	263,768	-
Profit	39,888	-
Total comprehensive income	39,888	-

Summarised information about cash flow

	(Unit: Million Baht)	
	For the year ended 31 December	
	<u>2015</u>	<u>2014</u>
Cash flow from operating activities	68,725	-
Cash flow from investing activities	2,160	-
Cash flow from financing activities	(50,971)	-
Net increase in cash and cash equivalents	19,914	-

10. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Building	Furniture and fixtures	Toolings and equipment	Office equipment	Motor vehicles	Installed equipment under contract	Assets under installation	Total
Cost:									
1 January 2014	161,323	48,801	11,968	6,077	23,573	48,440	33,907	20,192	354,281
Additions	-	-	664	720	4,245	21,473	200	65,470	92,772
Disposal and written off	-	(960)	-	(649)	(1,859)	(6,202)	-	-	(9,670)
31 December 2014	161,323	47,841	12,632	6,148	25,959	63,711	34,107	85,662	437,383
Additions	-	1,705	2,777	332	18,178	18,634	-	71,733	113,359
Acquisition of subsidiary	10,308	20,522	4,976	7,916	7,117	6,472	-	-	57,311
Disposal and written off	-	-	(2,881)	(34)	(2,443)	(6,271)	-	(13)	(11,642)
Transfer in (transfer out)	-	148,200	137	4,737	4,308	-	-	(157,382)	-
Capitalised interest	-	388	-	-	-	-	-	-	388
31 December 2015	171,631	218,656	17,641	19,099	53,119	82,546	34,107	-	596,799
Accumulated depreciation:									
1 January 2014	-	13,529	7,887	4,654	16,522	29,527	6,307	-	78,426
Depreciation for the year	-	2,098	782	1,021	3,775	7,988	3,490	-	19,154
Depreciation on disposals and written off	-	(960)	-	(544)	(1,759)	(4,498)	-	-	(7,761)
31 December 2014	-	14,667	8,669	5,131	18,538	33,017	9,797	-	89,819
Depreciation for the year	-	5,854	1,687	2,183	7,539	12,840	3,501	-	33,604
Acquisition of subsidiary	-	444	785	6,036	4,579	2,654	-	-	14,498
Depreciation on disposals and written off	-	-	(2,424)	(374)	(1,648)	(4,742)	-	-	(9,188)
31 December 2015	-	20,965	8,717	12,976	29,008	43,769	13,298	-	128,733
Net book value:									
As at 31 December 2014	161,323	33,174	3,963	1,017	7,421	30,694	24,310	85,662	347,564
As at 31 December 2015	171,631	197,691	8,924	6,123	24,111	38,777	20,809	-	468,066
Depreciation for the year									
2014 (Baht 4 million included in installation service costs, and the balance in selling and administrative expenses)									19,154
2015 (Baht 4 million included in installation service costs, and the balance in selling and administrative expenses)									33,604

10. Property, plant and equipment (continued)

(Unit: Thousand Baht)

	Separate financial statements								
	Land	Building	Furniture and fixtures	Toolings and equipment	Office equipment	Motor vehicles	Installed equipment under contract	Assets under installation	Total
Cost									
1 January 2014	162,200	39,100	4,452	4,864	16,425	40,303	33,907	20,192	321,443
Additions	-	-	664	686	4,125	18,253	200	65,470	89,398
Disposal and written off	-	-	-	(140)	(741)	(6,202)	-	-	(7,083)
31 December 2014	162,200	39,100	5,116	5,410	19,809	52,354	34,107	85,662	403,758
Additions	-	1,642	2,752	65	17,984	18,847	-	71,733	113,023
Disposal and written off	-	-	(1,259)	(34)	(1,936)	(6,901)	-	(13)	(10,143)
Transfer in (transfer out)	-	148,200	137	4,737	4,308	-	-	(157,382)	-
Capitalised interest	-	388	-	-	-	-	-	-	388
31 December 2015	162,200	189,330	6,746	10,178	40,165	64,300	34,107	-	507,026
Accumulated depreciation:									
1 January 2014	-	3,499	2,090	1,637	7,742	16,193	6,307	-	37,468
Depreciation for the year	-	1,955	718	1,016	3,739	7,877	3,490	-	18,795
Depreciation on disposals and written off	-	-	-	(42)	(642)	(4,498)	-	-	(5,182)
31 December 2014	-	5,454	2,808	2,611	10,839	19,572	9,797	-	51,081
Depreciation for the year	-	5,043	984	1,678	6,873	11,266	3,501	-	29,345
Depreciation on disposals and written off	-	-	(802)	(374)	(1,140)	(4,672)	-	-	(6,988)
31 December 2015	-	10,497	2,990	3,915	16,572	26,166	13,298	-	73,438
Net book value:									
As at 31 December 2014	162,200	33,646	2,308	2,799	8,970	32,782	24,310	85,662	352,677
As at 31 December 2015	162,200	178,833	3,756	6,263	23,593	38,134	20,809	-	433,588
Depreciation for the year									
2014 (Baht 4 million included in installation service costs, and the balance in selling and administrative expenses)									18,795
2015 (Baht 4 million included in installation service costs, and the balance in selling and administrative expenses)									29,345

As at 31 December 2015, the Company has vehicles under finance lease agreements with net book values amounting to Baht 36 million (2014: Baht 27 million) (Separate financial statements: Baht 31 million, 2014: Baht 24 million).

As at 31 December 2015, certain items of plant and equipment were fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 16 million (2014: Baht 9 million) (Separate financial statements: Baht 7 million, 2014: Baht 6 million).

The Company has pledged its property, plant and equipment amounting to approximately Baht 340 million (2014: Baht 195 million) as collateral against credit facilities received from financial institutions.

11. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade payables - unrelated parties	1,053,833	965,953	1,032,771	960,575
Trade payables - Subsidiary (Note 6)	-	-	16,445	15,318
Accrued expenses	77,789	54,318	72,112	52,933
Revenue received in advance	64,044	87,885	35,160	80,337
Other payables	<u>22,174</u>	<u>30,475</u>	<u>21,177</u>	<u>29,173</u>
Total trade and other payables	<u>1,217,840</u>	<u>1,138,631</u>	<u>1,177,665</u>	<u>1,138,336</u>

12. Installation service contract - telecommunication project

As at 31 December 2015, the aggregate amount of installation costs incurred and recognised profits or losses to date for contracts in progress of the Company and subsidiary were approximately Baht 3,049 million (2014: Baht 1,930 million) (Separate financial statements: Baht 2,004 million (2014: Baht 1,930 million)), and gross amounts due from customers for contracts in progress totaled approximately Baht 408 million (2014: Baht 297 million) (Separate financial statements: Baht 236 million (2014: Baht 297 million)).

13. Long-term loans

			(Unit: Thousand Baht)	
			Consolidated financial statements/ Separate financial statements	
Loan	Interest rate (%)	Repayment schedule	2015	2014
1	Fixed rate for the first year and referenced to THBFIX since second year	Monthly installments of Baht 1.5 millior each, commencing August 2013	74,320	92,560
2	Fixed rate for the first year and referenced to THBFIX since second year	Monthly installments of Baht 0.8 millior each, commencing July 2015	55,020	-
Total			129,340	92,560
Less: Current portion			(28,200)	(18,240)
Long-term loans, net of current portion			101,140	74,320

The loans are secured by mortgage of project land and construction thereon.

The loan agreements contain several covenants which, among other things, require the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

14. Liabilities under finance lease agreements

(Unit: Thousand Baht)				
		Consolidated financial statements		Separate financial statements
		2015	2014	2015
				2014
Liabilities under finance lease agreements		30,986	22,387	27,066
Less: Deferred interest expenses		(3,688)	(2,280)	(3,461)
Total		27,298	20,107	23,605
Less: Portion due within one year		(7,908)	(7,572)	(6,378)
Liabilities under finance lease agreements - net of current portion		19,390	12,535	17,227
				10,970

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operations, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 2 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	As at 31 December 2015					
	Consolidated financial statements			Separate financial statements		
	Less than	1 - 5	Total	Less than	1 - 5	Total
	1 year	years		1 year	years	
Future minimum lease payments	9,251	21,734	30,986	7,618	19,448	27,066
Deferred interest expenses	(1,343)	(2,344)	(3,688)	(1,240)	(2,221)	(3,461)
Present value of future minimum lease payments	<u>7,908</u>	<u>19,390</u>	<u>27,298</u>	<u>6,378</u>	<u>17,227</u>	<u>23,605</u>

(Unit: Thousand Baht)

	As at 31 December 2014					
	Consolidated financial statements			Separate financial statements		
	Less than	1 - 5	Total	Less than	1 - 5	Total
	1 year	years		1 year	years	
Future minimum lease payments	8,460	13,927	22,387	8,028	12,199	20,227
Deferred interest expenses	(888)	(1,392)	(2,280)	(825)	(1,229)	(2,054)
Present value of future minimum lease payments	<u>7,572</u>	<u>12,535</u>	<u>20,107</u>	<u>7,203</u>	<u>10,970</u>	<u>18,173</u>

15. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the company, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Defined benefit obligation at beginning of year	16,165	12,147	16,165	12,147
Current service cost	2,104	1,578	1,688	1,578
Interest cost	791	627	712	627
Actuarial (gain) loss arising from				
Financial assumptions changes	-	(160)	-	(160)
Experience adjustments	-	2,260	-	2,260
Acquisition of subsidiary during the year	2,730	-	-	-
Benefits paid during the year	-	(287)	-	(287)
Defined benefit obligation at end of year	<u>21,790</u>	<u>16,165</u>	<u>18,565</u>	<u>16,165</u>

Long-term employee benefit expenses included in the profit or loss is as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current service cost	2,104	1,578	1,688	1,578
Interest cost	791	627	712	627
Total expense recognised as selling and administrative expenses in profit or loss	2,895	2,205	2,400	2,205

As at 31 December 2015, the weighted average durations of the liabilities for long-term employee benefit are 20 years and 17 years respectively (Separate financial statements: 20 years) (2014: 20 years, separate financial statements: 20 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Discount rate	3.2, 4.4	4.4	4.4	4.4
Future salary increase rates (depending on age)	4.0 - 11.0	4.0 - 11.0	4.0 - 11.0	4.0 - 11.0
Staff turnover rates (depending on age)	0.0 - 20.0	0.0 - 16.0	0.0 - 16.0	0.0 - 16.0

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(2,539)	2,993	(2,142)	2,523
Salary increase rate	3,364	(2,873)	2,903	(2,475)

16. Share capital

In December 2014 and during current year, the warrant holders exercised their rights to acquire totally 192,835,286 ordinary shares at the par value of Baht 0.50 each. The Company registered the corresponding increase in its issued and fully paid-up share capital with the Ministry of Commerce during current year.

On 28 April 2015, the Annual General Meeting of the Company's shareholders passed the following significant resolutions:

- a) Approved the decrease in the registered share capital of Baht 490 million to Baht 489,995,978.50 by terminating the unallocated 8,043 ordinary shares at the par value of Baht 0.50 per share.

The Company registered the corresponding decrease in its registered share capital with the Ministry of Commerce on 8 May 2015.

- b) Approved the increase in the registered share capital from Baht 489,995,978.50 to Baht 587,995,174.50 by issuing the new 195,998,392 ordinary shares at the par value of Baht 0.50 each in order to support the stock dividend payment and the adjustment of the exercise right of the warrants (CSS-W1).

The Company registered the corresponding increase in its registered share capital with the Ministry of Commerce on 11 May 2015.

- c) Approved the payment of stock dividend as described in Note 24 to the financial statements. The stock dividend will be issued on 27 May 2015.

The Company issued a stock dividend of 173,666,952 ordinary shares at the par value of Baht 0.50 each on 27 May 2015. The Company registered the issue of ordinary shares with the Ministry of Commerce on the same date.

As a result of the exercised warrants and stock dividend above, the Company had increase its issued and paid-up share capital from Baht 350,000,000 (700,000,000 ordinary shares with a par value of Baht 0.50 each) to Baht 533,251,119 (1,066,502,238 ordinary shares with a par value of Baht 0.50 each).

17. Warrants

On 12 September 2014, the Extraordinary General Meeting of the Company's shareholders passed a resolution to approve the issuance of the warrants to purchase new ordinary shares of the Company (CSS-W1) to the existing shareholders, without charge. Details of the warrants are summarised below.

Number of warrants granted (units)	279,991,957
Issue date	1 October 2014
Term of warrants	1 year 6 months
Exercisable date	Last business day of each quarter
Exercise price (Baht per share)	1.5
Exercise ratio (warrant to ordinary share)	1:1

On 28 April 2015, the Annual General Meeting of the Company's shareholders resolved to adjust the exercise price of warrants from Baht 1.5 per share to Baht 1.25 per share and adjust the exercise ratio of warrants from 1 unit : 1 share to 1 unit : 1.2 shares. The adjustments were effective from 12 May 2015.

On 7 August 2015, the Board of Directors' meeting resolved to adjust the exercise price of warrants from Baht 1.25 per share to Baht 1.249 per share and adjust the exercise ratio of warrants from 1 unit : 1.2 shares to 1 unit : 1.201 shares. The adjustments were effective from 21 August 2015.

The changes in the exercise price and exercise ratio of the warrants were made in accordance with the terms of the warrants occurring when the Company paid dividends to its shareholders, as described in Note 24 to the financial statements.

In December 2014, and in March, June, and September 2015, the warrant holders exercised their rights to acquire totally 192,835,286 ordinary shares, or total Baht 283,137,976. The Company registered the corresponding increase in its issued and fully paid-up share capital with the Ministry of Commerce during current year. The Company therefore presented the amount under the caption of "Share capital" as described in Note 16 to the financial statements.

In December 2015, the warrant holders exercised their rights to acquire 42,901,045 ordinary shares, or total Baht 53,583,408. The Company registered the corresponding increase in its issued and fully paid-up share capital with the Ministry of Commerce on 6 January 2016. The Company therefore presented the amount under the caption of "Share subscription received in advance".

The movements of warrants are detailed as follows:

	<u>2015</u>	<u>2014</u>
	(Unit)	(Unit)
Balance as at begin of year	254,256,447	-
Issue during the year	-	279,991,957
Exercise during the year	(198,743,972)	(25,735,510)
Balance as at end of year	<u>55,512,475</u>	<u>254,256,447</u>

18. Statutory reserve

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

19. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Salaries and wages and other employee benefits	249,307	184,447	215,560	184,447
Depreciation and amortisation expenses	34,112	19,713	29,573	18,935
Transportation expenses	19,716	15,403	19,429	15,403
Installation service expenses	469,865	358,643	396,516	321,224
Office service expenses	6,911	4,684	6,607	4,684
Commission expenses	26,523	18,852	25,462	18,852
Rental expenses from operating lease agreements	8,331	8,496	6,785	8,280
Reduction of inventory to net realisable value (reversal)	3,283	(425)	4,374	6,200
Changes in finished goods and assets under installation	(20,887)	(20,852)	(20,749)	(29,244)
Purchase of finished goods	3,285,283	2,950,628	3,201,393	2,953,468

20. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Current income tax charge	68,919	54,750	57,824	54,751
Deferred tax:				
Relating to origination and reversal of temporary differences	5,713	9,046	(1,544)	(739)
Income tax expenses reported in the statement of comprehensive income	<u>74,632</u>	<u>63,796</u>	<u>56,280</u>	<u>54,012</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 were as follows:

(Unit: Thousand Baht)

Consolidated financial statements/
Separate financial statements

	2015	2014
Deferred tax relating to actuarial losses	-	420

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before tax	342,866	299,016	278,557	267,973
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	68,573	59,803	55,711	53,595
Effects of:	8,751	3,993	569	417
Unused tax loss	2,048	2,567	-	-
income exempt and non-deductible expenses	4,011	1,426	569	417
Total	6,059	3,993	569	417
Income tax expenses reported in the statement of comprehensive income	74,632	63,796	56,280	54,012

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Deferred tax assets				
Allowance for doubtful accounts	9,704	13,031	5,100	4,506
Allowance for diminution in value of inventories	5,820	5,163	3,585	2,710
Provision for long-term employee benefits	4,358	3,233	3,713	3,233
Liabilities under finance lease agreement	(2,072)	(1,143)	(1,935)	(1,530)
Total	17,810	20,284	10,463	8,919

As at 31 December 2015, the subsidiary has deductible temporary differences and unused tax losses totaling Baht 42 million (2014: Baht 13 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

21. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. There were warrant holders exercised their right as described in Note 17 and there was stock dividend as described in Note 24. The Company therefore recalculated basic earnings per share of prior year by adjusted number of share to reflect such events.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued. There was stock dividend as described in Note 24. The Company therefore recalculated diluted earnings per share of prior year by adjusted number of share to reflect such events.

The following table sets forth the computation of basic and diluted earnings per share:

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2015	2014	2015	2014	2015	2014
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit attributable to equity holders of the Company	248,381	235,220	1,042,338	865,044	0.24	0.27
Effect of dilutive potential ordinary shares						
Warrants	-	-	134,631	59,602		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>248,381</u>	<u>235,220</u>	<u>1,176,969</u>	<u>924,646</u>	0.21	0.25

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2015	2014	2015	2014	2015	2014
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit attributable to equity holders of the Company	222,277	213,961	1,042,388	865,044	0.21	0.25
Effect of dilutive potential ordinary shares						
Warrants	-	-	134,580	59,602		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	222,277	213,961	1,176,968	924,646	0.19	0.23

22. Segment information

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

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have two reportable segments as follows:

- The distribution electrical equipment segment, which is a supplier of electronic cable and other equipment related to electrical system, and fire protection equipment.
- Installation service segment, which design and installation of telecommunications systems and fire protection systems.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables' present revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014, respectively.

	(Unit: Thousand Baht)		
	Distribution of electrical equipment	Installation services	Consolidated financial statement
Year ended 31 December 2015			
Revenue from external customers	3,174,301	1,340,980	4,515,281
Depreciation and amortisation	-	3,991	3,991
Reduction of inventory to net realisable value	3,283	-	3,283
Segment profit	295,263	432,850	728,113

	(Unit: Thousand Baht)		
	Distribution of electrical equipment	Installation services	Consolidated financial statement
Year ended 31 December 2014			
Revenue from external customers	2,977,491	1,006,863	3,984,354
Depreciation and amortisation	-	3,931	3,931
Reversal of reduction of inventory to net realisable value	(425)	-	(425)
Segment profit	277,900	312,362	590,262

23. Provident fund

The Company, subsidiaries and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company, subsidiaries and employees contribute to the fund monthly at the rates of 3 percent to 5 percent of basic salary (2014: At the rate of 3 percent to 5 percent). The fund, which is managed by UOB Asset Management (Thai) Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 and 2014 amounting to approximately Baht 5.7 million and Baht 4.4 million respectively (Separate financial statements: Baht 5.3 million and Baht 4.4 million, respectively) were recognised as expenses.

24. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 31 March 2014	56	0.08
Interim dividends for 2014	Board of Directors' meeting on 7 August 2014	42	0.06
Total dividends for 2014		98	0.14
Final dividends for 2014	Annual General Meeting of the shareholders on 28 April 2015		
Stock dividend		87	0.1000
Cash dividend		10	0.0112
Interim dividends for 2015	Board of Directors' meeting on 7 August 2015	105	0.1000
Total dividends for 2015		202	0.2112

25. Commitments and contingent liabilities

25.1 Capital commitment

As at 31 December 2015, the Company had capital commitments of approximately Baht 0.1 million (31 December 2014: Baht 48 million), relating to the construction of office building and warehouse.

25.2 Operating lease commitments and services

The Company and its subsidiaries have entered into several operating lease agreements relating to leases of assets and service contracts with individuals and companies. The terms of the agreements are generally between 1 to 5 years.

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

	(Unit: Thousand Baht)			
	As at 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Payable:				
In up to 1 year	6,491	5,806	6,273	5,806
In over 1 and up to 5 years	5,760	3,547	5,714	3,547

25.3 Guarantees

The Company and its subsidiaries have outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in the normal course of business. Details are as follows:

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Guarantee payments due to creditors	215	215	215	215
Guarantee contractual performance	247	187	171	154
Guarantee of construction contracts, bidding and debt repayment	19	12	19	12
Guarantee for sales of goods	39	28	39	28

26. Financial instruments

26.1 Financial risk management

The financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No.107 “Financial Instruments: Disclosure and Presentations” is described below.

Cash and cash equivalents, trade and other receivables, deposits at bank with restrictions, short-term loan, trade and other payables, liabilities under finance lease agreements and long-term loans.

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, short-term loan, liabilities under finance lease agreements and long-term borrowings. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be low.

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

(Unit: Thousand Baht)

	As at 31 December 2015					
	Consolidated financial statements					
	Fixed interest rates					
	Within	1 - 5	Floating	Non-interest		Effective
	1 year	years	interest rate	bearing	Total	interest rate
						(% p.a.)
Financial assets						
Cash and cash equivalents	10,799	-	701,513	-	712,312	0.10 - 1.00
Trade and other receivables	-	-	-	1,324,824	1,324,824	-
Restricted bank deposits	187,949	-	-	-	187,949	0.80 - 2.25
	198,748	-	701,513	1,324,824	2,225,085	
Financial liabilities						
Short-term loan from						
financial institutions	146,974	-	-	-	146,974	3.30 - 9.25
Trade and other payables	-	-	-	1,217,840	1,217,840	-
Liabilities under finance lease						
agreements	7,908	19,390	-	-	27,297	2.35 - 10.64
Long-term loans	-	-	129,340	-	129,340	Rate reference
						to THBFIX
	154,822	19,390	129,340	1,217,840	1,521,452	

(Unit: Thousand Baht)

	As at 31 December 2014					
	Consolidated financial statements					
	Fixed interest rates					
	Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial assets						
Cash and cash equivalents	136,616	-	261,386	-	398,002	0.13 - 2.25
Trade and other receivables	-	-	-	1,320,600	1,320,600	-
Restricted bank deposits	177,949	-	-	-	177,949	1.13 - 2.40
	314,565	-	261,386	1,320,600	1,896,551	
Financial liabilities						
Trade and other payables	-	-	-	1,138,631	1,138,631	-
Liabilities under finance lease agreements	7,572	12,535	-	-	20,107	2.35 - 10.64
Long-term loans	-	-	92,560	-	92,560	Rate reference to THBFIX
	7,572	12,535	92,560	1,138,631	1,251,298	

(Unit: Thousand Baht)

	As at 31 December 2015					
	Separate financial statements					
	Fixed interest rates					
	Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial assets						
Cash and cash equivalents	217	-	524,926	-	525,143	0.10 - 1.00
Trade and other receivables	-	-	-	1,197,054	1,197,054	-
Restricted bank deposits	176,049	-	-	-	176,049	0.80 - 2.25
	176,266	-	524,926	1,197,054	1,898,246	
Financial liabilities						
Short-term loan from financial institutions	100,000	-	-	-	100,000	3.35
Trade and other payables	-	-	-	1,177,665	1,177,665	-
Liabilities under finance lease agreements	6,378	17,227	-	-	23,605	2.35 - 10.64
Long-term loans	-	-	129,340	-	129,340	Rate reference to THBFIX
	106,378	17,227	129,340	1,177,665	1,430,610	

(Unit: Thousand Baht)

As at 31 December 2014						
Separate financial statements						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	56,616	-	260,159	-	316,775	0.13 - 2.25
Trade and other receivables	-	-	-	1,216,411	1,216,411	-
Restricted bank deposits	176,049	-	-	-	176,049	1.13 - 2.40
	<u>232,665</u>	<u>-</u>	<u>260,159</u>	<u>1,216,411</u>	<u>1,709,235</u>	
Financial liabilities						
Trade and other payables	-	-	-	1,138,336	1,138,336	-
Liabilities under finance lease agreements	7,203	10,970	-	-	18,173	2.35 - 10.64
Long-term loans	-	-	92,560	-	92,560	Rate reference to THBFIX
	<u>7,203</u>	<u>10,970</u>	<u>92,560</u>	<u>1,138,336</u>	<u>1,249,069</u>	

Foreign currency risk

The Company and subsidiary's exposure to foreign currency risk arises mainly from sale and installation service transactions that are denominated in foreign currencies.

As at 31 December 2015 and 2014, the balances of financial assets denominated in foreign currency are summarised below.

Foreign currency	Financial assets		Exchange rate	
	<u>2015</u> (Million)	<u>2014</u> (Million)	<u>2015</u> (Baht per 1 foreign currency unit)	<u>2014</u>
US dollar	0.6	0.1	35.9233	32.8128

26.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear interest at rates close to market rates, their fair values are not expected to be materially different from the amounts presented in the statement of financial position.

27. Capital management

The primary objective of the Company and its subsidiaries' capital is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 1.07:1 (2014: 1.17:1) and the Company's was 1.06:1 (2014: 1.23:1).

28. Approval of financial statements

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

Details of Directors, Executives Authorized and Corporate Secretary

Name - Surname / Position / Date of Appointment	Age	Education/ Training	% Shares in company	Relation among Family with other Directors and Executives	Experience		
					Period	Position	Company
Mr. Supisarn Bhakdinarnath <ul style="list-style-type: none"> Chairman of The Board of Director Independent Director 	62	<ul style="list-style-type: none"> ♦ Doctor of Philosophy (Management) of North Bangkok University ♦ Certificate of Corporate Governance for Executives of Thai Institute of Directors ♦ Certificate of Role of the Chairman Program (RCP) Class. 35/2014 of Thai Institute of Directors ♦ Training "Research Alliance Dialogue on Corporate Governance" Sasin Graduate Institute of Business Administration of Chulalongkorn University ♦ Training "IOD Member Engagement Committee" of Thai Institute of Directors ♦ Certificate of Financial Statement for Director (FSD) Class 27/2015 of Thai Institute of Directors ♦ Certificate of Director Certification Program (DCP) Class. 209/2015 of Thai Institute of Directors 	None	None	2014-Now	Chairman of the Board of Directors and Independent Director	▪ Communication & System Solution PCL
					2014-Now	Consultant of Law	▪ Tulip Group
					2003-2014	Sheriff's Commander	▪ Crime Suppression Department
					2010-2014	Deputy Commander	▪ Crime Suppression Department

Name - Surname / Position / Date of Appointment	Age	Education/ Training	% Shares in company	Relation among Family with other Directors and Executives	Experience		
					Period	Position	Company
Mr.Sompong Kangsawiwat • Chairman of Executives Committee • Chairman of Risk Management Committee • Director • Authorized Director • Chief Executive Officer	51	<ul style="list-style-type: none"> ♦ MBA in Marketing of NIDA ♦ Certificate of Director Accreditation Program Class 50/2006 of Thai Institute of Directors ♦ Certificate of Director Accreditation Program Class 154/2011 of Thai Institute of Directors ♦ Certificate of Role of the Chairman Program (RCP) Class 27/2012 of Thai Institute of Directors ♦ Certificate of Financial Statements for Directors (FSD) Class 15/2012 of Thai Institute of Directors ♦ Seminar on "Investment in Burma Priceless treasure within reach" 3 July' 2013 at The Thai Chamber of commerce ♦ Seminar on "Guidelines for disclosure of information." 26 July'2013 at SET. ♦ Seminar on "Accounting for CEO" 24-25 April 2014 at SEC. ♦ Seminar on " Internal Control for CEO" 	18.76%	None	2013-Now 2012-Now 2011-Now 2003-2014 1994-Now 1997-Now 2015-Now	Chief Executive Officer Chairman of Risk Management Committee Chairman of Executives Committee Chairman of the Board of Directors Director Chairman Director	<ul style="list-style-type: none"> ▪ Communication & System Solution PCL ▪ Communication & System Solution PCL ▪ Communication & System Solution PCL ▪ Communication & System Solution PCL ▪ Communication & System Solution PCL ▪ C.S.S.Energy Co.,Ltd ▪ Neon Worx Communication (Thailand) Co.,Ltd

Name - Surname / Position / Date of Appointment	Age	Education/ Training	% Shares in company	Relation among Family with other Directors and Executives	Experience		
					Period	Position	Company
Mr. Opas Tiyawattanaroj • Executives Director • Director of Risk Management Committee • Managing Director Telecommunication Group • Director • Authorized Director	51	♦ MBA of Bangkok University ♦ Certificate of Director Accreditation Program Class 50/2006 and Class 92/2011 of Thai Institute of Directors	5.44%	None	2013-Now 2012-Now 2011-Now 2005-Now 2005-2013 2015-Now	Managing Director Telecommunication Group Member of Risk Management Committee Executives Committee Director Deputy Managing Director of Telecommunication Group Director	• Communication & System Solution PCL • Communication & System Solution PCL • Communication & System Solution PCL • Communication & System Solution PCL • Communication & System Solution PCL • Neon Worx Communication (Thailand) Co.,Ltd
Mr. Kittirat Mekmanee • Executives Director • Director of Risk Management Committee • Managing Director Business Group • Director • Authorized Director	50	♦ MBA of University of the Thai Chamber of Commerce ♦ Certificate of Director Accreditation Program Class. 50/2006 and Class, 92/2011 of Thai Institute of Directors ♦ Certificate of Role of the Chairman Program (RCP) Class. 27/2012 of Thai Institute of Directors	3.58%	None	2013-Now 2012-Now 2011-Now 2005-Now 2005-2013 1997-Now	Managing Director Business Group Member of Risk Management Committee Executives Committee Director Deputy Managing Director of Sale&Business Group Director	• Communication & System Solution PCL • Communication & System Solution PCL • Communication & System Solution PCL • Communication & System Solution PCL • Communication & System Solution PCL • C.S.S.Energy Co.,Ltd

Name - Surname / Position / Date of Appointment	Age	Education/ Training	% Shares in company	Relation among Family with other Directors and Executives	Experience		
					Period	Position	Company
Ms. Panida Sawatwannarat <ul style="list-style-type: none"> • Executives Director • Director of Risk Management Committee • Director of Nomination & Remuneration Committee • Managing Director Financial & Control Group • Director • Authorized Director 	53	♦ MBA, Kasetsart University	0.30%	None	2013-Now	Managing Director Financial & Control Group	▪ Communication & System Solution PCL
		♦ Certificate of Director Accreditation Program Class 37/2005			2012-Now	Member of Risk Management Committee	▪ Communication & System Solution PCL
		♦ of Thai Institute of Directors			2012-Now	Member of Nomination & Remuneration Committee	▪ Communication & System Solution PCL
		♦ Certificate of Director Certification Program Class. 60/2005			2011-Now	Executives Committee	▪ Communication & System Solution PCL
		♦ of Thai Institute of Directors			1995-Now	Director	▪ Communication & System Solution PCL
		♦ Advanced Certificate Course in Public Economics Management for Executives No,12			1997-Now	Director	▪ C.S.S.Energy Co.,Ltd
		♦ of KPI			2008-2013	Deputy Managing Director Control & Audit	▪ Communication & System Solution PCL
					2015-Now	Director	▪ Neon Worx Communication (Thailand) Co.,Ltd

Name - Surname / Position / Date of Appointment	Age	Education/ Training	% Shares in company	Relation among Family with other Directors and Executives	Experience		
					Period	Position	Company
Ms. Nongnuch Temeesrisuk <ul style="list-style-type: none"> • Executives Director • Managing Director Management & Corporate Governance Group • Corporate Secretary • Director • Authorized Director 	53	<ul style="list-style-type: none"> ♦ Bachelor of Accounting of Ramkhamhaeng University ♦ Certificate of Director Accreditation Program Class 37/2005 of Thai Institute of Directors ♦ Certificate of Director Certification Program Class. 60/2005 of Thai Institute of Directors ♦ Certificate of Company Secretary Program Class. 27/2008 of Thai Institute of Directors ♦ Certificate of "Basic and regulations of Company lists Class 6/2011 Thai lists Company Association 	0.14%	None	2013-Now 2011-Now 2008-Now 1994-Now 1997-Now 2015-Now	Managing Director Management & Corporate Governance Group Executives Committee Deputy Managing Director of Special Operations. Director Director Director	<ul style="list-style-type: none"> ▪ Communication & System Solution PCL ▪ Communication & System Solution PCL ▪ Communication & System Solution PCL ▪ Communication & System Solution PCL ▪ C.S.S.Energy Co.,Ltd ▪ Neon Worx Communication (Thailand) Co.,Ltd
Mr. Wungson Panudulkitti <ul style="list-style-type: none"> • Director 	51	<ul style="list-style-type: none"> ♦ Master of Arts Program in Political Science Ramkhamhaeng University ♦ Certificate of Director Accreditation Program Class. 32/2005 and Class 92/2011 of Thai Institute of Directors 	None	None	2005-Now 2015-Now 2000-2014 2008-2011 1998-2011 1997-2011	Director Director Director Director Director Managing Director	<ul style="list-style-type: none"> ▪ Communication & System Solution PCL ▪ C.S.S.Energy Co.,Ltd ▪ Best Fusion Co.,Ltd ▪ A.C.S.Servicing (Thailand) Co.,Ltd ▪ Bargen Point Co.,Ltd ▪ RachaiInternational Business Co.,Ltd

Name - Surname / Position / Date of Appointment	Age	Education/ Training	% Shares in company	Relation among Family with other Directors and Executives	Experience		
					Period	Position	Company
Assoc.Prof.Pitipat Chataccaraphat (PhD) • Director • Independent Director • Chairman of the Audit Committee • Chairman of the Nomination and Remuneration Committee	55	♦ PhD in Accounting The Manchester Metropolitan University, UK ♦ Certificate of Director Certification Program Class. 60/2005 of Thai Institute of Directors	None	None	2005-Now 2013-Now 2013-Now 2006-2015 Oct2015-Now	Director Independent Director and Chairman of the Audit Committee Chairman of the Nomination, Remuneration and Corporate Governance Associate professor of accountants Pensioner	▪ Communication & System Solution PCL ▪ Communication & System Solution PCL ▪ Communication & System Solution PCL ▪ Kasetsart University

Name - Surname / Position / Date of Appointment	Age	Education/ Training	% Shares in company	Relation among Family with other Directors and Executives	Experience		
					Period	Position	Company
Mr. Chattaphum Khantiviriya • Director • Independent Director • Member of the Audit Committee • Member of the Nomination and Remuneration Committee	55	♦ Master of Business Administration Kasetsart University ♦ Certificate of Director Certification Program Class. 100/2008 of Thai Institute of Directors ♦ Certificate of Role of the Compensation Committee Class. 6/2008 of Thai Institute of Directors ♦ Certificate of Audit Committee Program Class. 8/2005 of Thai Institute of Directors	None	None	2014-Now 2013-Now 2013-Now 2015-Now 2015-Now 2015-Now 2015-Now	Director, Independent Director, Member of Audit Committee, Member of the Nomination, Remuneration and Corporate Governance, Member of Risk Management Committee Director Director Chairman of the Board and Chairman of Executives Committee Chairman of the Board Director Director	▪ Communication & System Solution PCL ▪ DNA 2002 PCL. ▪ Bun Co.,Ltd. ▪ Ubiz (Asia) Co.,Ltd ▪ Primatech Co.,Ltd ▪ Primetimes Solution Co.,Ltd ▪ Primetimes Entertainment Co.,Ltd ▪ Utility Co.,Ltd

Name - Surname / Position / Date of Appointment	Age	Education/ Training	% Shares in company	Relation among Family with other Directors and Executives	Experience		
					Period	Position	Company
Assoc.Prof.Prapart Praisuwanna • Director • Independent Director • Member of Audit Committee	60	<ul style="list-style-type: none"> ♦ Master of Engineering (Electrical Engineering) King Mongkut's Institute of Technology Ladkrabang ♦ Certificate of Director Certification Program Class. 119/2009 of Thai Institute of Directors ♦ Certificate of Financial Statements for Director 2013 of Thai Institute of Directors 	None	None	2015-Now 2011-Now 1981-Now 2011-2014 2011-2015	Director, Independent Director and Member of Audit Committee Director Associate Professor, Faculty of Engineering Director Vice President	<ul style="list-style-type: none"> ▪ Communication & System Solution PCL ▪ PEA. MCOM International Co.,Ltd. ▪ King Mongkut's Institute of Technology Ladkrabang. ▪ Provincial Electricity Authority. ▪ CAT Telecom Public Company Limited

Name	The Company	C.S.S.Energy Subsidiary	Neon Worx Communication Subsidiary	Related Company										
				Tulip Group Co.,Ltd	DNA.2002 PCL	Bun Co.,Ltd	Ubiz (Asia) Co.,Ltd	Prima Tech Co.,Ltd	Primetime Solution Co.,Ltd	Primetime Entertainmen t Co.,Ltd	Utility Co.,Ltd	PEA. Mcom Inter Co.,Ltd	Provincial Electricity Authority.	CAT Telecom PCL.
Pol.Maj.Gen.Supisarn Bhakdinarinat	X			#										
Mr.Sompong Kangsawiwat	/,C,E	/	/											
Mr.Opas Tiawattanaroj	/,E,R,**		/											
Mr.Kittirat Mekmanee	/,E,R,**	/												
Ms.Panida Sawatwannarat	/,E,N,R,**	/	/											
Ms.Nongnuch Temeesrisuk	/,E,**	/	/											
Mr.Wungson Panudulkitti	/	/												
Assoc.Prof.Pitiphat Chataccarapat	/,AC,N,													
Mr.Chattaphum Khantiviriya	/,AC,N,R				/	/	X,E	X	/	/	/			
Assoc.Prof.Prapart Praisuwanna	/,AC											/	/	/

Remark:

x = Chairman of the Board of Director / = Director

AC = Audit Committee

E = Executive Director

N = Nomination & Remuneration Committee R = Risk Management Committee

C = Chief Executive Officer

** = Executives

= Consultant

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