

# 2014 ANNUAL REPORT



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In 2014, Thailand and the rest of the world encountered difficult challenges and rapid changes in their economies, including capital and financial markets. The telecommunications sector is no exception, more so now that Thailand is set to join the ASEAN Economic Community (AEC). All member nations need to prepare themselves for the AEC, to support their business operations and enhance competitiveness.

Thai companies must maintain an edge in the business landscape. New players in the telecommunications industry will create competition, especially in the fiber optics market. To enhance the country's efficiency and competitiveness, the Thai government has realized the need to use digital technology to serving the general public, hence its Digital Economy policy.

PlanetComm has continued to grow. The company is focused on improving efficiency in all areas, such as client transaction, system development, business operation and competitiveness. Our vision is to become a leader in corporate telecommunication and digital TV technology in the AEC. PlanetComm is committed to providing integrated services via high-quality product sourcing at the right price and product delivery at the right time, with before- and after-sales support by professional engineers. We aim to utilize technology with the highest levels of efficiency and return on investment to ensure the highest level of customer satisfaction.

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

A handwritten signature in black ink, appearing to read 'Sanpat Sopon'.

(Mr. Sanpat Sopon)  
Chairman



Planet Communications Asia (Public) Co., Ltd. or PCA, is a comprehensive provider of telecommunications and digital TV technology to leading organizations in the AEC. With our knowledge, expertise and more than 20 years of experience, we offer professional consultation, design, installation services with after-sales support for all products distributed by PlanetComm. PCA is widely recognized in the industry, and we proudly listed our company in the MAI, which first began trading on 23 June 2014 to good investor feedback.

The MAI listing was the beginning of something great for both the Company and the general public. PCA's next step as a public company was to build more brand recognition and trust, as well as developing opportunities for funding. Higher capital means the Company will be capable of developing a standard of internal management to foster sustainable growth for the future. As for the public, investors have the opportunity to invest in a Thai business that promises continuous growth. At the same time, investors can be customers which also promotes company performance. Likewise, customers can become shareholders and partake in the dividends of company profits.

From success in the past to the present and the future, PCA received great cooperation and support from the Board of Directors, executive management and all levels of employees, who give their utmost dedication to our vision and mission statement. Directors, executives and employees perform business operations under good corporate governance within the stated and relevant laws and regulations to the benefit of all stakeholders, shareholders, customers, suppliers and relevant parties. PCA is fully confident that this business direction will sustain the Company's growth.

In 2015, PCA shall support the government's policy of a Digital Economy and the advent of the AEC in 2016. Our executive team and expert engineers will fully concentrate in developing technologies, products and software to keep PCA abreast of the sweeping changes in the competitive business landscape, in order to serve our customers efficiently as well as create value-added for all stakeholders.

On behalf of Planet Communications Asia (Public) Co., Ltd., we would like to thank management and

employees for their dedication to making PCA a well-known telecommunications provider. We also appreciate all shareholders, customers, business partners for trusting in PCA. We are confident that our management and employees will work together to move PCA forward and create high investment returns for all shareholders.

A handwritten signature in black ink, appearing to be 'Prapat R.' with a period at the end.

(Prapat Rathlertkarn)  
President & CEO

A handwritten signature in black ink, appearing to be 'T. Thompson' with a period at the end.

(Trevor J. Thompson)  
President & CTO

## Vision and Mission



### Vision

PlanetComm is a leader in telecommunications and digital TV systems, taking corporations into the AEC (ASEAN Economic Community).

### Mission

We provide cost-effective integrated services that deliver high quality products with competitive prices, in a timely manner. Our clients enjoy extensive pre-sales and after-sales support from experienced engineers.

PlanetComm is dedicated to making full use of technology in order to maximize our customer's return on investments and ensure their complete satisfaction.



## Award - Another Record for PCA

**2014**

Cisco Premier Partner 2014

**2013**

FY13 Public Sector Partner of the Year by Cisco

FY13 Top YoY Growth of the Year (2 Tier) by Cisco

**2013**

Best Growth Partner of the Year by ClearOne

Best Performance / Marketing Penetration Award by TVU Network

Codan-Authorised Partner 2013

The Top Congeniality Collaboration Partner Award and Premier Certified Partner (Cisco Channel Partner Program)

**2012**

TelePresence Video Master Authorized Technology Partner by Cisco

FY12 Public Sector Partner of the Year by Cisco

**2011**

Top Enterprise Partners Award 2011 by ZYXEL

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## Financial Highlights

Financial Ratio	2011	2012	2013	2014
<u>Liquidity Ratio</u>				
Current Ratio (time)	1.45	1.46	1.64	2.73
Quick Ratio (time)	1.08	1.01	1.03	1.59
Cash Flow Ratio (time)	0.21	(0.34)	0.57	(0.55)
Accounts Receivable Turnover (time)	3.68	2.67	2.88	3.70
Average Collection Period (days)	97.76	135.07	125.15	98.53
Inventory Turnover (time)	6.48	5.03	4.73	5.28
Average Sale Period (days)	55.57	71.57	76.18	69.19
Account Payable Turnover (time)	6.80	6.19	6.78	8.83
Accounts Payable Period (days)	52.98	58.20	53.11	41.32
Cash Cycle (days)	103.34	148.44	148.22	126.40
<u>Profitability Ratio</u>				
Gross Profit Margin (%)	29.69	34.76	32.22	26.14
Operating Profit Margin (%)	6.91	12.25	9.05	6.44
Other Income Profit Margin (%)	2.33	1.30	0.88	1.28
Operating Cash Flow to EBIT (%)	102.67	(106.07)	217.95	(162.74)
Net Profit Margin (%)	5.13	9.22	6.50	5.03
Return on Equity (ROE) (%)	22.01	31.85	23.35	14.51
<u>Efficiency Ratio</u>				
Return on Asset (ROA) (%)	8.90	13.15	9.97	12.23
Return on Fixed Asset (ROFA) (%)	90.71	155.18	140.09	120.47
Total Asset Turnover (time)	1.74	1.43	1.53	1.38
<u>Leverage Ratio</u>				
Debt to Equity (time)	1.19	1.59	1.09	0.52
Interest Coverage (time)	17.53	(10.27)	27.61	19.57
Debt Service Coverage on Cash Basis (time)	2.17	(9.13)	0.63	0.74
Dividend Payout (%)	-	302.58	89.61	-



## Board of Directors



### 1. Mr. Sanpat Sapon

- Chairman, Board of Directors
- Independent Director

### 2. Dr. Katiya Greigarn

- Independent Director
- Chairman, Audit Committee

### 3. Mr. Prapat Rathlertkarn

- Vice Chairman, Board of Directors
- Chairman, Executive Committee
- President & CEO

### 4. Mr. Trevor John Thompson

- Director
- Vice Chairman, Executive Committee
- President & CTO

### 5. Mr. Sompong Oui-trakul

- Independent Director
- Audit Committee Member

### 6. Mrs. Sutharak Soonthornpusit

- Independent Director
- Audit Committee Member

### 7. Mrs. Ratana Suwan

- Director
- Executive Committee Member
- Executive Vice President of Accounts and Finance

### 8. Mr. Satit Rathlertkarn

- Director
- Executive Committee Member
- Executive Vice President of Sale

### 9. Mr. Somchai Sakulwichitsintu

- Director
- Executive Director
- Vice President of Marketing





**1. Mr. Prapat Rathlertkarn**

- Vice Chairman, Board of Directors
- Chairman, Executive Committee
- President & CEO

**2. Mr. Trevor John Thompson**

- Director
- Vice Chairman, Executive Committee
- President & CTO

**3. Mrs. Ratana Suwan**

- Director
- Executive Committee Member
- EVP - Finance & Accounting

**4. Mr. Satit Rathlertkarn**

- Director
- Executive Committee Member
- EVP - Enterprise / Public Sector

**5. Mr. Somchai Sakulwichitsintu**

- Director
- Executive Committee Member
- VP - Marketing

**6. Mr. Aneak Pongsabutra**

- Executive Committee Member
- VP - Operations

**7. Mr. Prawich Rungdecharak**

- Executive Committee Member
- VP - Technical Services

**8. Mr. Rungroj Jaturaworaporn**

- Executive Committee Member
- VP - Sale of Broadcast & Digital TV



**Mr. Sanpat Sopon**  
Age 60

- Chairman, Board of Directors
  - Independent Director
- Appointed: 30 December 2011

### Education

- Master of Business Administration, Western Michigan University, USA

### Work Experiences

- 2011 – present: Chairman, Planet Communications Asia Plc.
- 2010 – 2014: Director, Software Industry Promotion Agency
- 2003 – 2009: Managing Director of Hewlett-Packard (Thailand) Ltd.

### Director in other listed companies

- none

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

- 0 share

### Training

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

Meeting(s) attended in 2014: Board of Director Meeting : 6/6



**Dr. Katiya Greigarn**  
Age 62

- Independent Director
- Chairman, Audit Committee

Appointed: 30 December 2011

### Education

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

### Work Experiences

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

### Director in other listed companies

1. Chairman of Audit Committee , Premier Marketing Plc.
2. Chairman of Audit Committee, Premier Technology Plc.
3. Independent Director, MK Restaurant Group Plc.

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

- 0 share

### Training

- Director Accreditation Program (DAP), course no. 37/2005
- Financial Statements for Directors (FSD) course no. 3/2008
- Director Certification Program (DCP), course no. 11/2008
- Audit Committee Program (ACP), course no. 4/2011
- Anti Corruption for Executive Program (ACEP), course no. 9/2014

Meeting(s) attended in 2014: Board of Directors Meeting : 6/6  
Audit Committee Meetings : 4/4



Mr. Prapat Rathlertkarn  
Age 56

- Vice Chairman, Board of Directors
- Chairman, Executive Committee
  - President & CEO

Appointed: 27 April 1994

#### Education

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

#### Work Experiences

- 1994 – present: Deputy Chairman, Executive Committee Chairman, Managing Director and Chief Executive Officer, Planet Communication Asia Plc.
- 2005– present: Director, P&T Asset Co., Ltd.

#### Director in other listed companies

- none

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

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

#### Training

- Director Accreditation Program (DAP) 94/2012 session
- Director Certification Program (DCP) 195/2014 session

Meeting(s) attended in 2014: Board of Directors Meeting : 6/6



Mr. Trevor John Thompson  
Age 60

- Director
- Vice Chairman, Executive Committee
  - President & CTO

Appointed: 27 April 1994

#### Education

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

#### Work Experiences

- 1994 – present: Director, Executive Committee Deputy Chairman, Managing Director and Chief Technology Officer of Planet Communication Asia Plc.
- 2004 – present: Director of P&T Asset Co., Ltd.

#### Director in other listed companies:

- none

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

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

#### Training

- Director Accreditation Program (DAP) 95/2012 session

Meeting(s) attended in 2014: Board of Directors Meeting : 5/6



Mr. Sompong Oui-trakul  
Age 61

- Independent Director
- Audit Committee Member

Appointed: 30 December 2011

### Education

- Master of Business Administration, Rangsit University

### Work Experiences

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

### Director in other listed companies

- none

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

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

### Training

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

Meeting(s) attended in 2014:      Board of Directors Meeting : 6/6  
Audit Committee Meeting : 4/4



Mrs. Sutharak Soonthornpusit  
Age 62

- Independent Director
- Audit Committee Member

Appointed: 30 December 2011

### Education

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

### Work Experiences

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

### Director in other listed companies

- none

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

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

### Training

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

Meeting(s) attended in 2014:      Board of Directors Meeting : 4/6  
Audit Committee Meeting : 3/4



**Mrs. Ratana Suwan**

**Age 54**

- Director
- Executive Committee Member
- Executive Vice President of Accounts and Finance

**Appointed:** 30 December 2011

#### Education

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

#### Work Experiences

- 2003 – present: Executive Vice President of Accounts and Finance of Planet Communications Asia Plc.

#### Director in other listed companies

- none

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

- 5,150,000 (or 2.06% of total paid up share capital)

#### Training

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

**Meeting(s) attended in 2014: Board of Directors Meeting : 5/6**



**Mr. Satit Rathlertkarn**

**Age 50**

- Director
- Executive Committee Member
- Executive Vice President of Sale

**Appointed:** 30 December 2011

#### Education

- Bachelor of Electrical Engineering, Chiangmai University

#### Work Experience

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

#### Director in other listed companies

- none

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

- 10,210,000 (or 4.08% of total paid up share capital)

#### Training

- Director Accreditation Program (DAP), course no. 104/2013

**Meeting(s) attended in 2014: Board of Directors Meeting : 6/6**





Mr. Somchai Sakulwichitsintu

Age 40

- Director
- Executive Director
- Vice President of Marketing

Appointed: 30 December 2011

### Education

- Master of Business Economics, Kasetsart University

### Work Experiences

- 2540 – present: Vice President Marketing and Business Development. Planet Communications Asia Plc.

### Director in other listed companies

- none

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

- 1,400,000 (or 0.50% of total paid up share capital)

### Training

- Director Accreditation Program (DAP), course no.. 102/2013

Meeting(s) attended in 2014: Board of Directors Meeting : 6/6



Mr. Aneak Pongsabutra

Age 42

- Executive Committee Member
- Vice President of Operations

Appointed: 30 December 2011

### Education

- Master of Applied Statistics, National Institute of Development Administration (NIDA)

### Work Experiences

- 1999 – present: Vice President of Operations, Planet Communications Asia Plc.

### Director in other listed companies

- none

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

- 691,000 (or 0.28% of total paid up share capital)

### Training

- none





Mr. Prawich Rungdecharak  
Age 36

- Executive Committee Member
- Vice President of Technical Services

Appointed: 30 December 2011

#### Education

- Master of Business Administration, Mahanakorn University of Technology

#### Work Experiences

- 2000 – present: Vice President of Technical Services, Planet Communications Asia Plc.

#### Director in other listed companies

- none

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

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

#### Training

- none



Mr. Rungroj Jaturaworaporn  
Age 41

- Executive Committee Member
- Vice President of Sale of Broadcast & Digital TV

Appointed: 12 November 2013

#### Education

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

#### Work Experiences

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

#### Director in other listed companies

- none

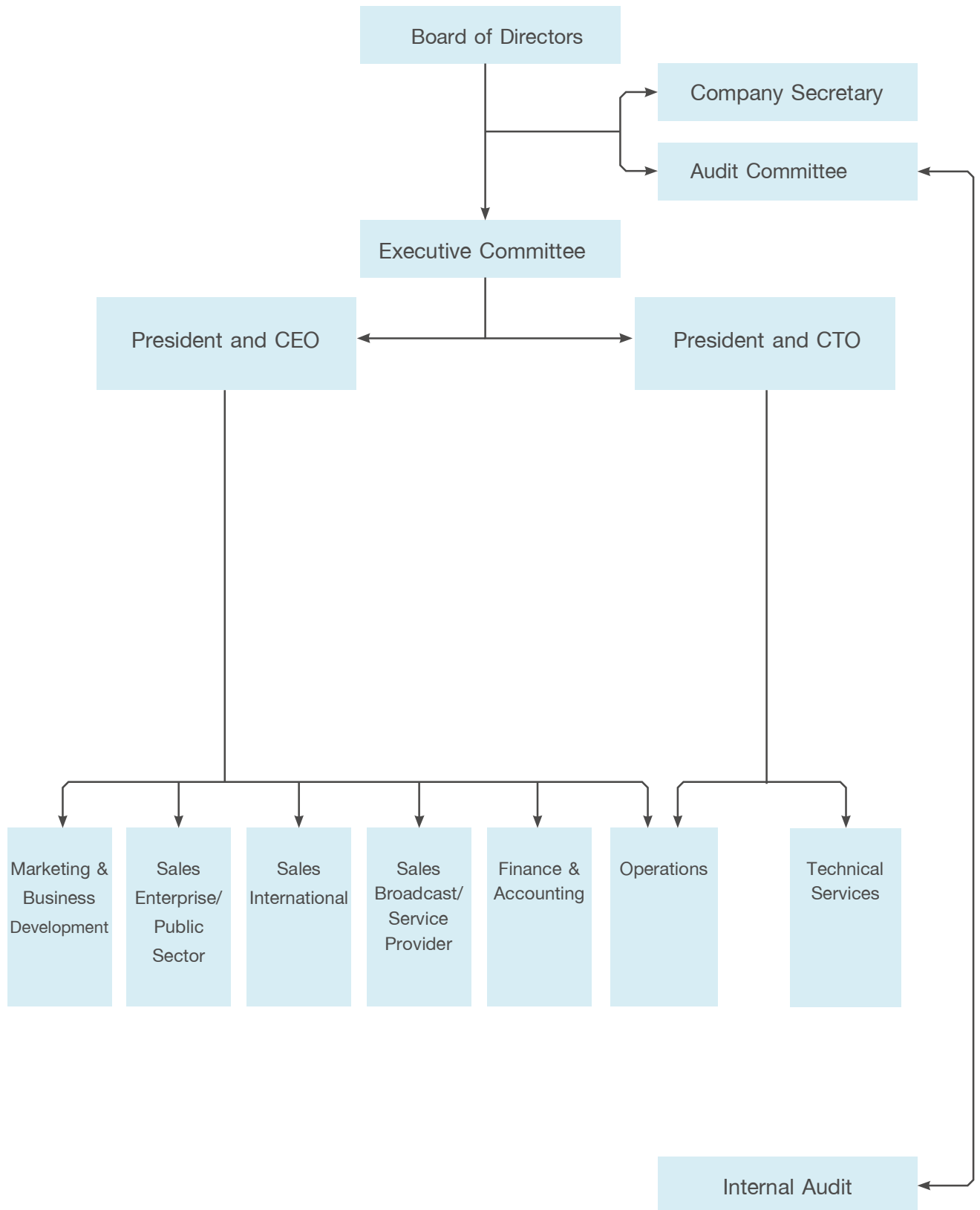
#### Number of shares held (including those held by associated persons)

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

#### Training

- none

## Organization Chart



## Policy and Business Overview

### 1. Company Background and Major Milestones

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

On 20 October 1998, the Company changed its name to Planet Communications Asia Co., Ltd.

Led by experienced management with proven success and expertise in the industry, the Company has enjoyed continued expansion and become an authorized distributor of many leading telecommunications vendors, such as Cisco, CODAN, Sony, THALES and ClearOne. The Company has since broadened its line of products and services into a full range of telecommunications functions, covering wired and wireless network, multimedia systems, as well as terrestrial and digital television broadcasting. Under the PlanetComm brand, it has engaged in the design, development and integration of devices for IT solutions.

The Company has also been appointed as a CODAN Service Center, due to its extensive knowledge and competency in telecommunications. However, it is also fully-equipped and well-staffed to provide maintenance and repair services for other leading vendors, such as GE, and Comtech EF Data. This allows for PlanetComm to offer a complete telecommunications service to its customers.

Major company milestones and accolades as follows:

#### 1994

- Founded as “Technology Gateway Asia Co., Ltd.”; rendered services for the consultancy, development and implementation of satellite communication systems.
- Appointed as an authorized distributor of satellite communication products for Prodelin/Vertex (GD SAT-Com), Comtech EF Data and Viasat.

#### 1996

- Increased paid-up capital to 5 million baht for expansion.
- Appointed as a distributor of satellite communication products for CODAN.

#### 1998

- Rebranded as Planet Communications Asia Co., Ltd.
- Increased paid-up capital to 15 million baht for expansion.

#### 1999

- Increased paid-up capital to 25 million baht for expansion.
- Commenced wired network services; appointed as an authorized distributor of data network products for Patton Electronics and security network products for Thales Group.

#### 2000

- Commenced multimedia services Appointed as an authorized distributor of video conferencing systems for Polycom.

#### 2001

- Granted ISO 9001:2000 accreditation.

## 2002

- broadcast services; provided satellite earth station devices to television broadcasting companies in Thailand and ASEAN countries.
- Successful in-house R&D to manufacture 1:1 Redundant LNB/LNA equipment.

## 2005

- Commenced terrestrial wireless and radio communications services; appointed as an authorized distributor for Motorola and CODAN HF.
- Successful in-house R&D to assemble a mobile satellite vehicle.

## 2010

- Relocated Head Office to PlanetComm Building on Ramindra Road. The new HO is an 'intelligent' building that uses cutting-edge telecommunications and multimedia facilities, enabling the Company to demonstrate products and position itself for future growth.
- Granted ISO 9001:2008 accreditation.
- Selected to be a Wireless Platinum Partner from Motorola Inc.
- Won the Telecom Innovation Award from the Telecommunications Research and Industrial Development Institute (TRIDI) for its 1:1 LNx Redundant Controller.
- Awarded for Sales Growth Achievement (Asia Pacific Region) by the Broadcast Pix.
- Won the Top Enterprise Partners Award from ZyXEL Communication Corp.

## 2011

- Collaborated on R&D with the National Electronics and Computer Technology Center (NECTEC) to manufacture the radio jammer T-Box 3.0.
- Commenced second generation terrestrial digital video broadcasting (DBV-T2/Digital TV) services in preparation for the transition from analog broadcasting to digital system, in accordance with public policy.

## 2012

- Appointed as an authorized Radio Telecommunications Equipment Service Center for CODAN.
- Became the only company in Thailand to qualify as a TelePresence Video Master Authorized Technology Partner for Cisco.
- Awarded FY12 Public Sector Partner of the Year by Cisco.
- Appointed as an authorized distributor of terrestrial and digital TV broadcasting systems for Cobham, TVU, and Thomson.

## 2013

- Won the Top Congeniality Collaboration Partner Award, Premier Certified Partner Award (Cisco Channel Partner Program) and FY13 Top YoY Growth of the Year Award from Cisco.
- Was officially appointed as an authorized distributor and service center of mobile satellite communications system (Satcom on-the-move) for ThinKom in Thailand and Vietnam.
- Was appointed as an authorized partner of CODAN.
- Won the Best Performance / Marketing Penetration Award from TVU Network.
- Awarded the Best Growth Partner of the Year by ClearOne.
- Listed as a public limited company (PLC).
- Changed par value per share from 10.00 baht to 1.00 baht, resulting in a tenfold increase of ordinary shares from 2.5 million to 25 million.

- Increased registered capital from 25 million baht to 250 million baht by issuing 225 million new ordinary shares with a par value per share of 1.00 baht allocated as follows:

(1) 150 million shares to existing shareholders, resulting in the increase of the Company's paid-up capital to 175 million shares

(2) 70 million shares via the initial public offering (IPO)

(3) 5 million shares to the Company's directors and employees

## 2014

- Began offering 75 million capital gain shares at 2.80 baht per share, consisting of 70 million shares via IPO and 5 million shares to the Company's directors and employees.
- Traded ordinary shares on the Market for Alternative Investment (MAI) under the stock symbol "PCA" on June 23.
- Appointed as a Premier Partner of Cisco.



## 2. Business Overview

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

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

(1). Products related to telecommunications systems, including:

- Wireless Networks, which transmit data through various frequencies of satellite communications, terrestrial wireless communications and radio communications.
- Wired Networks, which transmit data through cables in data networks, fiber optic networks and security networks.
- Multimedia Systems, which transmit video, audio and data through digital transmission networks such as Telepresence, unified collaboration, audio conference and audio and visual accessories.

(2). Products related to digital TV broadcasting systems, for the production, distribution, and transmission of studio content.

### 2. Products under the PlanetComm brand, including:

(1). Advanced telecommunications equipment tailored to the customer, as follows:

- Mobile satellite vehicles
- Signal receiving and amplifying devices LNB/LNA (1:1 LNx Redundant Controller)
- Radio jammers

(2). Telecommunications control software, such as network management systems to monitor and control satellite earth stations

(3). General products distributed under the PlanetComm brand, as follows:

- Feeder cables and connectors for the installation of mobile phone base stations
- Passive fiber optic components for high-speed FTTx networks
- Set-top boxes (DVB/T2) for terrestrial digital television

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

## 3. Vision, Mission and Business Goal

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



### **1. Policies related to telecommunications and digital TV broadcasting products**

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

### **2. Policies related to PlanetComm products**

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

### **3. Policies related to services**

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

## Business Operations

### Revenue Structure

Revenue	2012		2013		2014	
	Mil.Bt.	%	Mil.Bt.	%	Mil.Bt.	%
<b>Sales of distributed products</b>						
- Telecommunications systems	447.43	71.29	529.99	70.57	613.25	63.64
- Digital TV Broadcasting systems	33.44	5.33	93.41	12.44	156.18	16.21
Total sales of distributed products	480.87	76.62	623.40	83.00	769.43	79.85
Sales of PlanetComm products	103.54	16.50	80.69	10.74	119.90	12.44
Service revenue	34.99	5.58	40.32	5.37	62.00	6.43
Total revenue from sales and services	619.39	98.70	744.42	99.12	951.33	98.72
Other revenue*	8.19	1.30	6.63	0.88	12.4	1.28
Total revenue	627.58	100.00	751.05	100.00	963.69	100.00

\*Includes exchange gain, sale of assets gain, rental income and interest income.

### 1. Products and Services

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

#### 1.1 Products for which the Company is an authorized distributor

The Company is an authorized distributor of many world-class telecommunications products, such as wireless networks wired networks, and multimedia systems (the sales of which have dominated revenue from 2011 to 1st quarter of 2014), as well as products related to digital TV broadcasting systems. Details as follows:

#### 1. Products related to telecommunications systems, including:

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

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

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



(Satellite communications equipment)

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

- Wireless Broadband, which transmits and receives data at high speed over approximately 50-80 kilometers. This system is suitable for outdoor installations and long-distance data communications. The Company is an authorized distributor of related products by U.S.-based Cambium.
- Wi-Fi Communications, which transmit and receives data at high speed over short distances for computers and other electronics. This system is suitable for both outdoor and indoor installations with an effective radius of 30-100 meters. The Company is an authorized distributor of related products by U.S.-based Motorola and Cisco.



(Terrestrial wireless equipment)

(3). Radio Communications, which transmit data, images and audio via radio frequencies over long distances. The Company is an authorized distributor of world-class products, such as CODAN's digital radio system and Raytheon's network radio systems, which are capable of operating at high-frequency (HF), very-high frequency (VHF), ultra-high frequency (UHF) and on global system for mobile communications (GSM). The Company also distributes products by U.S.-based GE MDS, namely communications equipment for supervisory control and data acquisition (SCADA) systems. SCADA systems receive and transmit mechanical control data using radio frequencies and are suitable for energy providers and the oil industry.



(Radio communications equipment)

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

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



(Data network equipment)

(2). Fiber Optic Networks, consisting of:

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



(Fiber optic network equipment)

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



(Data security equipment)

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

(1). TelePresence & Video Conferences, consisting of a range of products for Telepresence & videoconferencing, multipoint conference units, recording & streaming servers and other feature

systems. The Company is an authorized distributor and a TelePresence Video Master Authorized Technology Provider (ATP) of CISCO, the world's number one IT manufacturer.



(Video conference equipment)

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



(Unified collaboration equipment)

## 2. Products related to digital TV broadcasting systems

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

(3). Audio Conferences, consisting of audio conferencing and audio set installations for conference rooms using products by Polycom and Clearone.



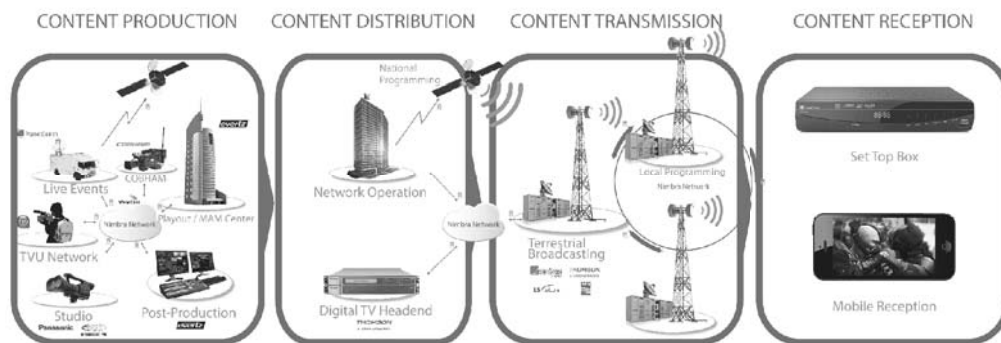
(Audio conference equipment)

(4). Audio & Visual Accessories for teleconference, namely:

- 3D visualizers by Wolfvision;
- HD cameras by Vaddio;
- visual display systems for mobile devices by Mersive;
- microphone systems for conference rooms by ClockAudio.



(Audio and visual accessories for teleconference)



(Digital TV Broadcasting systems)

### 1. Content Production & Studio, consisting of:

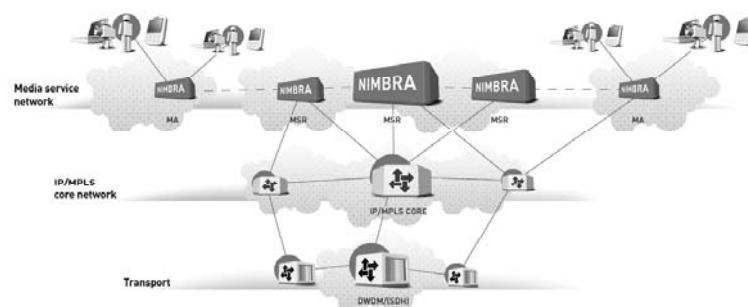
- (1). professional studio camera systems by Sony;
- (2). wireless professional camera systems by Cobham;
- (3). video switcher systems for studio works by Broadcast Pix;
- (4). video router, multiviewer and media asset management (MAM) systems for master control rooms (MCR), production studios, edit suites and broadcast control rooms by Evertz; and
- (5). 3G broadcasting systems by TVU. Network



(Equipment for TV and multimedia content production and studio system)

### 2. Content Distribution & Transmission, consisting of:

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



(Equipment for video over fiber network)



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



(Equipment for television headends)

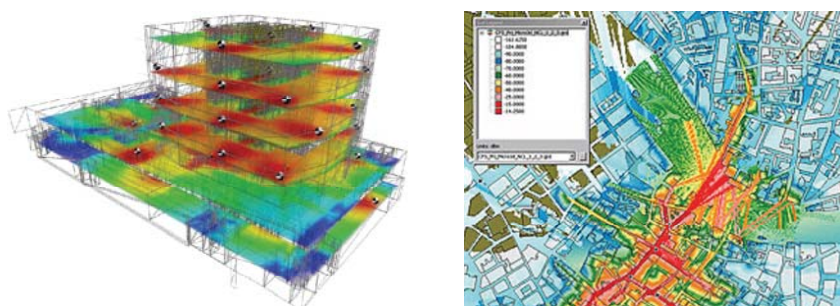
(3). Television Transmitters and Network Infrastructures, consisting of:

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

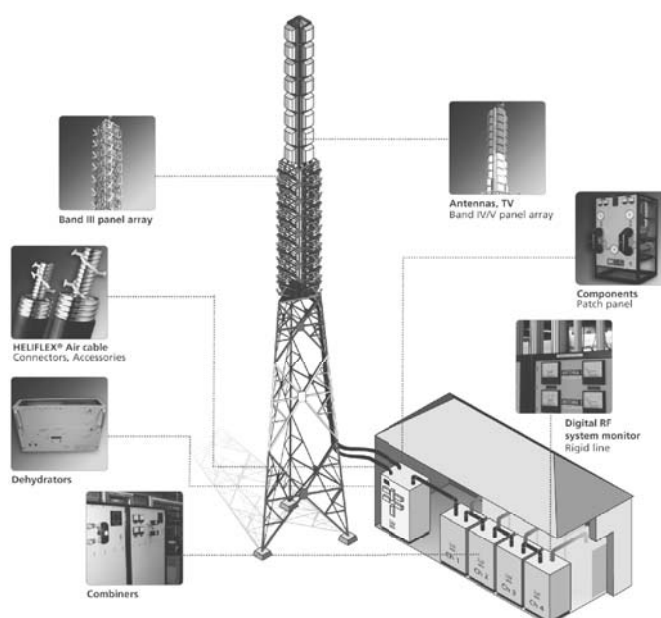


(Equipment for TV transmission system)

- Software for the design and planning of digital terrestrial broadcasting networks by LS telecom.



- Equipment for television broadcasting stations (RF components), such as antennas, feeder cables and antenna combiners. Antenna combiners are used to combine digital broadcast signals with conventional analog signals, feeding both to the UHF antenna system of a TV broadcasting station. The Company distributes RF components by Australia-based RFS.



(RF components for content transmission system)

## 1.2 Products designed, researched, developed and integrated under the PlanetComm brand

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

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

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



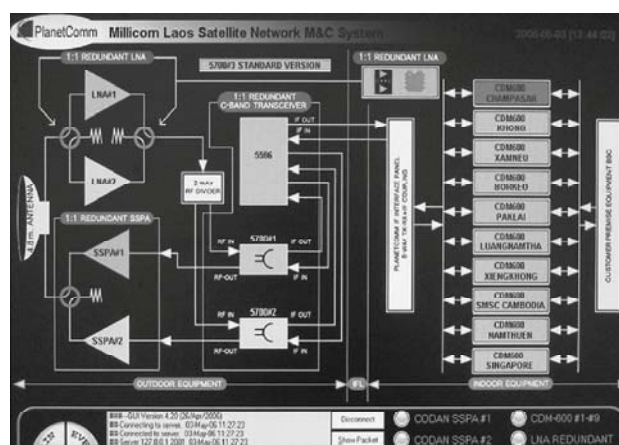
(Mobile Satellite Vehicles)

The image shows two pieces of equipment. On the left is a rack-mounted control unit with a black front panel and a white top. The front panel features the 'ParkerCombi' logo, a digital display, and several buttons and indicators. On the right is a mechanical assembly, likely a pump or valve, mounted on a base. It has a complex structure with various ports, a pressure gauge, and several black hoses connected to it.

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



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



### 3. General products distributed under the PlanetComm brand, including:

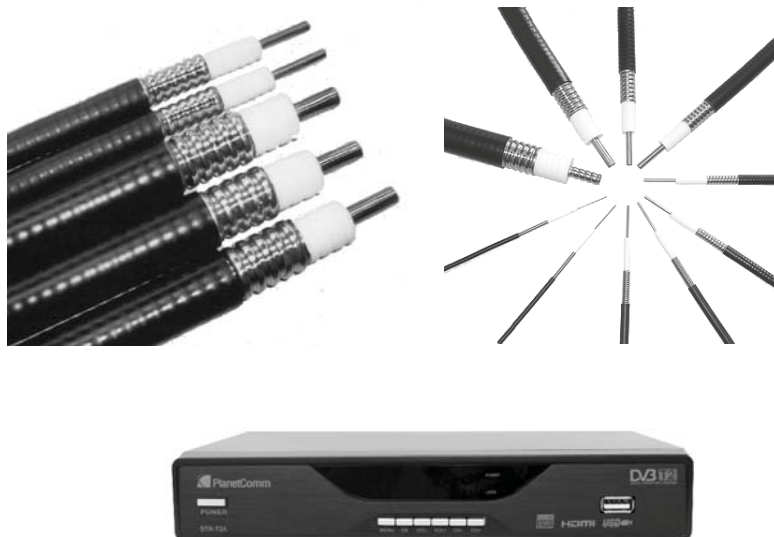
3.1 Feeder Cables & Connectors, which are coaxial cables imported and distributed by the Company for the installation of mobile network transmitters for operators such as AIS, TrueMove, and DTAC.

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

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

- standard definition (SD) and high definition (HD) resolutions supported;
- Thai and English user menus;
- electronic program guide (EPG) support;
- multilingual video and audio output support;
- on-screen display for signal strength and quality;
- certified under NBTC product standards; and
- certified under TIS 1195-2536 safety standards.

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



(Products distributed under the PlanetComm brand)

### 1.3 Services

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

**1. Pre-sales services**, to design and consult on end-to-end solutions for comprehensive and customized telecommunications and digital TV systems.

**2. Implementation & installation services**, to assemble, install, implement and test telecommunications and digital TV systems.

**3. After-sales services**, to test equipment and set up associated courtesy equipment for its customers. The Company Service Center offers the following:

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

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

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



## 2. Market and Competition

### 2.1 Competitive Strategy

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

#### 1. Innovation, in terms of:

##### a). New Products & Technology

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

- Seek new products with high performance and sophistication, both from world-class telecommunications manufacturers for which the Company is a distributor and from new vendors that engage in cutting edge R&D. The Company can thus launch novel products and technologies in the market and maintain product and utility differentiation and to comprehensively serve customer needs.
- Develop R&D team as well as engineers proficient in integrated systems to customize solutions according to customer specifications and cater to different markets.

##### b). New Service Solutions

to meet ever-changing customer demands. The ongoing development of new services, such as mobile satellite communications systems, and on-demand teleconference systems, are part of the Company's sales strategy to enhance customer value added (CVA).

##### c). New Business Models

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

#### 2. Competency, in terms of:

##### (1). Staff

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

- Vendor's Certificate, via training sessions held by vendors for engineers in its technology and products. Most engineers at the Company have received vendor certificates for meeting their standards.
- General Skills Training, via continual training courses held by specialist lecturers on various topics, such as teamwork and the 5S method. Employees are encouraged to cultivate positive attitudes and improve their skills and efficiency.
- English Language Training via regular training courses in preparation for the AEC markets.
- Factory Training via on-site courses overseas. Employees can broaden their horizons and gain deeper insight into the Company's distributed products and services.



## **(2). Facilities**

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

- Work space, which consists of 4,000 square meters partitioned into 8 conference rooms, an equipment testing room, the RF Repair Center, and a satellite vehicle repair shop.
- Spare equipment, which the Company keeps well-stocked. This includes courtesy equipment used in after-sales support to repair or replace damaged or defective products. Spare units and parts are also used for both demonstrations and troubleshooting, allowing customers to make confident telecommunications investments.
- RF Repair Center, which has more than 30 million baht in test equipment and electronic components. The Center is staffed by three exceptional engineers who have been factory-trained and certified by RF manufacturer and Company Partner CODAN. PlanetComm is the only certified CODAN Service Center in Thailand. However, the Center is also capable of performing repair services on RF equipment by other manufacturers, such as Comtech EF Data, Comtech Xicom Technology, CPI, and Advantech.

## **(3). Services**

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

## **3. Trusted Provider**

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

### **a). Proven Experience**

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

### **b). Vendor Recognition**

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

### **c). Corporate Social Responsibility (CSR)**

- which continues to guide business operations. The Company aims at becoming a national asset with sustainable growth. Therefore, it places priority on participation in social and community activities. The Company's CSR

policy can be divided into three main parts: educational, environmental and community support. Past CSR work involved the following:

- student scholarships and supply donations to the Ban Dek Ramindra School;
- donations of communications equipment to the Ministry of Information and Communication Technology;
- the Good Deeds for the King Project;
- canal dredging activities; and
- Save the Earth, Save the Forest activities.

## 2.2 Distribution Channels & Target Customers

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

### (1) Distribution of products and services directly to customers

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

**1. Broadcasting Sector**, consisting of terrestrial, satellite, cable, and internet protocol TV (IPTV) operators, as well as related businesses. These operators broadcast video and audio signals to the general public locally. Examples include Bangkok Broadcasting & TV Co., Ltd. (Channel 7), Royal Thai Army Radio and Television Station (Channel 5), True Visions Cable PLC., MCOT PCL., Me Television Co., Ltd., and Cable Thai Holding PCL.

**2. Telecommunications Service Provider Sector**, consisting of service providers of information networks, mobile phone networks, and internet networks. Examples include True Corporation PLC., Total Access Communication PLC. (DTAC), and Thaicom PLC.

**3. Commercial Sector**, consisting of businesses that require implementation of intra-network systems for company information, communications, and applications. Examples include Toyota Motor Thailand Co.,

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

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

## (2). Distribution of products and services via business partners

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

### Revenue from sales and services by distribution channel and target sector for 2012 - 2014

	2012		2013		2014	
	Mil.Bt.	%	Mil.Bt.	%	Mil.Bt.	%
Distribution directly to customers	394.33	63.66	515.71	69.28	801.13	84.21
• Broadcasting sector	55.10	8.90	91.95	12.35	127.15	13.37
• Telecommunications service provider sector	38.79	6.26	38.26	5.14	62.52	6.57
• Commercial sector	90.67	14.64	72.76	9.77	391.79	41.18
• Public sector	185.51	29.95	288.91	38.81	203.01	21.34
• International sector	24.26	3.92	23.82	3.20	16.66	1.75
Distribution via business partners	225.06	36.34	228.71	30.72	150.20	15.79
Total	619.39	100.00	744.42	100.00	951.33	100.00

## History of business achievements by client organization, project / product and revenue for 2012 - 2014

Year of Delivery	Name	Project / Product	Revenue (Mil.Bt.)
Telecommunications Products			
2014	Courts of Justice	Web conference system	43.40
2014	Department of Civil Aviation, Myanmar	Upgrade of Vsat System & RCAG	24.00
2014	Ministry of Information and Communication Technology	Geographic information system for natural disaster management and prevention	21.50
2013	Ministry of Finance	TelePresence system and equipment	103.00
2013	True Internet Data Center Co., Ltd.	TelePresence system	12.84
2013	Royal Thai Police Headquarters	Video conference system	9.00
2012	Aeronautical Radio of Thailand Ltd.	Satellite communications system equipment	45.65
2012	Seagate Technology (Thailand) Co., Ltd.	TelePresence system	26.35
2012	Ministry of Information and Communication Technology	Geographic information system for natural disaster management and prevention	21.50
Broadcasting and Digital TV Products			
2013	MCOT Public Co., Ltd.	Satellite link controllers for MOCT Network, phase 1	31.37
2013	Bangkok Broadcasting & TV Co., Ltd.	News reporting equipment and base station equipment for Fly Away vans	21.80
PlanetComm Products			
2013	Naval Communications and Information Technology Department	Mobile radio vehicles	26.70
2012	Naval Communications and Information Technology Department	Mobile radio vehicles	33.48
2012	Naval Communications and Information Technology Department	Radio jammers (T-BOX 3.0)	29.96

### 2.3 Pricing Policy

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

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

(2). Products under the PlanetComm brand are priced by accounting for the market prices of comparable products set by competitors.

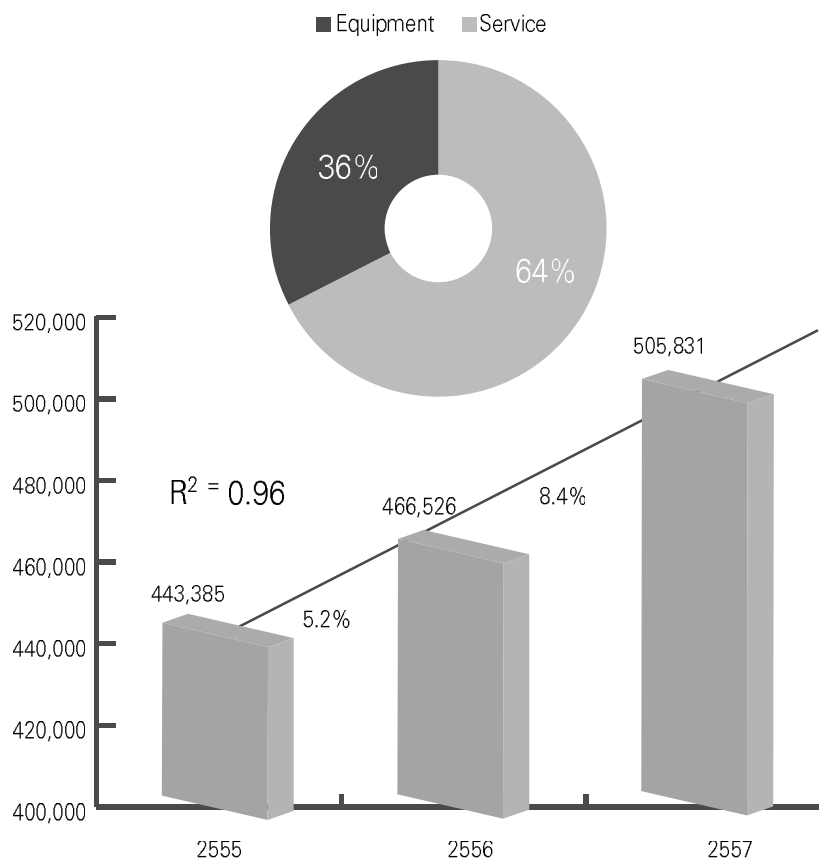
### 2.4 State of the Industry and Competition

#### Industry Overview

The Company's operations mainly involve distributing IT products and telecommunications equipment for

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

A survey was conducted on the Thailand's telecommunications industry outlook for 2012, 2013 and 2014 by the Policy Research Department of the National Science and Technology Development Agency (NSTDA) in collaboration with the National Electronics and Computer Technology Center (NECTEC) and other agencies such as the Association of Thai ICT Industry (ATCI), Telecommunications Association of Thailand (TCT), Thailand Cabling Association (TCA), Thai Embedded Systems Association (TESA), Association of Thai Computer Manufacturing (ATCM), Institute of Information and Communication Technology for Industries (ICTI), and RFID Institute of Thailand (RFID) . According to the survey, the industry in 2013 had a total value of 466.526 billion baht, an annual growth of 5.2% from 2012. This growth was driven primarily by the telecommunications service market, valued at 298.424 billion baht or about 64% of the entire industry. Meanwhile, the value of the telecommunications equipment market totaled 168.102 billion baht, accounting for 36% of the industry. The telecommunications industry in 2014 was expected to have an annual growth of 8.4%, or a total value of 505.831 billion baht.



Telecommunications industry net worth in 2012, 2013, and 2014f

The telecommunications equipment market was also expected to grow 10.8% from 2013 to 186.177 billion baht. A major contribution to the market's growth was the demand of high-speed telecommunications services, especially mobile internet, resulting in the expansion of the smart phone market and mobile internet services. In addition, the decreasing prices of smart phones made such equipment more affordable for consumers. All these factors have continued to promote the telecommunications industry in 2014.

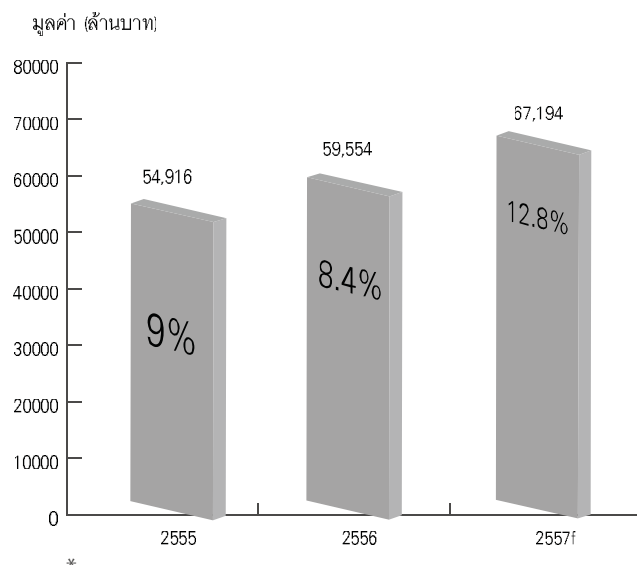
Type		Value (Mil.Bt.)			Growth Rate (%)	
		2012	2013	2014f	12/13	13/14f
1	Telecommunications equipment	160,419	168,102	186,177	4.8	10.8
2	Telecommunications services	282,966	298,424	319,655	5.5	7.1
	<b>Total Communication Market</b>	433,385	466,526	505,831	5.2	8.4

### Telecommunications Equipment Market

According to the survey, the telecommunications equipment market was grouped into four parts, namely the (1) telephone handset market; (2) core network equipment market; (3) wired equipment market, which as of 2014 included private branch exchange (PBX/PABX) market; and (4) wireless equipment market. Trends in the value of each market are as follows:

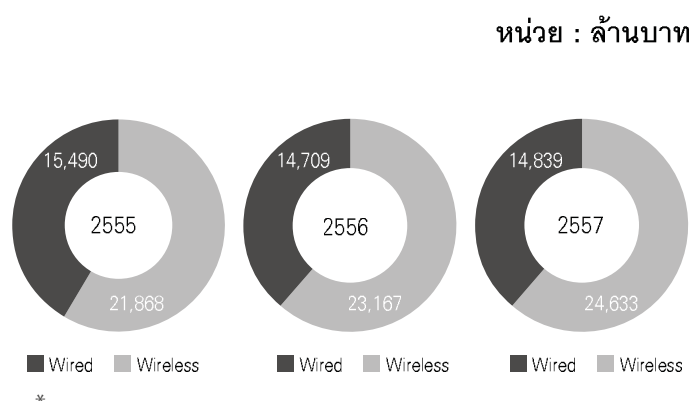
- The Telephone Handset Market in 2013 was valued at 70.672 billion baht, an annual growth of 3.7% from 2012. The slow market expansion was due to a plummeting sales volumes of landline and general mobile phone markets. Despite a 24.2% growth in the value of the smart phone market, the overall mobile phone market did not actively expand. The market in 2014 was expected to grow 12.5% to 79.511 billion baht, due mainly to the shift in consumer behavior from conventional mobile handsets to smart phones. The smart phone market in 2014 was expected to grow as much as 32.5% to 60.996 billion baht.
- The Core Network Equipment Market in 2013 was valued at 59.544 billion baht, an annual growth of 8.4%. The slow market expansion was due to the lack of a state-run mega project to stimulate equipment transactions, as government policy emphasized the development of transportation infrastructure. From 2013 through 2014, the market growth mostly came from private sector investments in the expansion of broadband internet network in response to higher domestic consumption. The market in 2014 was expected to improve by 12.8% with a total value of 67.194 billion baht, driven by the digital TV license auction that put IPTV into mainstream services and resulted in greater investments in the fiber optic networks by wired network operators. Furthermore, it was expected that the issuance of 4G mobile licenses would be deliberated by the government in 2014, further stimulating market growth.





Value and growth of the core network equipment market in 2012, 2013 and 2014f

- The Wired Equipment Market in 2013 was valued at 14,709 billion baht or an annual contraction 5%, due to reduced purchasing power of household and commercial sectors as indicated by the lower-than-expected GDP. Business enterprises had pared down their IT investments. Another factor was the shifting consumer demand from wired to wireless equipment. Since 2011, wireless equipment has been gradually assuming a greater market share of the industry than wired equipment. The wired equipment market in 2014 was expected to grow at a modest rate of 0.9% to 14,839 billion baht. Meanwhile, the Wireless Equipment Market in 2013 had a total value of 23,167 billion baht or an annual growth of 5.9%. In 2014, it was expected to grow further by 6.2% to 24,633 billion baht.



Spending in the wired and wireless equipment markets in 2012, 2013, and 2014f

### Telecommunications Service Market

The Landline Service Market in 2013 recorded a continual downturn with a total value of 19,823 billion baht or a growth of 7.2%, as consumers shifted to mobile phone services. Voicemail features in both landline and mobile phones had also rapidly lost popularity. The market in 2014 was expected to continue its downward trend and contract at 8.9% to 18,067 billion baht. The decline was precipitated by phone users preferring to use smart device applications for instant-messaging via internet. Consequently, voicemail and application-based

data services would appear to assume greater market share over landline services in the industry.

The Mobile Service Market in 2013 was valued at 188.333 billion baht, a slight reduction in growth of 7.2% from last year, due to the shrinking voice service market that was previously its main source of revenue. Similar to landline services, mobile voicemail services were expected to contract at 3.1% to 123.482 billion baht. On the other hand, the mobile internet market recorded remarkable growth and stood at 11.571 billion baht in 2013, and was expected to grow further in 2014 by 26.4% to 14.627 billion baht. The boom was caused by the issuance of the 2.1 GHz licenses for international mobile telecommunications (IMT) to domestic mobile service providers, as well as the ubiquity of smart phones and tablet PCs for work. As the bring-your-own-device (BYOD) workplace policy became increasingly popular, mobile internet consumption grew at an extreme rate with a total market value of 11.571 billion baht in 2013. The total value of the market in 2014 was expected to expand 26.4% to 42.954 billion baht.

The Internet Service Market in 2013 recorded a total value of 42.954 billion baht or a 7% growth rate. In 2014, it was expected to grow by 9.6% to 47.046 billion baht, driven by the expansion of internet gateway services for wider international interconnection. Another factor contributing to the market's growth was improvements to internet connection speeds, a major cost of domestic broadband internet services. The speed upgrade came in response to greater use of cloud computing services in the form of Infrastructure as a Service (IaaS) and public cloud services in the commercial and household sectors, respectively. However, the ADSL internet service market in Bangkok and its vicinity had become saturated, causing the market to become stagnant.

International Calling Services is comprised of international direct dialing (IDD), Voice over Internet Protocol (VoIP), and international calling card. According to the survey, the value of the market in 2013 increased only slightly at 18.130 billion baht or 1.9%. The market was expected to grow at the similar rate in 2014, with IDD on mobile network remaining the most-used service as the calling card market plummets. The decline in growth rate resulted from the intense price competition among calling service providers and the advancement of social network applications to the extent that they could virtually replace calling cards.

The growth rate of the overall Data Communications Service Market in 2013 dropped to 4.1% to a total value of 29.184 billion baht. Market growth was expected to fall slightly in 2014 to 3.5%, or a total value of 30.194 billion baht. The decline was caused by changes in related technologies, such as the rising popularity of virtual private network (VPN) leased line and using the cable TV broadcasting infrastructure to provide broadband internet, thereby reducing expense to the consumer.

### **Spending by User Sector**

Spending in the telecommunications equipment market in 2013 came principally from infrastructure expansion by telecommunications operators, which amounted to 70.408 billion baht or accounted for 41.8% of total telecommunications equipment spending, a slight increase from 40.9% in 2012. The second largest group by equipment spending, mostly for mobile phones, was the household and small office/home office (SOHO) sectors which totaled 63.235 billion baht or 37.7%. As for corporate sector, spending on telecommunications equipment in 2013 decreased from 2012 to 34.459 billion baht or 20.5% of total equipment spending, owing to the high financial liquidity risk and economic sluggishness that caused many companies to lose confidence in national economy and suspend their ICT investment, exacerbated by the economic slowdown in local and global IT markets.

With regard to spending on telecommunications services in 2013, the household sector remained the key driver with the highest spending at 186.686 billion baht or 62.5% of the total telecommunications service

market. Most of the household spending also went to mobile phone services. The second largest sector by services spending was the corporate sector at 92.702 billion baht or 31.1%, a slight decrease from 2012. The government and state enterprise sector also had the least market spending on communication services at 19.034 billion baht or only 6.4%.

Categories	Total		Operator		Corporate		Household/ SOHO	
	Value	(%)	Value	(%)	Value	(%)	Value	(%)
Fixed Handset	2,142	100	218	10.2	1,748	81.6	176	8.2
Mobile Handset	68,530	100	-	-	10,485	15.3	58,045	84.7
Core Network	59,554	100	59,078	99.2	476	0.8	-	-
Wired	14,709	100	5,251	35.7	9,193	62.5	265	1.8
Wireless	23,167	100	5,861	25.3	12,557	54.2	4,749	20.5
<b>Total</b>	<b>168,102</b>	<b>100</b>	<b>70,408</b>	<b>41.8</b>	<b>34,459</b>	<b>20.5</b>	<b>63,235</b>	<b>37.7</b>

#### Telecommunications equipment revenue by user sectors in 2013

##### Factors Influencing Telecommunications Market

The telecommunications market in 2013 was positively affected by the demand for hi-speed mobile internet services on smart devices. In particular, mobile internet consumption rose sharply over the previous year. The development of mobile applications, especially social media applications, was also a key factor that spurred user demand for mobile internet networks in the country. The telecommunications market grew as the 3G network developed in 2012 could be fully-utilized in a commercial capacity in 2013. Another positive factor that bolstered the telecommunications market in 2013 was the broadcasting over broadband services, which would also favor strong growth of the internet market in 2014. Demand for these services increased from the previous year.

Factors with adverse impact on the telecommunications market from 2013 through 2014 included household debt that diminished consumer purchasing power, the suspension of mega-project investments by the private sector due to the economic slowdown, the lower-than-targeted GDP that damaged investment sentiment, the escalating prices of consumer goods, and political instability that suspended or canceled government projects. For these reasons, most service providers opted to enhance their existing network rather than invest in a new nationwide service network.

## **Technology Outlook**

Technologies related to the telecommunications market in 2014 appeared to focus on improvements to high-speed bandwidth capacity and logistical efficiency. Interesting technologies with possible impacts on the telecommunications market included Wireless Broadband Access (WBA) technology, 3G Base Station Offload technology; Long-Term Evolution (LTE) or 4G technology; multi-platform technology; Data Over Cable Service Interface Specification (DOCSIS) or data transfer via cable TV network technology; Fiber-to-the-home (FTTH) technology, which outperformed data transfer over telephone lines (ADSL); mobile applications and HTML5 technology; and the Internet of Things (IoT) technology.

### **Competition in Telecommunications Technology Industry**

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

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

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

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

### **Broadcasting and Digital TV Industry**

Digital broadcasting refers to a system that compresses and encodes analog video and audio signals into digital data for broadcasting to viewers via such satellite, cable and terrestrial platforms. Technological advancements in digital TV broadcasting have greatly enhanced image and sound quality. Digital broadcasting can also transmit greater amount of data than analog systems, allowing for more TV channels. Many countries have switched from analog to digital broadcasting. Different broadcasting standards have been implemented, such as digital video broadcasting – satellite (DVB-S), digital video broadcasting – cable (DVB-C), and digital video broadcasting – terrestrial (DVB-T). The advantages of digital TV have prompted broadcasting regulators in Thailand and other

ASEAN countries to adopt the DVB-T standard, which was subsequently developed into present-day DVB-T2.

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

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

1. 24 Commercial Channels to be auctioned as follows:

- 7 high definition (HD) channels;
- 7 standard definition (SD) channels for general programming;
- 7 SD channels for news programming;
- 3 SD channels for children's programming.

2. 12 Community Channels

3. 12 Public Channels

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

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

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

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

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

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

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

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

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

The NBTC set the auction schedule as follows:

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

On 6 January 2014, NBTC officially confirmed the result of digital TV auction, which was completed on 26-27 December 2013, with 17 auction winners for 24 channels at a total value of 50.862 billion baht. NBTC stipulated that DVB-T2 stations must be implemented and ready for broadcasting in the first year of operation across 11 provinces, i.e. Bangkok, Nakhon Ratchasima, Chiang Mai and Songkhla by 1 April 2014; Ubon Ratchathani, Surat Thani and Rayong by 1 May 2014; and Singburi, Sukhothai, Khon Kaen and Udon Thani by 1 June 2014.



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

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

### Competition in the Broadcasting and Digital TV Industry

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

1. Content production system;
2. Content distribution system;
3. Content transmission system; and
4. Content reception equipment.

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

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

Content Production	Content Distribution	Content Transmission	Content Reception
<ul style="list-style-type: none"> <li>- Sony</li> <li>- Cobham</li> <li>- Broadcastpix</li> <li>- Evertz</li> <li>- TVU Network</li> <li>- PlanetComm (Mobile Vehicle)</li> </ul>	<ul style="list-style-type: none"> <li>- Netinsight</li> <li>- Thomson</li> <li>- Envivio</li> </ul>	<ul style="list-style-type: none"> <li>- Screen Service</li> <li>- RFS</li> <li>- LS Telcom</li> </ul>	<ul style="list-style-type: none"> <li>- PlanetComm</li> <li>- Set Top box</li> </ul>

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

### 3. Product Procurement

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

(1). Products related to telecommunications systems

- Wireless Networks

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

## - Wired Networks

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

## - Multimedia Systems

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

(2). Products related to broadcasting and digital TV systems

Product Group	Type	Brand - Vendor
Content Production	Professional studio camera system	Sony – Sony Corporation
	Wireless professional camera system	Cobham - Cobham Plc.
	Video switcher system	Broadcast Pix - Broadcast Pix Inc.
	Media asset management system	Evertz - Evertz Microsystems Ltd
	3G broadcasting system	TVU - TVU Networks Corp.
Content Distribution and Transmission	Video over fiber network system	Netinsight - Net Insight AB
	Television headend system	Thomson - Thomson Video Networks Asia Pacific Pte. Ltd, Envivio - Envivio Inc.
	Television transmitter system	Screen Service - Screen Service Broadcasting Technologies S.P.A
	Network design and planning software	LS Telcom - LS telcom AG
	RF component	RFS - Radio frequency systems Pty Ltd,

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

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

Source	2012		2013		2014	
	ລ້ານກີບ	%	ລ້ານກີບ	%	ລ້ານກີບ	%
Domestic	180.90	38.82	205.77	42.10	395.52	51.68
Overseas	285.13	61.18	282.97	57.90	369.76	48.32
Total	466.03	100.00	488.73	100.00	765.28	100.00

#### 4. Undelivered projects

As of 31 March 2014, the Company had ongoing projects under development with a total value of 267.10 million baht. It was expected that deliveries of these ongoing projects could be made within 2014, 81% of which will be delivered within the second quarter of the year and about 16% within the third quarter.

#### 5. Environmental impact

- None -

#### 6. Assets used in the business operations.

Details of the assets used in the business operations as of December 31, 2014 are as follows:

Type / Property	Ownership status	Obligations	Net Book Value As of 31 December, 2014(million baht)
Leasehold improvement	Owned	None	2.97
Test equipment	Owned	None	19.64
Vehicles	Owned	As stipulated under lease	17.63
Furniture, Fixtures and Office equipment	Owned	None	15.95
<b>Total</b>			56.19

#### 7. Legal Disputes

As of 31 December 2014, the Company is not a party to any ongoing legal dispute, namely:

1. Lawsuit that could have a negative impact on the Company's assets or any of its subsidiaries valued at more than 5 percent of shareholders' equity
2. Lawsuits that have significant but unquantified effects on the Company's business operations.
3. Lawsuits that are unrelated to normal business operations.



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## Risk Factors

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### 1. Risks from Technological Changes

Operating in the telecommunication sector means that we are subject to rapid and ongoing technological changes, which can affect our performance in terms of inventory, overhead and opportunities to secure tenders for supplies and services.

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

### 2. Risks from Dependency on Major Distributors

Our business involves buying products from manufacturers or other distributors and selling them to our clients. We are business partners with Cisco Systems International B.V. (henceforth, "Cisco"), a world-renowned manufacturer of high quality, durable IT and telecommunication devices. Our purchases from Cisco in 2013 and the first quarter of 2014 constituted 21.51% and 15.31% of our total purchases during those respective periods. There is the risk of Cisco retailing their own products and ending their partnership with the Company.

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

### 3. Risks from Dependency on Staff

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

Therefore, the Company focuses on human resources development. Although many of our engineers have certificates from CISCO and CODAN and have worked with us for over a decade, we encourage all of our employees to learn more about our products and technologies to improve their performance. We offer training, pay and fringe benefits similar to those offered by other companies in the same industry.

#### 4. Risks of Failure to meet Project Deadlines

The Company provides IT service under contracts that generally require 3 to 6 months to fulfill, depending on their size and complexity. Failure to deliver product within the project deadline will result in paying penalties which reduce revenue. However, we have never had to pay a significant penalty for failure to deliver on any project within the deadline. A penalty was once paid for late product delivery in 2011, which was valued at 0.008% of our total income for that period. To minimize these risks, our Project Management Office plans work schedules and resolves any timeframe issues to ensure the Company meets its deadlines.

On 31 March 2014, the total value of works in progress was 243.68 million baht. We expect to complete and deliver all the works by the end of 2014.

#### 5. Risks from Exchange Rates

Importing products for sales in Thailand means they are purchased in foreign currencies, mostly the US dollar, and sold in Thai baht. Therefore, the Company incurs certain risks from exchange rate fluctuation. In 2013 and the first quarter of 2014, products were purchased in foreign currencies equivalent to 282.97 million baht and 369.76 million baht, respectively. Foreign purchases accounted for 57.90% and 48.32% of our total purchasing in those periods.

To minimize risks from exchange rate fluctuation, the Company incorporates these currencies into the production and project cost calculations when drawing up contracts. We lost 4.29 million baht on the exchange rates in 2013, cushioned by an exchange rate profit of 1.26 million baht in 2013 and in the first quarter of 2014.

#### 6. Risks from Fluctuating Contract Revenue

The Company largely depend on revenue from contracts with government agencies for supplies and services. Contract revenue accounted for 36.62%, 29.95%, 38.81% and 33.27% in 2011, 2012, 2013 and 2014, respectively. Government agencies approved their budgets in the third and forth quarter, which plays a factor in tenders for those periods. However, their budgets are now evenly distributed throughout the year, which translates to evenly distributed public contract revenue. Only the great flood in 2011 significantly affected our income in the first and second quarters of 2012. To ensure regular income without becoming overly dependent on state contracts, the Company intends to expand our markets for set-top boxes and digital TV systems.

## 7. Risks from Dependency on Executives

Established by Mr. Prapat Ratlertkarn and Mr. Trevor Thompson, who have been in industry for more than 30 years and currently assume important management roles, the Company heavily relies on them. While PlanetComm is exposed to a certain level of key person risk, Mr. Ratlertkarn and Mr. Thompson, including their dependents, each hold 31.58% of paid registered shares. Therefore the two executives have a vested interest in maintaining the value of their assets in the Company and ensuring its growth and prosperity. Meanwhile, PlanetComm continues to hire more professionals to expand management.

## Management Structure

### 1. Management Structure

The Company management structure consists of the Board of Directors and four Committees, namely the Audit Committee, Recruitment, Remuneration and Corporate Governance Committee, Risk Management Committee and Executive Committee. The directors, audit Committee members, executive Committee members and chief executive officers have qualifications stipulated under Section 68 of the Limited Public Company Act of 1992 and applicable SEC's notifications. The details are as follows:

#### 1.1 Board of Directors

As of 31 December 2014, there were nine directors on the Board:

Name	Title
1. Mr. Sanpat Sapon	Chairman
2. Mr. Prapat Rathlertkarn	Deputy Chairman
3. Mr. Trevor Thompson	Director
4. Mr. Satit Rathlertkarn	Director
5. Mrs. Ratana Suwan	Director
6. Mr. Somchai Sakulwichitsintu	Director
7. Dr. Katiya Greigarn	Independent Director & Audit Committee Chairman
8. Mr. Sompong Oui-trakul	Independent Director & Audit Committee Member
9. Mrs. Sutharak Soonthornpusit	Independent Director & Audit Committee Member

Ms. Wathara Arun has succeeded Mrs. Ratana Suwan as the Company Secretary since her appointment at Board Meeting No.5/2014 on 12 November 2014.

#### Authorized Directors:

1) Mr. Prapat Rathlertkarn and Mr. Trevor Thompson jointly affix their signatures and the Company seal; or 2) Mr. Prapat Rathlertkarn or Mr. Trevor Thompson and Mr. Satit Rathlertkarn or Mrs. Ratana Suwan jointly affix their signatures and the Company seal.

#### Scope of powers and duties of directors

1. To operate and manage the Company's business according to relevant laws, the Company's objectives, Articles of Association and resolutions of shareholders' meetings, as well as make all efforts to protect the Company's interests on a regular basis.

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

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

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

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

The Managing Director, Executive Committee and other Committees so appointed do not have powers or duties to consider and approve any connected transactions, i.e. transactions that can potentially cause a conflict of interest with the Company or any of its affiliated companies, unless otherwise approved on an individual basis. Approval for connected transactions is subject to the policies and criteria set forth by the Board of Directors.

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

The Director(s) so authorized do not have powers or duties to consider and approve any connected transactions in violation of the Notifications of the Capital Market Supervisory Board or the Securities and Exchange Commission, unless otherwise approved on an individual basis. Approval is subject to the policies and criteria set forth by the Board of Directors.

## 1.2 Audit Committee

As of 31 December 2014, the Company's Audit Committee was comprised of three members:

Name	Title
1. Dr. Katiya Greigarn	Committee Chairman
2. Mr. Sompong Oui-trakul*	Committee Member
3. Mrs. Sutharak Soonthornpusit	Committee Member

Notes: \* Having previously handled 3M (Thailand) Co., Ltd. the account, Mr. Sompong Oui-trakulis qualified to audit our account to ensure its reliability. See enclosed profiles of executives and directors.

Ms. Wanwimol Jongsureeyapas is the Secretary of the Audit Committee.

### Scope of powers and duties of Audit Committee

1. To audit the Company's account to ensure that financial reports contain complete and correct information.
2. To audit the Company's internal controls and internal audit to ensure they are appropriate and efficient; to ensure the independence of internal audit personnel; to engage, transfer and disengage internal audit chiefs or any persons related to the internal audit.
3. To audit the Company with regard to securities and stock exchange laws and regulations and laws applicable to business operations.
4. To consider, recruit and appoint an independent auditor of the Company and set remuneration; to convene a meeting with the auditor at least once a year without management present.
5. To examine connected transactions; to act in the best interests of the Company to ensure compliance with laws and the regulations of the stock exchange.
6. To issue the annual audit report signed by the Audit Committee Chairman for disclosure in the Company's annual report. The annual audit report must at least contain observations and recommendations on the following:

- (a). the correctness, completeness and reliability of the Company's financial statements;
- (b). the adequacy of the Company's internal control;
- (c). compliance with securities and stock exchange laws and regulations, or laws applicable to the Company's operations;
- (d). the qualifications of the auditor;
- (e). the connected transactions that may cause a conflict of interest;
- (f). the number of meetings attended by each Audit Committee Member;
- (g). the findings from duties performed as Audit Committee according to the Charter;
- (f). the information to be given to shareholders and investors as required by the Audit Committee as set forth by the Board of Directors;

7. To perform other acts assigned by the Board of Directors, subject to the approval of the Audit Committee.

### 1.3 Nomination, Remuneration and Corporate Governance Committee

As of 31 December 2014, the Nomination, Remuneration and Corporate Committee was comprised of four members.

Name	Title
1. Mr. Sanpat Sopon	Committee Chairman
2. Dr. Katiya Greigarn	Committee Member
3. Mr. Sompong Oui-trakul	Committee Member
4. Mrs. Sutharak Soonthornpusit	Committee Member

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

##### 1. Nomination

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

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

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

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

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



## 2. Remuneration

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

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

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

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

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

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

## 3. Corporate Governance

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

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

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

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

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

## 1.4 Risk Management Committee

As of 31 December 2014, the Risk Management Committee was comprised of four members.

Name	Title
1. Mr. Sanpat Sophon	Committee Chairman
2. Dr. Katiya Greigarn	Committee Member
3. Mr. Sompong Oui-trakul	Committee Member
4. Mrs. Sutharak Soonthornpusit	Committee Member

### Scope of Powers and Duties of Risk Management Committee

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

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

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

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

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

## 1.5 Executive Committee

As of 31 December 2014, the Executive Committee was comprised of eight members.

Name	Title
1. Mr. Prapat Rathlertkarn	Committee Chairman
2. Mr. Trevor John Thompson	Committee Deputy Chairman
3. Mr. Satit Rathlertkarn	Committee Member
4. Mrs. Ratana Suwan	Committee Member
5. Mr. Somchai Sakulwichitsintu	Committee Member
6. Mr. Aneak Pongsabutra	Committee Member
7. Mr. Prawich Rungdecharak	Committee Member
8. Mr. Rungroj Jaturaworaporn	Committee Member

### Scope of Powers and Duties of Executive Committee

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

The person(s) so appointed or authorized does not have the powers or duties to consider and approve any connected transactions in violation of the Notifications of Capital Market Supervisory Board or the SEC, unless otherwise approved by the Committee and/or the shareholders' meeting, with the exception being regular transactions and trading terms and conditions that are approved on an individual basis, subject to Notifications of the Capital Market Supervisory Board, the SEC or any competent agencies.

## 1.6 Company Secretary

The Board Meeting No. 5/2014 held on 12 November 2014 resolved in favor of appointing Ms. Wathara Arun as the Company Secretary to succeed Mrs. Ratana Suwan in compliance with Section 89/15 of the Securities and Stock Exchange of Thailand Act of 1992, revised by the Securities and Stock Exchange of Thailand Act (No. 4) of 2008. The Secretary has the following duties and responsibilities:

1. To prepare and keep records of the following documents:
  - (a) Registry of Directors;

(b) invitations to Board Meetings, minutes of Board Meetings and the Company's annual reports; and

(c) invitations to shareholders' meetings and minutes of shareholders' meetings.

2. To keep records of connected transactions reported by directors and executives;

3. To perform other acts as set forth by the Notifications of Capital Market Supervisory Board.

## 1.7 Executives

The Company has eight executives.

Name	Title
1. Mr. Prapat Rathlertkarn	President and Chief Executive Officer
2. Mr. Trevor John Thompson	President and Chief Technology Officer
3. Mrs. Ratana Suwan	EVP of Accounts and Finance Department
4. Mr. Satit Rathlertkarn	EVP of Sale
5. Mr. Somchai Sakulwichitsintu	VP of Marketing and Business Development
6. Mr. Aneak Pongsabutra	VP of Operations
7. Mr. Prawich Rungdecharak	VP of Technical Services
8. Mr. Rungroj Jaturaworaporn	VP of Sale

### Scope of Powers and Duties of Executives

1. To oversee the Company's daily operations and management;

2. To operate and manage the business according to policies, plans and budgets approved by the Board of Directors and/or the Executive Committee.

3. To adopt policies, make plans, build strategies and allocate annual budgets; to propose them to the Executive Committee and the Board of Directors for approval.

4. To consider and approve the Company's regular transactions such as sale of goods and purchase of raw materials for the amounts within the scope of powers granted by the Board of Directors; to consider and approve the purchase of property with the budget approved by the Board of Directors.

5. To constantly follow up and assess the Company's operations; to prepare and submit reports on the performance, management and work progress to the Executive Committee, Audit Committee and Board of Directors.

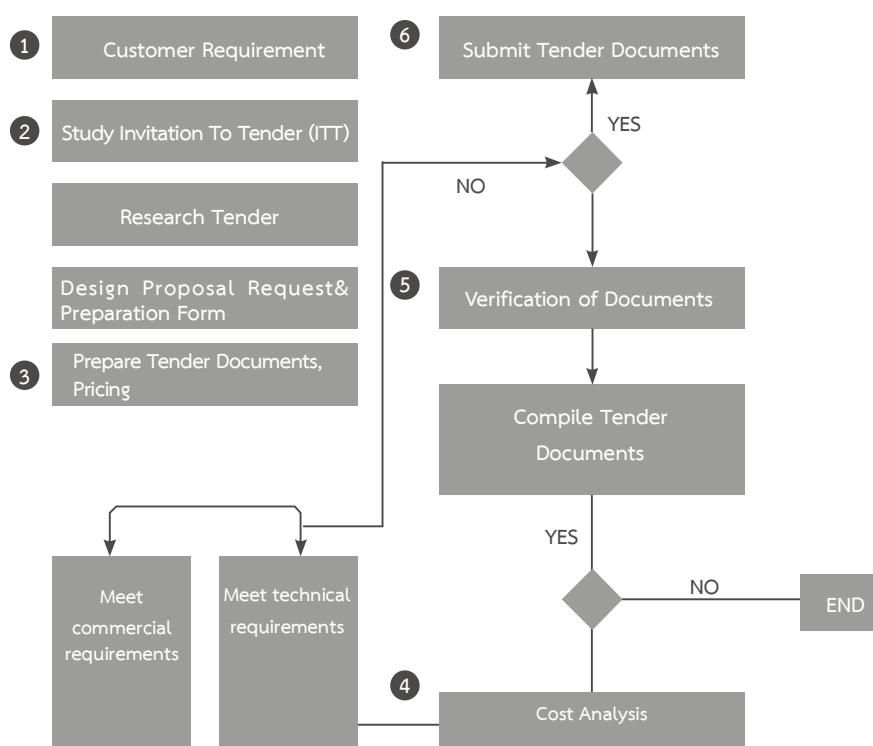
6. To consider and approve the business contracts for values within the scope of powers granted by the Board of Directors.

7. To issue orders, regulations, notifications and notes with respect to Company operations in compliance with its policies, for maintaining discipline in the organization and in the interests of the Company.

8. To perform other duties as assigned by the Executive Committee or the Board of Directors.

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

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



1. The Sales Department receives terms of reference (TOR) for tender for customer's requirements.
  2. Department must study commercial and technical requirements carefully before deciding whether or not to submit a bid.
  3. The Sales Department and Sales Coordinator prepare tender documents such as lists of equipment and devices, technical specifications and other essential documents requested by the customer.
  4. The Sales Coordinator collect the lists of equipment and devices and cost analysis. The Head of Sales Department performs a cost analysis and submits it for approval by authorized persons. Approval is granted only when authorized persons are sure that the Company can complete the project for the proposed contract price.
  5. The Sales Department and Sales Coordinator jointly examine all the bid documents to verify accuracy and submit them for written approval by authorized persons.
  6. The bid is then made on the date and time required by the customer.
- If the Company is awarded the contract, the Sales Department and Legal Department (in some cases) will carefully review the contract before signing. The authorized person will empower the employee in charge of the project to sign the contract.

### 3 Remuneration for Directors and Executives

#### 3.1 Monetary Rewards

##### Directors

From 2012 to 2014, we have paid our directors as follows:

Name	2012	2013	2014
1. Mr. Sanpat Sapon	195,000	310,000	270,000
2. Mr. Prapat Rathlertkarn	105,000	160,000	150,000
3. Mr. Trevor Thompson	100,000	155,000	145,000
4. Mr. Satit Rathlertkarn	105,000	160,000	150,000
5. Mrs. Ratana Suwan	110,000	160,000	145,000
6. Mr. Somchai Sakulwichitsintu	105,000	155,000	150,000
7. Dr. Katiya Greigarn	240,000	340,000	330,000
8. Mr. Sompong Oui-trakul	185,000	270,000	275,000
9. Mrs. Sutharak Soonthornpusit	180,000	280,000	265,000
<b>Total</b>	<b>1,325,000</b>	<b>1,990,000</b>	<b>1,880,000</b>

##### Remuneration for Executives

We paid 18.36 million baht, 24.15 million baht, and 8.73 million baht to executives in 2012, 2013 and 2014, respectively. This includes salaries, bonuses and contributions to Workmen's Compensation Fund.

Year	No. of Executives	Remuneration (baht)
2012	7	18,359,347.19
2013	8	24,153,927.70
2014	8	27,267,463.00

On 24 July 2013, our major shareholders 17,290,000 shares of theirs to executives at the par value of 1 baht per share. On such day, our financial consultant assessed that the fair price of those shares was at 1.99 baht per share. The details are as follows:

Executive	No. of shares bought	Purchase price(baht)	Fair value (baht)	Difference (baht)
1. Mr. Satit Rathlertkarn	9,790,000	9,790,000	19,482,100	9,692,100
2. Mrs. Ratana Suwan	5,000,000	5,000,000	9,950,000	4,950,000
3. Mr. Somchai Sakulwichitsintu	1,250,000	1,250,000	2,487,500	1,237,500
4. Mr. Aneak Pongsabutra	625,000	625,000	1,243,750	618,750
5. Mr. Prawich Rungdecharak	625,000	625,000	1,243,750	618,750
Total	17,290,000	17,290,000	34,407,100	17,117,100

### 3.2 Other Rewards

On 25 April 2013, the shareholders' annual general meeting resolved in favor of issuing 5 million new ordinary shares, or 2.00% of all the shares sold, for public offering and to the Company's directors and employees at the same price.

**Shares were allocated to the following directors and executives:**

Name	Position	Shares allocated	% of shares offered to directors and employees
1. Mr. Sanpat Sapon	Chairman	100,000	2.00
2. Mr. Prapat Rathlertkarn	Deputy Chairman, Executive Committee Chairman and Chief Executive Officer	200,000	4.00
3. Mr. Trevor Thompson	Deputy Chairman, Executive Committee Chairman and Chief Technology Officer	200,000	4.00
4. Mr. Satit Rathlertkarn	Director, Executive Committee Member and Deputy Director of Sale	200,000	4.00
5. Mrs. Ratana Suwan	Director, Executive Committee Member and Deputy Director of Accounts and Finance	200,000	4.00
6. Mr. Somchai Sakulwichitsintu	Director, Executive Committee Member and Assistant Director of Marketing and Business Development	150,000	3.00
7. Mr. Sompong Oui-trakul	Director and Audit Committee Member	50,000	1.00
8. Mrs. Sutharak Soonthornpusit	Director and Audit Committee Member	50,000	1.00
9. Mr. Aneak Pongsabutra	Executive Committee Member and Assistant Director of Operations	150,000	3.00

Name	Position	Shares allocated	% of shares offered to directors and employees
10. Mr. Prawich Rungdecharak	Executive Committee Member and Assistant Director of Technical Services	150,000	3.00
11. Mr. Rungroj Jaturaworaporn	Executive Committee Member and Assistant Director of Sale	50,000	1.00

## 4. Staff

### 4.1 Number of Employees

As of 31 December 2014, the Company has 144 employees, not including the eight executives. 142 staff members are full-time employees and the remaining two are employed on a daily basis. The details are as follows:

Department	Full-time employees	Daily workers	Total
1. Accounts and Finance Department	10	1	11
2. Marketing and Business Development	11	-	11
3. Sales Department	35	-	35
4. Operations Department	36	3	39
5. Technical Services Department	53	-	53
6. Directors Office	2	-	2
Total	147	4	151

## 4.2 Industrial Disputes

-none-

## 4.3 Remuneration for Employees

### Monetary Rewards

The Company paid 85.23 million baht, 93.57 million baht and 23.19 million baht to our employees, not including executives, in 2012, 2013 and 2014, respectively. Compensation included salaries, bonuses, overtime payments, contributions to Workmen's Compensation Fund and other fringe benefits.

### Other Benefits

On 25 April 2013, the shareholders' annual general meeting resolved in favor of issuing 5 million new ordinary shares, or 2.00% of all the shares sold, for public offering and to the Company's directors and employees at the same price.

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

## 4.4 Personnel Development

We intend on constantly developing our employees at all levels, from management and department heads to supervisors and operative levels to increase our efficiency. We offer training as follows:

1. Our employees, especially engineering staff, are trained by specialists in work-related fields to enhance their efficiency and potential.
2. Improvement of working and management procedure, encouragement of teamwork, proper communication, time management and decision making. Our employees at all levels are trained by specialists.
3. We adopt ISO9001:2008 management guidelines for all related departments, and properly keep records of training sessions. The quality management chief conducts in-house training.

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



## 1. Corporate Governance Policy

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

### Section 1. Rights of Shareholders

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

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

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

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

### Section 2. Equitable Treatment of Shareholders

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

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

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

### Section 3. Role of Stakeholders

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

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

## Section 4. Disclosure and Transparency

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

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

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

## Section 5 Responsibilities of the Board of Directors

### 1. Structure of the Board of Directors

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

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

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

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

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

1.4 Risk Management Committee has members nominated and appointed by the Board from among the Company's directors and executives or other qualified persons. Then committee members elect one member as Chairman of the Risk Management Committee. The committee is responsible for determining risk management policies and framework, which cover strategic risks, enterprise risks, financial risks, operational risks and external factors. Its responsibilities also include monitoring, examining and assessing risk management performance; overseeing the Company's compliance risk management policies; as well as evaluating the risk management policies and system, system effectiveness, and policy compliance. The committee reports the discharge of duty to the Board and its performance for the year to shareholders through the annual report.

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

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

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

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

### Policy on Conflicts of Interest

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

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

### Internal Control System

Recognizing the importance of an internal control system at both management and operational levels, the Company has explicitly stated in writing the scope of duties and responsibilities of various roles. To maintain proper checks and balances, the Company has developed a control mechanism for the best utilization of assets and segregated duties and responsibilities for transaction approval; accounting and information records; and asset security. Additionally, it has ensured internal financial control systematizing financial reporting up the chain of

responsibility. The Internal Auditor is responsible for examining the Company's internal control system and reports directly to the Audit Committee.

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

### 3. Board of Directors Meeting

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

In 2012, 2013 and 2014, the Company held seven, eight, and four Board meetings respectively, with attendance record of each director as shown below:

Name	Meeting Attendance / Total No. of Meetings Year 2012	Meeting Attendance / Total No. of Meetings Year 2013	Meeting Attendance / Total No. of Meetings Year 2014
1. Mr. Sanpat Sapon	7/7	8/8	6/6
2. Mr. Prapat Rathlertkarn	7/7	8/8	6/6
3. Mr. Trevor Thompson	6/7	8/8	5/6
4. Mr. Satit Rathlertkarn	7/7	8/8	6/6
5. Mrs. Ratana Suwan	7/7	8/8	5/6
6. Mr. Somchai Sakulwichitsintu	7/7	7/8	6/6
7. Dr. Katiya Greigarn	7/7	8/8	6/6
8. Mr. Sompong Oui-trakul	6/7	6/8	6/6
9. Mrs. Sutharak Soonthornpusit	5/7	8/8	4/6

### 4. Remuneration of Directors and Executives

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

## 5. Development of Directors and Executives

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

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

Name	Position	Training Course
1. Mr. Sanpat Sapon	Chairman of the Board	- Role of the Chairman Program (RCP), Class 30/2013
2. Mr. Prapat Rathlertkarn	Vice Chairman, Chairman of the Executive Committee, and Chief Executive Officer	- Director Certification Program (DCP), Class 195/2014 - Director Accreditation Program (DAP), Class 94/2012
3. Mr. Trevor Thompson	Director, Vice Chairman of the Executive Committee, and Chief Technology Officer	- Director Accreditation Program (DAP), Class 95/2012
4. Mr. Satit Rathlertkarn	Director, Executive Director, and Executive Vice President of Sales	- Director Accreditation Program (DAP), Class 104/2013
5. Mrs. Ratana Suwan	Director, Executive Director, and Executive Vice President of Finance and Accounting	- Director Certification Program (DCP), Class 188/2014 - Director Accreditation Program (DAP), Class 94/2012
6. Mr. Somchai Sakulwichitsintu	Director, Executive Director, and Executive Vice President of Marketing and Business Development	- Director Accreditation Program (DAP), Class 102/2013
7. Dr. Katiya Greigarn	Independent Director, and Chairman of Audit Committee	- Anti-Corruption for Executive Program (ACEP) Class 9/2014 - Audit Committee Program (ACP), Class 34/2011 - Director Certificate Program (DCP), Class 110/2008 - Financial Statements for Directors (FSD), Class 3/2008 - Director Accreditation Program (DAP), Class 37/2005
8. Mr. Sompong Oui-trakul	Independent Director, and Audit Committee Member	- Advance Audit Committee Program (AAP), Class 17/2014 - Director Accreditation Program (DAP), Class 102/2013
9. Mrs. Sutharak Soonthornpusit	Independent Director, and Audit Committee Member	- Director Accreditation Program (DAP), Class 103/2013

## 6. Nomination of Directors and Top Executives

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

### 6.1 Composition and Appointment of the Board of Directors

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

1. The Board of Directors consists of at least five directors, and at least half of the total number of directors must reside in the Kingdom of Thailand. The directors must possess qualifications as specified under the law.
2. Directors are elected by the shareholder meeting according to the following criteria and procedure:
  - (1). Each shareholder has a number of votes equal to the number of shares held.
  - (2). Each shareholder may allocate all his/her votes to elect one or several candidates. However, in an election for multiple directors, the shareholder must allocate his/her votes equally.
  - (3). Candidates receiving the most votes in descending order are elected to the number of positions required at a given meeting. In the event of a tie for the final position, the Chairman of the meeting will cast the deciding vote.
3. At every annual general meeting, one-third of the directors at that time must be retired. If the number of directors is not a multiple of three, the number closest to one-third will apply. The directors retiring in the first and second years after the registration of the Company is selected by drawing lots. In subsequent years, directors who have served longest terms will be retired. Directors can be reelected in rotation, in compliance with the aforementioned rules.
4. Any director wishing to resign from office can submit a resignation letter to the Company. The resignation is effective on the date the letter is received by the Company.
5. If a directorship falls vacant for reasons other than by rotation, the Board will elect a person with suitable qualifications and legal prerequisites to fill the vacancy at the next Board of Directors meeting, unless the remaining term of the former director is less than two months. The replacement director retains office only for the remaining term of his/her predecessor. The Board of Directors' resolution represents a vote of not less than three-fourths the number of remaining directors.
6. The shareholder meeting can remove any director from office before his/her retirement by rotation by a vote of not less than three-fourths the number of shareholders in attendance and entitled to vote. The vote must represent the not less than one-half the number of shares held by shareholders in attendance and entitled to vote.

### 6.2 Composition and Appointment of Independent Directors

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

#### Qualifications of Independent Director

1. Must hold no more than 1% of total shares with voting rights in the Company, its parent company, subsidiaries, affiliates, or juristic persons with possible conflicts of interest (hence forth, 'the Company, its parent company, etc. '), including shares held by the director's affiliates.
2. Has not served as executive director, employee, staff, salaried advisor, or controlling person in the

Company, parent company, etc. for at least two years from the date of submitting the application to the SEC.

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

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

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

6. Has neither been a professional service provider of any kind who received an annual service fee exceeding 2 million baht from the Company, its parent company, etc; nor, in the event the professional service provider is a juristic person, been a major shareholder, non-independent director, executive or managing partner of a professional service provider for at least two years from the date of submitting the application to the SEC.

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

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

### 6.3 Composition and Appointment of the Audit Committee

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

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

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

3. Has sufficient knowledge and experiences to perform duties as a member of the Audit Committee.

At least one member must have sufficient knowledge and experiences to review the credibility of financial statements.

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

## 7. Self-Assessment of the Board of Directors and Top Executives

To be conducted annually, the self-assessment of the Board of Directors and top executives is divided into three parts, namely (1) self-assessment of individual directors;(2) self-assessment of the Board as a whole; and (3) self-assessment of top executives. The Company uses comments and recommendations derived from the assessment to enhance the Board's performance and optimize corporate governance practices.

### 7.1 Control over the Use of Inside Information

1. The Company's directors, executives, employees and staff at all levels are prohibited from disclosing



or exploiting confidential and/or inside information of the Company for their own or other persons' benefit, either directly or indirectly.

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

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

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

The Company's directors, executives, employees and staff will be informed of the aforementioned regulations.

## 7.2 Audit Fees

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

**In 2012-2014, the Company paid audit fees as follows:**

	2012	2013	2014
Audit Fees (baht)	1,170,000	1,100,000	1,100,000

# Corporate Social Responsibilities

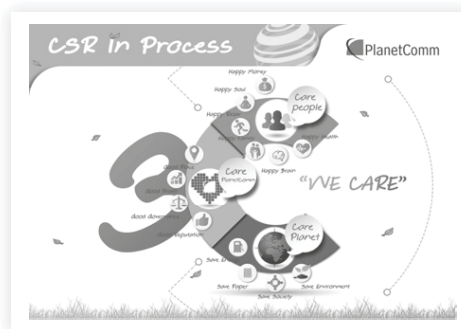
## 1. Corporate Social Responsibility Policy

Upon the Company's listing on the Market for Alternative Investment (MAI), its Board of Directors takes into account the SEC-initiated Sustainability Development Roadmap (SD Roadmap) for listed companies, which focuses on three main areas, namely (1) CG in Substance; (2) CSR in Process; and (3) Anti-Corruption in Practice.

The Company's CSR policy is also shaped by the PlanetComm's mission "to provide integrated services, including the reliable delivery of high-quality products at fair pricing, backed up by pre- and after-sales service by experienced engineers; and to fully-utilize the latest technology to maximize our customer's return on investment and customer satisfaction."

## 2. CSR-in-Process

The Company has engaged in various forms of CSR activities, such as donations and community volunteering, which are only a part of CSR After Process. In response to the SD Roadmap, the Company developed its CSR In Process Plan in the fourth quarter of 2014 under the project name "We Care," emphasizing the 3P's, namely Care for People, Care for PlanetComm and Care for Planet. The project aims at developing a CSR policy to raise employee awareness of their responsibilities to themselves, customers, shareholders, vendors, society and the environment.



### 3. Implementation and Reporting

The Company's "We Care" activities are conducted based on eight principles\* of the Stock Exchange of Thailand's CSR guidelines, as follows:

1. Fair operations;
2. Anti-corruption;
3. Respect for human rights;
4. Fair treatment of labor;
5. Responsibility to consumers;
6. Environmental protection;
7. Community and social development; and
8. Innovations and dissemination of CSR innovations.



PCA : We Care		CSR in Process	CSR after Process	CSR Principles (1-8)*
1. Care People				
Happy Money	- Loans - annual bonus - uniforms for employees	✓		3, 4
Happy Soul	- Friday Dharma - annual merit-making - ceremony	✓		3, 4
Happy Relax	- Team-building exercises - New Year party - health & recreation club	✓		3, 4
Happy Family	- Families of staff invited to New Year party - family insurance options	✓		3, 4
Happy Brain	- Annual employee training - on-the-job training	✓		3, 4
Happy Body	- health & recreation club - group health insurance for employee - annual check-up	✓		3, 4
2. Care PlanetComm				
Good Place	Good Office's environment, Happy Workplace	✓		4
Good Profit	Trusted provider	✓		4, 5
Good Governance	- Good corporate governance policy - CSR project - Anti Corruption	✓		1,2,5
Good Reputation	Build consumer confidence	✓		5
3. Care Planet				
Save Energy	Energy conservation, energy-saving lamps	✓		6
Save Paper	Conserve paper and ink	✓		6
Save Society	- Donations - student internship program		✓	7
Save Environment	- Reduction of plastic waste and bottles - wet and dry waste segregation	✓		6

Initially, the Company set 8-month targets, action plans and performance indicators from November 2014 to June 2015, as follows:

No.	Target	Action Plan	Indicator
1.	Energy conservation	1. Turn off lights at noon 2. Run air-conditioners at 25°C, and turn them off when not in use 3. Set PCs to power save	- Electricity expense and usage
2.	Conserve paper and ink	1. Color printing by authorized persons only 2. Avoid unnecessary printing 3. Print double-sided	- Paper expense - Photocopy expense
3.	Reduction of plastic bottles	1. Install more water filters 2. Use drinking glasses, instead of bottled water provided 3. Use durable glasses instead of consumables	- Bottled water expense

Management reports on the progress of CSR-in-Process projects and activities in the Board of Directors meetings on a quarterly basis. CSR-in-Process information must also be disclosed in the Company's annual report, according to the requirements and principles of the SET and SEC.

#### 4. CSR-after-Process

The Company has planned to carry out social activities every quarter, which include collaborative and corporate-initiated projects.

The Company's social activities are divided into three main areas as follows:

##### 1. Environmental conservation

- Reforestation activities, under the Good Deeds for the King Project in collaboration with Thai Health and the Thai Electrical, Electronics and Telecommunication Industries Association

- Canal dredging activities, under the Beautiful Canal Project in collaboration with Thai Toshiba Electric Industries Co., Ltd. and Nonthaburi municipality

- Mangrove planting activities, under the Mangrove Seedlings Planting Project initiated by the Company at Sattahip Naval Base

##### 2. Development of youth and underprivileged children

- Donations of computer equipment to the Mirror Foundation, to be distributed to various schools

- Donations of supplies to the Ban Dek Ramindra School, for children with multiple disabilities

- Hosting a New Year lunch for children at the Ban Dek Ramindra School

- Donations of school and recreational supplies to Children Village School, Kanchanaburi

### 3. Fostering Buddhism

- Merit-making activities, at Kaeng Pasak Temple, in Kaeng Khoi district, Saraburi

## 5. Anti-bribery and Anti-corruption

The Company is determined to operate business with transparency, and to oppose bribery and corruption. These principles are stated in Company policies and its Code of Business Conduct.

The Company's directors, executives and all employees are required to comply with the Code of Business Conduct regarding anti-bribery and anti-corruption, as follows:

- Never directly or indirectly offer payments and bribes; never solicit for, agree on or accept bribes in all forms from other persons or other organizations in return for favorable treatment or business benefits.
- Never directly or indirectly execute illegitimate transactions involving government officials, other persons or other organizations.
- Never directly or indirectly provide financial or in-kind contributions to political parties, political groups or any persons with political affiliates in return for benefits for the business, oneself or one's companions.

Since the Company's establishment, there has never been any report or complaint about bribery and corruption by the Company.

In the fourth quarter of 2014, the Company signed the Declaration of Thailand's Private Sector Collective Action Coalition Against Corruption, and its participation has garnered recognition from the Project Committee. A self-assessment on anti-corruption measures will be conducted for further inspection and membership approval.

## Internal Control and Risk Management

The Board of Directors' Meeting No. 2/2558, held on 24 February 2015 with the Audit Committee, evaluated the Company's internal controls through consulting management. Conclusions were drawn on five aspects of internal controls, summarized as follows:

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

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

### 1. Internal Control Management

The Company's Audit Committee has deemed the Company's internal controls and internal audit to be adequate and effective. In terms of the Company's performance, the audit has to be in accordance with SEC announcements and SET rules and regulations. The Audit Committee met at least every quarter to consider and manage financial reporting for adequate disclosure. Connected transactions, i.e. transactions with potential conflicts of interests were considered in accordance with related laws. An independent auditor attended the Audit Committee Meetings to advise as necessary.

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

### 2. Internal Audit's Observation on Internal Control System

In 2014, the Internal Audit observed the Company's operations of the following processes in order to develop checks and balances to improve internal controls and develop good corporate governance. The audit showed a suitable internal control system and the Company has executed improvements based on the following issues:

Operation process of Technical Service, Project Management and Repair Lab

Operation process of Sales

Operation process of Purchasing (domestic and overseas)

Operation process of Accounting and Finance (revenue and expense accounts)

Operation process of Human Resources and Warehouse

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

- (1) Human Resources Department suggested that the Company improve some systems such as unit structure updates, employee history auditing, personnel computer systems and various alterations to company forms.

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(2) Internal Audit suggested that the Company efficiently manage warehouse inventory by adding more details for requisition, maximum/minimum stocks, inventory audit performance as well as arrange for full insurance coverage.

### **3. Auditor's Observation on Internal Control System**

As of 31 December 2014, the Company's auditor EY Office Ltd. has no observations or recommendations about the accounting internal control system.



## Connected Transactions

### 1. Nature of relationship

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

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

\*Note: Mr. Prapat Rathlertkarn and Mr. Trevor Thompson have entered into an agreement with the Company, affirming that they would not operate any business that competes with the Company. This extends to assuming the roles of a partner, major shareholder or director of any company whose business competes with the Company. All management executives have also entered into an agreement with the Company, affirming that while they are employed by the Company, they cannot operate any business that is of the same nature and competes against the Company.

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

## 2. Details of connected transactions

Details of connected transactions are disclosed in the note number 6 of the financial statements for the year ending 31 December 2014. The details are as follows:

### (1) Sales and general administration

Person who may have a conflict of interest	Nature of transaction	Transaction value (Mil.Baht) 2014	Nature and justifications of transactions
1. P&T Asset Co., Ltd.	Lease	10.89	<p>1. Leasing of building. Total area is 3,269 square meter leased at 836,450 baht per month. The Company leases the building from P&amp;T Asset for office space. The lease rate is in accordance with an SEC-approved independent appraiser. The 3-year lease agreement is effective from 1 January 2012 to 31 December 2014, after which the Company can renew the agreement for another 3-year term. The lease rate of the second agreement (1 January 2015-31 December 2017) was increased by 10% in accordance with the appraisal report dated 30 September 2011 by American Appraisal (Thailand) Company Limited approved by the SEC.</p> <p>2. Leasing of warehouse. Total area is 430 square meter lease rate is 51,600 baht per month from 1 November 2014 to 31 October 2017. The Company has the right to renew the agreement for another 3 years. The lease rate has been increased by 10% in accordance with the appraisal report dated 3 November 2014 by American Appraisal (Thailand) Company Limited.</p>

Person who may have a conflict of interest	Nature of transaction	Transaction value (Mil.Baht) 2014	Nature and justifications of transactions
			P&T Asset agrees to extend the lease for another 3 years if the lease rate is at market rate. If the market rate is not available, the Company would engage an SEC-approved independent appraiser to appraise a new lease rate. If the new lease contract is in accordance with the rate appraised by the independent appraiser, P&T Asset agrees to extend the lease contract for another 3 years. The lease extension will be proposed to the Board of Directors. Members of the Audit Committee need to be present at all meetings to consider the approval.
3. Mr. Sanpat Sopon	Advisory fee	2.8	Advisory fee paid to Mr. Sanpat for his administration and management counsel. The 6-month contract from 1 November 2013 – 30 April 2014 is valued at 1,200,000 baht. The Company has extended the contract until 30 June 2015. The advisory fee of 600,000 baht is payable every 3 months. The Audit Committee has reviewed and judged the transaction as appropriate since Mr. Sanpat possesses relevant knowledge, expertise and experience in his previous position in senior-level management of a large, world-class IT company and a director of an IT organization. His counsel in management and administration benefits the Company's business, including industry insight related to the Company's business and management. The scope includes advice, training and weekly meetings with the management.

(2). Pledge transactions

Person who may have a conflict of interest	Transaction value (million baht)			Nature and justifications of the transaction
	2012	2013	2014	
1. Mr. Prapat Rathlertkarn	Limit 527.08 Used 247.90	Limit 567.08 Used 209.71	Limit 455.20 Used 119.02	The pledge for the loan by Mr. Prapat has no associated compensation from the Company. The transaction is deemed appropriate and was executed because it helped the Company in securing a loan from a commercial bank for working capital.
2. Mr. Trevor Thompson	Limit 527.08 Used 247.90	Limit 567.08 Used 209.71	Limit 455.20 Used 119.02	The pledge for the loan by Mr. Trevor has no associated compensation from the Company. The transaction is deemed appropriate and was executed because it helped the Company in a securing loan from a commercial bank for working capital.
3. P&T Asset Co., Ltd.	Limit 293.50 Used 203.41	Limit 345.00 Used 171.19	Limit 140.00 Used 63.40	The mortgage of the P&T Asset building has no associated compensation from the Company. The transaction is deemed appropriate and was executed because it helped the Company in securing a loan from a commercial bank for working capital.

### 3. Measures or procedures for approving transactions

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

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

#### 4. Future connected transactions

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

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

### 1 Overview of Operating Performance

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

The Company's competitive strategies in innovations, competency and service reliability keep its products and services on par with international standards and obtain various certifications, e.g. ISO 9001:2008, ISO 14001:2004, etc, as well as awards from many world-class technology providers.

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

The Company's total revenue was 612.66 million baht in 2011 and 627.58 million baht in 2012. Total revenue in 2011 dropped by 7.05% due to severe flooding, the after-effects of which lingered on until mid-2012. Consequently, total revenue in 2012 improved by only 2.44%, while 2013 revenue rose by 19.67% to 751.05 million baht. In 2017, the Company's total revenue was 963.7 million baht, representing a year-on-year growth of 28%.

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

#### (a) Revenue

The Company total revenue amounted to 612.66 million baht, 627.58 million baht, 751.05 million baht and 963.7 million baht in 2011, 2012, 2013 and 2014 respectively. Sales and services revenue in comprised 98.7% of the total revenue in 2014 and other revenue comprised 1.3%. The Company's revenue can be summarized as follows:

##### **1. Revenue from sales and services**

In 2011-2014, the Company earned revenue from sales and services of 598.37 million baht, 619.39 million baht, 744.42 million baht and 951.34 million baht, respectively. The revenue was divided into sales of distributed products, sales of PlanetComm products and service revenue, representing 83.74%, 10.84%

and 5.42% of revenue from sales and services in 2013 respectively. Distributed products, PlanetComm products, and services constituted 80.88%, 12.60% and 6.52% of revenue from sales and services in 2014, respectively.

Revenue from sales and services	2011		2012		2013		2014	
	Mil.Bt.	%	Mil.Bt.	%	Mil.Bt.	%	Mil.Bt.	%
Revenue from distributed products	505.01	84.40	480.87	77.63	623.40	83.74	769.44	80.88
Revenue from PlanetComm products	62.05	10.37	103.54	16.72	80.69	10.84	119.90	12.60
Revenue from services	31.31	5.23	34.99	5.62	40.32	5.42	62.00	6.52
Total revenue from sales and services	598.37	100.00	619.39	100.00	744.42	100.00	951.34	100.00

Note: Revenue from sales and services in 2011-2012 differ from financial statements, because the financial statements for the year ending 31 December 2013 recategorized revenue from spare parts from 'other revenue' to 'revenue from sales and services.'

#### Revenue from distributed products

The Company's revenue from 2011-2014 distributed products totaled 505.01 million baht, 480.87 million baht, 623.40 million baht and 769.44 million baht, respectively. Distributed products from 2011-2014 accounted for 84.40%, 77.63%, 83.74% and 80.88% of the total sale and service revenue, respectively. The products distributed by the Company are divided into two main groups, namely (a) products related to telecommunications systems; and (2) products related to broadcasting and digital TV systems, which can be summarized as follows:

Revenue from distributed products	2011		2012		2013		2014	
	Mil.Bt.	%	Mil.Bt.	%	Mil.Bt.	%	Mil.Bt.	%
(a) Telecommunications systems	463.10	91.70	447.43	93.05	529.99	85.02	613.26	79.70
(b) Broadcasting and digital TV systems	41.91	8.30	33.44	6.95	93.41	14.98	156.18	20.30
Total revenue from distributed products	505.01	100.00	480.87	100.00	623.40	100.00	769.44	100.00

(a) Revenue from products related to telecommunications systems

In 2011-2013, the Company recorded revenue from distributed products related to telecommunications systems at 463.10 million baht, 447.43 million baht, 529.99 million baht and 613.26 million baht respectively, equal to 91.70%, 93.05%, 85.02% and 79.70% of total revenue from distributed products. Revenue from telecommunications-related products in 2011 fell by 10.74% due to the great flooding at the end of 2011, which caused both public and private sectors to defer their investments. The impact of said disaster remained until early 2012, resulting in a significant decrease of the Company's revenue from telecommunications products in the first and second quarters of the year. However, after the country began to recover towards the year-end, revenue from telecommunications products improved and recorded a mere 3.38% decline. In 2013, revenue from distributed telecommunications products rose from the previous year by 18.45% as a result of economic recovery as well as the delivery of the TelePresence system project to the Ministry of Finance, valued at 103 million baht.

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

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

In 2011-2014, revenue from broadcasting and digital TV products distributed by the Company amounted to 41.91 million baht, 33.44 million baht, 93.41 million baht and 156.18 million baht, respectively, equal to 8.30%, 6.95%, 14.98% and 20.30% of total revenue from distributed products, respectively. The revenue increase of 265.74% in 2011 resulted from the Company's long-term strategy to put more marketing effort on broadcasting and digital TV products. However, the revenue from broadcasting and digital TV products slumped by 20.21% in 2012 due to the 2011 floods, as well as moving away from price competition in the marketing strategy for broadcasting and digital TV products. In 2013, the revenue from broadcasting and digital TV products distributed by the Company jumped by 179.35% as a result of after-flood economic recovery and digital TV expansion that enabled the Company to deliver more large-scale projects, e.g. the installation of satellite broadcasting link control system for MCOT PLC.

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

The switchover of analog to digital broadcasting offers the Company a significant opportunity for growth in its broadcasting and digital TV business, either as a facility and a multiplex provider in the sales of content distribution and transmission equipment, or as a TV service provider in the sales of content production and studio equipment.

Revenue from PlanetComm products

In 2011-2013, the Company's PlanetComm products revenue totaled 62.05 million baht, 103.54 million baht and 80.69 million baht, respectively, accounting for 10.37%, 16.72% and 10.84% of total sale and service revenue, respectively. In 2011, revenue from sales of PlanetComm products dropped by 24.44% because the Company could deliver fewer large-scale projects due to the year-end flood and a corresponding fall in the sales of cables and interface equipment. Meanwhile, the revenue in 2012 jumped 66.87%, as several telecommunications companies began repairing their flood-damaged facilities and the Company delivered radio jammer projects to the Naval Communications and Information Technology Department.



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

As for 2014, PlanetComm products revenue amounted to 119.90 million baht or 12.60% of total sale and service revenue, rising by 48.59% from the previous year, owing to the increase in revenue from the sales of set-top boxes to its distributors and related vendors.

The average revenue from PlanetComm products over 2011-2014 was about 12.60% of total sales and services revenue. However, the transition from analog to digital TV broadcasting will afford a great opportunity for the Company to grow. The sales of set-top boxes to general consumers will contribute to higher revenue from PlanetComm products.

#### Revenue from services

The Company's services revenue comes mostly from maintenance and repair services. In 2011-2013, the Company had services revenue of 31.31 million baht, 34.99 million baht and 40.32 million baht, respectively, representing 5.23%, 5.62% and 5.42% of total sales and services revenue, respectively. Service revenue is composed of income from maintenance and repair services. The figures totaled 26.36 million baht and 4.95 million baht in 2011, 28.40 million baht and 6.59 million baht in 2012, and 35.83 million baht and 4.49 million baht in 2013 respectively.

For 2014, the Company recorded services revenue of 62.00 million baht or 6.52% of total sale and service revenue, whereas the maintenance service revenue and the repair service revenue totaled 55.30 million baht and 6.70 million baht respectively.

## **2. Other revenue**

In 2011-2014, the Company had other revenue of 14.29 million baht, 8.19 million baht, 6.63 million baht and 12.36 million baht, respectively. In 2011, key components of other revenue included management consultancy fee sat 7.85 million baht received from Media Stream Systems Co., Ltd., and the sale of the previous office building at 3.99 million baht. In 2012, key components of other revenue included exchange income at 4.05 million baht, equipment rentals at 1.26 million baht, and interest income at 1.04 million baht. In 2013, other revenue was comprised of co-op marketing fund from vendors at 2.63 million baht, equipment rentals at 1.65 million baht, and assets sales of 0.69 million baht.

For 2014, the Company's other revenue totaled 12.36 million baht, mainly composed of the co-op marketing fund valued at 4.51 million baht, exchange income at 2.91 million baht, assets sales at 1.26 million baht, equipment rentals at 1.83 million baht, and interest income at 0.88 million baht.

#### Special expense from share-based payments

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

Share-based Payment by Type	Value (Mil.Bt.)
Sales cost	0.62
sales expense	10.93
administrative expense	5.57
<b>Total</b>	<b>17.12</b>

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

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

**(b) Costs and expenses**

Main expenses of the Company consist of sales and services costs, sales and administrative expense, and interest expense. Here, 'cost' is defined as the initial capital to acquire assets, whereas 'expense' refers to business overhead. In 2011-2014, the Company's total cost and expenses amounted to 563.32 million baht, 551.00 million baht, 685.50 million baht, and 902.39 million baht, respectively, as per the following details:

**1. Sales and services costs and Gross Profit Margin (GPM)**

The sales and services costs are regarded as main expenses of the Company. In 2011-2014, sales and services costed 420.72 million baht, 404.10 million baht, 504.54 million baht, and 702.61 million baht, respectively, accounting for 70.31%, 65.24%, 67.78% and 73.86% of total sale and service revenue, respectively. The Company's sales and services cost can be divided into the sales cost distributed products, PlanetComm products, and services, as follows:

Sales and services costs	2011		2012		2013		2014	
	Mil.Bt.	GPM (%)	Mil.Bt.	GPM (%)	Mil.Bt.	GPM (%)	Mil.Bt.	GPM (%)
Sales								
Products distributed:								
- Telecommunications	327.38	29.31	302.69	32.35	364.38	31.25	458.18	25.29
- Broadcasting and digital TV	35.05	16.37	25.10	24.95	69.34	25.77	126.83	18.79
Total cost of products distributed	362.43	28.23	327.78	31.83	433.72	30.43	585.01	23.97
Products by PlanetComm	47.49	23.45	65.42	36.81	61.13	24.25	96.06	19.88
Services	10.79	65.54	10.90	68.86	9.69	75.96	21.54	65.26
Total sales and services costs	420.72	29.69	404.10	34.77	504.54	32.22	702.61	26.14

#### Products distributed by the Company

The sales cost of products distributed by the Company in 2011-2014 amounted to 362.43 million baht, 327.78 million baht, 433.72 million baht and 585.01 million baht, respectively. The sales cost of distributed products can be divided into two groups, namely (a) products related to telecommunications systems; and (b) products related to broadcasting and digital TV systems.

#### (a) Products related to telecommunications systems

In 2011-2013, the sales cost of telecommunications products distributed by the Company was 327.38 million baht, 302.69 million baht and 364.39 million baht, respectively, with a GPM of 29.31%, 32.35% and 31.25%, respectively. The GPM of telecommunications products rose considerably in 2011 because at the end of 2010, the Company was appointed as an authorized distributor of Cisco's TelePresence. This enabled the Company more trade preferences and to achieve a better GPM, since multimedia systems generate the highest sales volume among telecommunications products. In 2012, the GPM of telecommunications products increased to 32.35% as the Company was appointed as Cisco's TelePresence Video Master Authorized Technology Provider, the highest rank of Cisco distributor. The Company also delivered large telepresence projects in 2012. In 2013, the GPM of telecommunications products was almost equal to the typical GPM of the distributed products.

In 2014, The Company's sales cost of distributed telecommunications products totaled 458.18 million baht, a GPM of 25.29%. The figure shrank from 2013 because Cisco-interfaced projects made up only a small portion of telecommunications projects delivered in 2014. On the other hand, satellite and networking projects that carried higher costs had increased in sales volume, causing the GPM to drop from the previous year.

#### (b) Products related to broadcasting and digital TV systems

In 2011-2013, the cost of broadcasting and digital TV products distributed by the Company was 35.05 million baht, 25.10 million baht and 69.34 million baht, respectively, or a GPM of 16.37%, 24.95% and 25.77%, respectively. The GPM of this product group was relatively volatile since the Company had just begun marketing this line of products. In 2011, the Company pursued a policy on customer base expansion, resulting in the year's decreasing GPM. However in 2012, it deferred the customer base expansion scheme and placed greater priority on profitability, increasing GPM of broadcasting and digital TV products to 24.95%. In 2013, the GPM of broadcasting and digital TV products had flat growth from the year before.

In 2014, the cost of broadcasting and digital TV products distributed by the Company totaled 126.83 million baht or a GPM of 18.79%. The decline in GPM from 2013 was due to a sudden increase in competition for the broadcasting and digital TV industry. The Company had to offer competitive price against its rivals in order to increase sales and its market share.

#### Products under PlanetComm brand

The sales cost of PlanetComm products in 2011-2013 was 47.49 million baht, 65.42 million baht and 61.13 million baht respectively, representing a GPM of 23.45%, 36.81% and 24.25% respectively. In 2012, the GPM of PlanetComm products improved significantly due to radio jammers deliveries (co-developed with NECTEC) to the Naval Communications and Information Technology Department.

As for 2014, the sales cost of PlanetComm products was 96.06 million baht or a GPM of 19.88%. The decline of GPM in 2014 resulted from the launch of set-top boxes, which yields a lower GPM than other products in the same category, because of the intense competition in set-top box market and the marketing required to promote the Company's set-top-boxes.

#### Services cost

In 2011-2013, the Company's services cost was 10.19 million baht, 10.90 million baht and 9.69 million baht respectively. These costs include the salaries of services and technical units, and warranties and maintenance paid to manufacturers or vendors. In 2012, salaries accounted for 54.20% of the total services cost and warranty and maintenance 45.80%. In 2013, the two costs accounted for 25.65% and 74.35% of total cost of services, respectively. In 2011-2013, the Company had GPM from services of 65.54%, 68.86% and 75.96%, respectively.

In 2014, the services cost of the Company totaled 21.54 million baht, where salaries accounted for 13.61% of total cost of services and the cost of warranty and maintenance 89.69%. For the year, the Company recorded GPM from services of 65.26%.

## **2. Sales expense**

The Company recorded sales expense in 2011-2013 of 47.49 million baht, 48.25 million baht, and 64.88 million baht, respectively, or 7.75%, 7.69% and 8.64% of total revenue, respectively. The average sales expense during this period was 75% sales representative expense, 20% marketing expense and 5% sales representative travel expense. The 2011 ratio of sales expense to total revenue increased from 2010, due to higher marketing expense in promoting brand awareness. In 2012, the Company maintained the ratio of sales expense to total revenue at a comparable level to the previous year. In 2013, the Company's sales expense included sales representative expense, special expense from share-based payments, marketing expense and travel expense at rates of 51.19%, 16.85%, 25.42% and 6.55% of total sales expense, respectively. Excluding share-based expense, the sales expense in 2013 decreases to 53.95 million baht or 7.18% of total revenue, which was

approximately the same as in 2012.

As for 2014, the sales expense totaled 79.81 million baht, comprised of sales representative expense, marketing expense and travel expense at 57.31%, 33.21% and 5.32% of total sales expense, respectively. In 2014, the sales expense, including special expense from share-based payments, accounted for 8.28% of total revenue, relatively close to 8.64% in 2013. Excluding special expense, the 2014 sales expense would account for 7.19% of total revenue. The increase in sales expense in 2014 arose from marketing expense and sales representative expense associated with the new product segment, e.g. set top boxes.

### **3. Administrative expense**

The Company's administrative expense was 88.82 million baht in 2011 and 91.18 million baht in 2012, representing 14.50% and 14.53% of total revenue, respectively. The average administrative expense in 2011-2012 consisted of personnel expense for 42%, depreciation for 20%, operating expense for 22% and rentals for 14%.

In 2013, the Company recorded administrative expense of 107.60 million baht, equal to 14.33% of total revenue. The expenses made up of 39.87% personnel expense, 5.18% special expense from share-based payments, 13.40% depreciation, 27.79% operating expense, 9.78% rentals, and 4.29% exchange expense. Excluding special expense, the administrative expense in 2013 is 102.03 million baht or 13.58% of total revenue, down from 14.53% of 2012.

For 2014, the Company's administrative expense was 111.86 million baht, consisting of 41.06% personnel expense, 17.23% depreciation, 31.17% operating expense, and 10.54% rentals. The administrative expense accounted for 11.61% of total revenue, decreasing from 2013 year-end as the Company began managing it more efficiently.

### **4. Financial Expense**

In 2011-2013, the Company incurred financial expenses of 6.29 million baht, 7.48 million baht, and 8.49 million baht respectively. Interest expense mostly incurred from uses of L/I, P/N and LC/TR loans, which were current loans for domestic and international purchase orders. In 2011 and 2012, the Company borrowed 94.36 million baht and 176.90 million baht respectively in short-term loans from financial institutions. The increase of short-term loans in 2012 occurred during the post-flood recovery that necessitated current loans from commercial banks for purchasing more products for sales, increasing its Interest expense. In 2013, the Company bore higher financial expense at 7.48 million baht due to rising sales volume. The Company needed a greater line of credit from commercial banks to purchase larger amounts of products. Bank overdrafts and short-term loans totaled 119.71 million baht.

As for 2014, the Company had financial expenses of 8.12 million baht, down from 8.49 million baht in the previous year. Fewer overdrafts and short-term loans were used, as the Company obtained more cash for working capital and was able to manage interest rates on short-term loans more efficiently.

#### **(c) Net profit and Net Profit Margin (NPM)**

The Company in 2011-2014 earned a net profit of 31.44 million baht, 57.84 million baht, 48.82 million baht and 48.45 million baht, respectively, with NPMs of 6.25%, 5.13%, 9.22%, 6.50% and 5.03% respectively. The NPM lessened in 2011 due to the increasing personnel expense. NPM in 2012 rose to 9.09% in line with GPM that improved to 34.76%. The ratio of sales and administrative expense to total revenue in 2012 remained comparable to 2011. For 2013, expense from share-based payments was 17.12 million baht. Excluding special expense, 2013 NPM was 8.78% and 2014 NPM was 5.03% as the GPM that would reduce to 33.22% in 2013 and 26.15% in 2014 as mentioned earlier.

## Return on equity

The return on equity ratio is consistent with fluctuations in net profit. The Company's return on equity in 2011-2014 was 22.01%, 31.85%, 23.35% and 14.51%, respectively. In 2012, the Company paid dividends to shareholders totaling 175.00 million baht, or a payout ratio of 302.58%. In 2013, the Company paid interim dividends to shareholders totaling 43.75 million baht, or a payout ratio of 89.61%.

## 2. Financial position

### (a). Assets

In 2011-2014, the Company's total year-end assets amounted to 334.95 million baht, 545.00 million baht, 434.71 million baht and 700.75 million baht respectively. In 2013, key assets including trade receivables and other account receivables; leftover inventory; and property, plant and equipment were 48.39%, 23.45% and 10.78% of total assets respectively. In 2014, the key to total asset ratios were 43.27%, 23.47% and 8.02%, respectively. Details of the Company's key assets could be summarized as follows:

#### Trade receivables

Not including allowances for doubtful accounts, the Company had trade receivables in 2011-2014 of 156.89 million baht, 307.91 million baht, 209.69 million baht and 297.39 million baht, respectively, representing 45.27%, 46.84%, 56.50%, 48.24% and 42.44% of total assets, respectively. The Company has a policy to grant a credit term from 30-60 days to general customers. In 2011-2014, it recorded an average collection period of 97.76 days, 135.07 days, 125.15 days and 98.53 days, respectively.

Outstanding period	As of 31 Dec. 2011		As of 31 Dec. 2012		As of 31 Dec. 2013		As of 31 Dec. 2014	
	Mil.Bt.	%	Mil.Bt.	%	Mil.Bt.	%	Mil.Bt.	%
Not overdue	135.12	86.12	79.82	25.92	107.95	51.48	135.27	45.49
Overdue:								
Below 3 months	6.59	4.20	178.37	57.93	73.00	34.81	96.27	32.37
3 - 6 months	3.8	2.42	37.21	12.08	0.39	0.19	20.60	6.93
6 - 12 months	9.42	6.00	7.59	2.47	28.35	13.52	45.25	15.22
Over 12 months	1.96	1.25	4.92	1.60	-	-	-	-
Total trade receivables	156.89	100.00	307.91	100.00	209.69	100.00	297.39	100.00
Allowance for Doubtful accounts	-	-	(0.14)	-	-	-	(1.85)	-
Net trade receivables	156.89	-	307.76	-	209.69	-	295.54	-

The above table indicates that paid or not yet overdue receivables of the Company as of 2011-2014 year-ends accounted for 86.12%, 25.92%, 51.48% and 45.49% respectively of total trade receivables, before allowances for doubtful accounts. During these year-end periods, receivables that were below-3-month overdue accounted for 4.20%, 57.93%, 34.81% and 32.37% respectively of total trade receivables, before allowance for doubtful accounts; those that were 3-to-6-month overdue constituted 2.42%, 12.08%, 0.19% and 6.93%, respectively. Receivables that were below-3-month overdue at the end of 2012 and 2013 surged significantly because the Company had delivered many large-scale projects at the year-end. Additionally, the due dates of some projects did not match the customers' payment periods, resulting in delayed payments. Some customers were government authorities with longer approval and payment procedures than private companies. Likewise, receivables that were 3-to-6-month overdue at the end of 2012 and 6-to-12-month overdue at the end of 2013 rose significantly due to the delivery of more projects to the public sector. This caused the average collection period to lengthen to 136.67 days in 2012 and 125.55 days in 2013. However, all receivables that were 6-12 months overdue have been paid in full since February 2014. Therefore the Company did not allow for doubtful accounts in its financial statements for the year ended 31 December 2013. As of 2014 year-end, the Company recorded higher trade receivables due to more projects sold and delivered that had not been settled. A delivered project worth 45.25 million baht that was 6-12 months overdue belonged to one government agency and was expected to be paid in the first quarter of 2015. In 2014, the Company allowed 1.85 million baht for doubtful accounts because its debtors defaulted on payments. The Company has filed a lawsuit against one debtor.

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

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

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

### Inventory

At 2011-2014 year-ends, the Company had inventory, before allowance for impairment, of 52.79 million baht, 114.68 million baht, 108.07 million baht and 171.61 million baht, respectively, with finished goods accounting for 81.78%, 42.89%, 58.24% and 81.32% of total inventory, respectively. The Company must retain sufficient stock of certain goods based on customer demand, e.g. audio conference systems, telepresence systems, etc. There were large projects to be delivered at the end of 2013, causing goods-in-process to account for 25.02% of total inventory. Meanwhile, goods-in-process at the end of 2014 accounted for 14.27% of total inventory. Goods-in-transit for the same period i.e. goods being transported from manufacturers to the Company, accounted for 4.18% of total inventory at 2014 year-end.

	As of 31 Dec 2011		As of 31 Dec 2012		As of 31 Dec 2013		As of 31 Dec 2014	
	Mil.Bt.	%	Mil.Bt.	%	Mil.Bt.	%	Mil.Bt.	%
Finished goods	43.17	81.78	49.19	42.89	62.94	58.24	139.56	81.32
Goods-in-process	1.71	3.24	64.44	56.19	27.04	25.02	24.49	14.27
Spare parts and supplies	0.83	1.57	-	-	0.11	0.11	0.40	0.23
Goods-in-transit	7.08	13.41	1.05	0.92	17.97	16.63	7.17	4.18
Total inventory	52.79	100.00	114.68	100.00	108.07	100.00	171.62	100.00
Cost to net realizable value	(3.71)		(3.10)		(6.12)		(7.18)	
Net inventory	49.09		111.58		101.95		164.44	

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

Age of Inventory	Rate of Reserve for Impairment of Inventory	Value of Inventory as of 31 Dec 2014 (Mil. Bt.)	Value of Allowance for Impairment of Inventory as of 31 Dec 2014 (Mil. Bt.)
1-2 years	10%	5.71	0.57
2-3 years	20%	4.24	0.85
3-4 years	30%	2.42	0.73
4-5 years	40%	1.14	0.45
5 years and over*	100%	6.36	4.58

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

In accordance with policy, the Company allowed 1.06 million baht for impairment at 2014 year-end.

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

At the year-ends of 2011-2014, the Company's property, plant and equipment totaled 51.24 million baht, 43.39 million baht, 46.87 million baht and 56.20 million baht, respectively, which represented 15.30%, 7.96%, 10.78% and 8.02% of total assets, respectively. In 2011, the Company invested 10.89 million baht in



office equipment and 4.95 million baht for test equipment. In 2012, the Company invested an additional 2.56 million baht in office equipment and 6.26 million baht in test equipment. It also wrote off the net book values of office and test equipment at 0.84 million baht and 0.54 million baht, respectively, in a physical count of fixed assets after office relocation. In 2013, the Company invested 11.78 million baht in test equipment, 3.79 million baht in vehicles and 3.19 million baht in office equipment. As for 2014, it invested 5.83 million baht in test equipment, 16.72 million baht in vehicles and 5.25 million baht in office equipment.

#### **(b). Liquidity**

##### **Cash flow**

In 2011-2014, the Company recorded cash flows from operations of 42.44 million baht, 80.47million baht, 146.91 million baht and –112.97 million baht, respectively. The cash flow from operations in 2012 dropped as a consequence of year-on-year increase in revenue that brought about higher trade receivables and inventory. Meanwhile, the cash flow from operations in 2013 improved from the same period last year due to better debt collection capacity. At 2013 year-end, the trade receivables decreased by 98.72 million baht from the previous year, and inventory balance also declined. As for 2014, the cash flow from operations fell from the previous year because of increases in inventory balance by 63.54 million baht and trade receivables by 94.72 million baht.

The cash flow generated from (used in) the Company's investing activities in 2011-2014 totaled (7.46) million baht, (7.00) million baht, (16.34) million baht and (47.69) million baht, respectively. In 2011-2014, investments in test equipment and office equipment totaled 15.85 million baht, 8.82 million baht, 15.37 million and 13.30 million baht, respectively. Additional bank deposits of 39.59 million baht were made as security for loans during this period. The Company repaid its loans in 2011, causing the cash flow generated from (used in) financing activities to total (22.04) million baht. In 2012, it took out additional short-term loans from financial institutions for 83.09 million baht, causing the cash flow generated from (used in) financing activities to be 77.94 million baht. The cash flow generated from (used in) financing activities in 2013 amounted to (135.60) million baht, due to payment of dividends to shareholders at 218.75 million baht, payment of interest expense, and repayment of loans with financial institutions, while receiving capital gains of 150.00 million baht. As for 2014, the Company had a cash flow generated from (used in) financing activities of 178.38 million baht because it received capital gains of 202.70 million baht and repaid some short-term loans with commercial banks.

(Unit: Mil.Bt.)	2011	2012	2013	2014
Cash generated from (used in) operating activities	42.44	(80.47)	146.91	(112.97)
Cash generated from (used in) investing activities	(7.46)	(7.00)	(16.34)	(47.69)
Cash generated from (used in) financing activities	(22.04)	77.94	(135.60)	178.38
Net increase (decrease) in cash and cash equivalents	12.93	(9.53)	(5.03)	17.71

##### **Liquidity ratios**

At 2011-2014 year-ends, the Company recorded a current ratio of 1.45, 1.46, 1.64 and 2.73 respectively, and a quick ratio of 1.08, 1.01, 1.03 and 1.59 respectively. The difference between the quick and the current ratios was quite substantial due to a high proportion of inventory to current assets, which accounted for 20.79%,

24.59%, 30.25% and 29.76% respectively.

The Company's cash cycle was in 2011-2014 was 100.34 days, 148.4 days, 148.22 days and 126.40 days, respectively. The cash cycles in 2012 and 2013 increased because the average collection period stretched from 97.76 days in 2011 to 135.07 days in 2012 and 125.15 days in 2013. Average collection periods were extended partly because more tenders were obtain from government agencies that had longer approval and payment procedures than private firms. For 2014, the cash cycle decreased because the average sales period shortened from last year's 76.18 days to 69.19 days, while the payment period shrank to 41.32 days.

	2011	2012	2013	2014
Current ratio (time)	1.45	1.46	1.64	2.73
Quick ratio (time)	1.08	1.01	1.03	1.59
Average collection period (days)	97.76	135.07	125.15	98.53
Average sales period (days)	55.57	71.57	76.18	69.19
Payment period (days)	52.98	58.20	53.11	41.32
Cash Cycle (days)	100.34	148.44	148.22	126.4

### (c). Sources of fund

#### Liabilities

At 2011-2014 year-ends, the Company had total liabilities of 182.29 million baht, 334.50 million baht, 227.03 million baht and 240.44 million baht, respectively. The total liabilities at 2012 year-end jumped significantly from 2011 year-end due to the increase in short-term loans to procure products for sales.

However, when considering the Company's liability structure, most of its liabilities were current liabilities used in business operations, which at the ends of 2011-2014 accounted for 89.42%, 92.85%, 90.53% and 84.03% of total liabilities, respectively. Key current liability items included trade payables as well as short-term loans, principal overdrafts and LC/TR lines. These two key items represented 51.76% and 29.39% of total liabilities at 2011 year-end; 52.89% and 32.24% at 2012 year-end; 52.73% and 33.20% at 2013 year-end; and 42.87% and 34.81% at 2014 year-end.

#### Shareholders' equity

Shareholders' equities in the Company amounted to 152.166 million baht at the end of 2011 and 210.50 million baht at the end of 2012, respectively. The increase of shareholders' equity by 19.57 million baht in 2011 and 57.84 million baht in 2012 resulted from the increase in retained earnings from operating results. The Company did not pay dividends in 2011-2012.

The Company recorded shareholders' equity at 207.69 million baht at 2013 year-end, decreasing by 2.81 million baht from 2012 year-end. This is attributed to an approval at the Annual General Meeting of Shareholders on 25 April 2013 to pay dividends for 2012 operating performance of 175.00 million baht at 70 baht per share. Made on 23 May 2013, the payment was equal to a dividend payout ratio of 302.58% of yearly

operating performance. Additionally, the Meeting approved the capital gains and issuance of 150.00 million ordinary shares to be offered to existing shareholders, the subscription of which was fully paid on 27 June 2013. Subsequently on 12 November 2013, the Company's Board of Directors meeting approved the interim dividend payment for the 9-month operating performance of 2013 to shareholders at 0.25 baht per share, totaling 43.75 million baht. Meanwhile, the Company's retained earnings increased by 48.82 million baht. In addition, the Company recorded a capital surplus on share-based payments of 17.12 million baht, as its major shareholders had sold their shares to the Company's executives. According to the Thai Financial Reporting Standard no.2, the Company had to measure and record the difference between the selling price and the fair value of Company shares as capital surplus from share-based payments. Shareholders' equity increased from 2013 year-end by 252.62 million baht to 460.30 million baht at 2014 year-end, because the Company offered 75 million capital gains ordinary shares from 16-18 June 2014. 70 million shares were offered to the general public and another 5 million to the Company's directors and employees, with a par value of 1 baht at the price of 2.80 baht per share. Accordingly, capital of the Company increased due to the sale of 75-million-baht ordinary shares, with a capital surplus after offering-related expenses of 129.16 million baht. The Company recorded an increase of 48.45 million baht in retained earnings for the year's operating performance.

#### **Suitability of capital structure**

The ratio of total liabilities to equity increased from 1.19 at the end of 2011 to 1.59 at the end of 2012, because the Company incurred more current liabilities, both in terms of short-term loans and trade payables. The ratio at the end of 2013 was 1.09, declining from 2012 due to the decrease in current liabilities. The ratio at the end of 2014 was 0.52, down from 2013 as the Company carried out a capital gains that resulted in higher shareholders' equity.

## Report of Board of Directors Responsibility for the Financial Statement

The Board of Directors of the Company is responsible for its financial statements, which are prepared in accordance with Thai Generally Accepted Accounting Principles and corporate governance practices. The financial statements must be accurate and complete, with adequate disclosure of important information. The Board is tasked with ensuring the accounting policies of the Company are appropriate and have been applied consistently with careful prudence. The Board is further responsible for establishing and maintaining an effective internal control system to ensure that the Company's financial statements are credible and reliable, and that the Company's assets are properly safeguarded against fraud and operational irregularities.

Connected transactions that constitute a potential conflict of interest must be substantiated as part of normal business operations that are both justified and in the Company's best interests. Company operations must also comply with related laws and regulations. To this end, the Audit Committee report on business operations and financial statements has been submitted to the Board and enclosed in the Company's annual report.

The Board is confident that the Company's internal control have functioned at a satisfactory level and render credibility and reliability to the financial statements for the year ending 31 December 2014. An external auditor has been consulted and considers the Company's financial statements to have given a true and fair account of business operations in accordance with Thai Generally Accepted Accounting Principles.



(Sanpat Sopon)

Chairman



(Prapat Rathlertkarn)

President & Chief Executive Officer

24 February 2015

## Audit Committee Report

The Audit Committee of Planet Communications Asia (Public) Co., Ltd. consists of three Independent Directors who possess the required qualifications as well as vast experience in legal, accounting, finance and organizational management as follows:

- |                                 |                          |
|---------------------------------|--------------------------|
| 1. Dr. Katiya Greigarn          | Audit Committee Chairman |
| 2. Mr. Sompong Oui-trakul       | Audit Committee          |
| 3. Ms. Suttharak Soonthornpusit | Audit Committee          |

As appointed by the Board of Directors and laid out in the Audit Committee Charter by the Stock Exchange of Thailand and related laws and regulations, the Audit Committee performs its duties and responsibilities in accordance with the Audit Committee Best Practices and Good Corporate Governance guidelines. The Committee operates through the Internal Audit Division, ensuring adequate and appropriate internal control systems in the Company to effectively prevent potential risks, evaluate activities, including finance, operations, risk management and governance. In 2014, the Committee held four meetings with the Company's management, Internal Audit and the Auditors for the following tasks:

### 1. Financial Statements Review

- The Committee reviewed the quarterly and annual financial statements regarding the disclosure of significant information, to be rendered by the Internal Audit Division, External Auditors and Management before submission to the Board of Directors.
- The Committee met privately with the Auditors and/or Internal Audit without management being present.

The Committee has considered financial reports for 2014 to be complete and in accordance with general accounting standards. Disclosure of financial reports was adequate and beneficial to shareholders and investors.

### 2. Connected Transactions Review

The Committee has considered the disclosure of information about connected transactions, i.e. transactions which may cause conflict of interests, is correct and complete. Said disclosure on connected transactions was made in accordance with SEC announcements and SET rules and regulations.

### 3. Risk Management Review

The Committee considered the Company's risk management policy. Then it planned and managed both internal and external risk via consulting Company management on the effectiveness and efficiency of the risk management process. Recommendations have been provided for improvement.

### 4. Corporate Governance Review

The Committee considered the Company to have abided by principles of Good Corporate Governance and that all directors, management and employees have adhered to the Code of Ethics Policy for the confidence

of shareholders, investors, customers, business partners and all related parties.

## 5. Internal Audit Review

P&L Internal Audit Co., Ltd. was hired to perform an independent internal audit for the Company. The Committee has considered and approved the internal audit plan and internal audit report. It will then brief management on the internal and external audit findings and recommendations. There were no significant weaknesses in the 2014 internal audit.

## 6. Internal Control System Review

The internal control system of the Company was adequately and fairly established in accordance with SEC announcements and SET rules and regulations. The assessment showed that internal controls were accurate, reliable, and adequate for achieving business goals.

## 7. Appointment of Auditor and Determination of Audit Fee

The Committee has proposed to the Board of Directors for consideration and approval from the Annual General Meeting of Shareholders that EY Office Ltd. be the auditor of PCA. The recommendation was made based on the auditor's satisfactory performance in the past year, as well as its professional expertise and experience.

The Audit Committee is of the opinion that the Company has established and maintained a suitable and effective internal controls. This provides reasonable assurance that financial statements are reliable and accurately prepared in relation to significant matters under generally accepted accounting principles. Furthermore, the Audit Committee considers senior management and all other employees to be dedicated to operating within the framework of good corporate governance. Their performance will enable the Company to achieve satisfactory and sustainable growth, which in turn, will yield sustainable returns to stakeholders.

On behalf of the Audit Committee



(Dr. Katiya Greigarn)

Chairman, Audit Committee

24 February 2015

### Independent Auditor's Report

To the Shareholders of Planet Communications Asia Public Company Limited

I have audited the accompanying financial statements of Planet Communications Asia Public Company Limited, which comprise the statement of financial position as at 31 December 2014, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

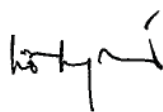
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the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

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

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

#### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Planet Communications Asia Public Company Limited as at 31 December 2014, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Thipawan Nananuwat

Certified Public Accountant (Thailand) No. 3459

EY Office Limited

Bangkok: 24 February 2015

Planet Communications Asia Public Company Limited

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	31 December 2014	31 December 2013
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	18,226,807	512,568
Trade and other receivables	8	303,220,584	210,372,751
Inventories	9	164,432,369	101,951,358
Advances for purchases of goods		58,409,167	13,629,520
Other current assets		8,256,681	10,600,376
<b>Total current assets</b>		552,545,608	337,066,573
<b>Non-current assets</b>			
Restricted bank deposits	10	83,126,128	43,599,606
Leasehold improvement and equipment	11	56,196,319	46,874,134
Deferred tax assets	20	6,139,965	4,910,629
Other non-current assets		2,739,867	2,262,276
<b>Total non-current assets</b>		148,202,279	97,646,645
<b>Total assets</b>		700,747,887	434,713,218

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



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

As at 31 December 2014

(Unit: Baht)

	Note	31 December 2014	31 December 2013
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Bank overdrafts and short-term loans from financial institutions	12	103,076,662	119,711,182
Trade and other payables	13	83,701,178	75,363,864
Current portion of liabilities under finance lease agreement	14	2,086,456	252,799
Income tax payable		1,272,935	1,048,235
Advances received for goods and services	14	9,229,202	8,350,721
Other current liabilities		2,674,053	799,024
<b>Total current liabilities</b>		202,040,486	205,525,825
<b>Non-current liabilities</b>			
Liabilities under finance lease agreement, net of current portion	14	16,730,905	3,066,128
Provision for long-term employee benefits	15	21,672,526	18,434,136
<b>Total non-current liabilities</b>		38,403,431	21,500,264
<b>Total liabilities</b>		240,443,917	227,026,089

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

Planet Communications Asia Public Company Limited

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	31 December 2014	31 December 2013
<b>Shareholders' equity</b>			
Share capital		-	-
Registered 250,000,000 ordinary shares of Baht 1 each		250,000,000	250,000,000
<b>Issued and fully paid up</b> 250,000,000 ordinary shares of Baht 1 each (31 December 2013: 175,000,000 ordinary shares of Baht 1 each)		250,000,000	175,000,000
Share premium		129,163,346	-
Capital surplus on share-based payment		17,117,100	17,117,100
<b>Retained earnings</b>			
Appropriated - statutory reserve		7,372,600	4,942,000
Unappropriated		56,650,924	10,628,029
<b>Total shareholders' equity</b>		460,303,970	207,687,129
<b>Total liabilities and shareholders' equity</b>		700,747,887	434,713,218

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

Planet Communications Asia Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	31 December 2014	31 December 2013
<b>Revenues</b>			
Sales and service income		951,329,421	744,418,182
Other income		12,358,482	6,633,050
<b>Total revenues</b>		963,687,903	751,051,232
<b>Expenses</b>			
Cost of sales and services		702,605,526	504,538,592
Selling expenses		79,805,463	64,879,830
Administrative expenses		111,857,322	107,595,002
<b>Total expenses</b>		894,268,311	677,013,424
<b>Profit before finance cost and income tax expenses</b>		69,419,592	74,037,808
Finance cost		(8,124,710)	(8,488,611)
<b>Profit before income tax expenses</b>	20	61,294,882	65,549,197
Income tax expenses		(12,841,387)	(16,728,401)
<b>Profit for the year</b>		48,453,495	48,820,796
<b>Other comprehensive income:</b>		-	-
<b>Total comprehensive income for the year</b>		48,453,495	48,820,796
<b>Basic earnings per share</b>	21		
Profit for the year		0.23	0.48

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

Planet Communications Asia Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2014

	Issued and fully paid-up share capital	Share premium	Capital surplus on share-based payment	Retained earnings		Total
				Appropriated statutory reserve	Unappropriated	
<b>Balance as at 1 January 2013</b>	25,000,000	-	-	-	185,499,233	210,499,233
Total comprehensive income for the year	-	-	-	-	48,820,796	48,820,796
Increase shares capital (Note 16)	150,000,000	-	-	-	-	150,000,000
Share-based payment transaction (Note 17)	-	-	17,117,100	-	-	17,117,100
Transferred unappropriated retained earnings to statutory reserve (Note 18)	-	-	-	4,942,000	(4,942,000)	-
Dividend paid (Note 24)	-	-	-	-	(218,750,000)	(218,750,000)
<b>Balance as at 31 December 2013</b>	175,000,000	-	17,117,100	4,942,000	10,628,029	207,687,129
<b>Balance as at 1 January 2014</b>	175,000,000	-	17,117,100	4,942,000	10,628,029	207,687,129
Total comprehensive income for the year	-	-	-	-	48,453,495	48,453,495
Increase shares capital (Note 16)	75,000,000	129,163,346	-	-	-	204,163,346
Transferred unappropriated retained earnings to statutory reserve (Note 18)	-	-	-	2,430,600	(2,430,600)	-
<b>Balance as at 31 December 2014</b>	250,000,000	129,163,346	17,117,100	7,372,600	56,650,924	460,303,970

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

Planet Communications Asia Public Company Limited

Cash flow statement

For the year ended 31 December 2014

(Unit: Baht)

	2014	2013
<b>Cash flows from operating activities</b>		
Profit before tax	61,294,882	65,549,197
Adjustments to reconcile profit before tax to net cash provided by		
(paid from) operating activities:		
Depreciation	19,246,008	14,405,476
Doubtful accounts (reversal)	1,847,000	(143,221)
Reduction cost of inventories to net realisable value	1,061,289	3,017,507
Gain on sales of equipment	(2,909,021)	(687,795)
Equipment written-off	22,312	355,744
Long-term employee benefits expenses (reversal)	4,030,290	(4,585,938)
Expense arising from share-based payment transaction	-	17,117,100
Unrealised loss on exchange rate	1,707,848	3,029,262
Interest income	(732,603)	(722,760)
Interest expenses	4,875,870	6,150,264
Profit from operating activities before changes in operating assets and liabilities	90,443,875	103,484,836
Operating assets (increase) decrease		
Trade and other receivables	(94,719,902)	98,716,189
Inventories	(63,542,300)	7,037,974
Advances for purchases of goods	(44,779,647)	6,183,945
Other current assets	2,271,602	(2,640,439)
Other non-current assets	(477,591)	(919,248)
Operating liabilities increase (decrease)		
Trade and other payables	8,254,730	(32,178,571)
Advances received for goods and services	878,481	(5,152,269)
Other current liabilities	1,875,029	(3,948,804)
Provision for long-term employee benefits	(791,900)	(901,500)
Cash flows from (used in) operating activities	(100,587,623)	169,682,113
Cash paid for corporate income tax	(12,386,860)	(22,776,404)
<b>Net cash flows from (used in) operating activities</b>	<b>(112,974,483)</b>	<b>146,905,709</b>

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

Planet Communications Asia Public Company Limited

Cash flow statement (continued)

For the year ended 31 December 2014

	2014	2013
Cash flows from investing activities		
Acquisition of equipment <sup>†</sup>	(13,304,106)	(15,367,059)
Increase in restricted bank deposits	(39,526,522)	(2,490,515)
Interest income	804,696	735,317
Proceeds from sales of equipment <sup>†</sup>	4,339,021	785,386
Net cash flows used in investing activities	(47,686,911)	(16,336,871)
Cash flows from financing activities		
Decrease in bank overdrafts and short-term loans from financial institutions	(18,372,819)	(60,080,675)
Payment of liabilities under finance lease agreements	(1,217,965)	(80,073)
Proceeds from increase in share capital	202,704,183	150,000,000
Interest expenses	(4,737,766)	(6,690,433)
Dividend paid	-	(218,750,000)
Net cash flows from (used in) financing activities	178,375,633	(135,601,181)
Net increase (decrease) in cash and cash equivalents	17,714,239	(5,032,343)
Cash and cash equivalents at beginning of year	512,568	5,544,911
Cash and cash equivalents at end of year	18,226,807	512,568
Supplemental cash flows information:		
Non-cash transactions		
Transfer equipment to inventories	-	(425,611)
Purchase of equipment under finance lease agreement	16,716,399	3,399,000

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

## Planet Communications Asia Public Company Limited

### Notes to financial statements

For the year ended 31 December 2014

#### 1. General information

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

#### 2. Basis of preparation

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

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

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

#### 3. New financial reporting standards

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

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

Conceptual Framework for Financial Reporting (revised 2014)

##### **Accounting Standards:**

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

##### **Financial Reporting Standards:**

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations

TFRS 5 (revised 2012) Non-current Assets Held for Sale and Discontinued Operations

TFRS 8 (revised 2012) Operating Segments

**Accounting Standard Interpretations:**

TSIC 15 Operating Leases – Incentives

TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease

TSIC 29 Service Concession Arrangements: Disclosures

TSIC 32 Intangible Assets – Web Site Costs

**Financial Reporting Standard Interpretations:**

TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities

TFRIC 4 Determining whether an Arrangement contains a Lease

TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies

TFRIC 10 Interim Financial Reporting and Impairment

TFRIC 12 Service Concession Arrangements

TFRIC 13 Customer Loyalty Programmes

TFRIC 17 Distributions of Non-cash Assets to Owners

TFRIC 18 Transfers of Assets from Customers

**Accounting Treatment Guidance for Stock Dividend**

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

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

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that 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 accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

**TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognize 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.

At present, the Company immediately recognises actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company is that when the revised standard is applied in 2015 and the method of recognising those gains and losses is changed to immediately recognise them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.



### **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.

Based on the preliminary analysis, the management of the Company believes that this standard will not have any significant impact on the Company's financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

Sales of goods

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

Sales of equipment including designation and installation

Sales of equipment including designation and installation are recognised as income by reference to the stage of completion.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Rendering of maintenance services

Maintenance service revenue is recognised when services have been rendered.

Interest income

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

### **4.2 Cash and cash equivalents**

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

### **4.3 Trade accounts receivable**

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

### **4.4 Inventories**

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

### **4.5 Leasehold improvement and equipment/Depreciation**

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

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

Leasehold improvement	5, 20	years
Network equipment	10	years
Test equipment	5	years
Furniture, fixtures and office equipment	3,5	years
Motor vehicles	5	years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

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

#### **4.6 Related party transactions**

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

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

#### **4.7 Long-term leases**

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

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

#### **4.8 Foreign currencies**

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

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

Gains and losses on exchange are included in determining income.

#### **4.9 Impairment of assets**

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

An impairment loss is recognised in profit or loss.

#### **4.10 Employee benefits**

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits and other long-term employee benefits***

##### ***Defined contribution plans***

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

#### *Defined benefit plans and other long-term employee benefits*

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

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

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

#### **4.11 Share-based payment**

Transfer of the Company's equity instruments by its shareholders to parties (including employees) that have supplied goods or services to the Company are treated as share-based payment transactions, unless the transfer is clearly for a purpose other than payment for goods or services supplied to the Company.

The Company records the excess of the fair value at transfer date over the transfer price as an expense in profit or loss, and as the capital surplus on share-based payment in the statement of changes in shareholders' equity.

#### **4.12 Provisions**

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

#### **4.13 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

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

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

## 5. Significant accounting judgements and estimates

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

### **Leases**

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

### **Allowance for doubtful accounts**

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

### **Fair value of financial instruments**

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

### **Leasehold improvement and equipment/Depreciation**

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

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

### **Deferred tax assets**

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

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

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

## 6. Related party transactions

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

Unit: Million Baht

	2014	2013	Transfer Pricing Policy
<b>Transactions with related company</b>			
Rental expenses	11	10	Contract price which was determined by independence appraisal
<b>Transactions with director</b>			
Service expenses	3	-	Contract price

### Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company had employee benefit expenses payable to its directors and management as below.

	2014	2013
Short-term employee benefits	31,947	26,144
Post-employment benefits	1,448	1,165
Other long-term benefits	41	7
Share-based payment benefits (Note 17)	-	17,117
<b>Total</b>	<b>33,436</b>	<b>44,433</b>

### Guarantees provided by directors (Note 12)

The Company's directors have guaranteed the Company's credit facilities and short-term loans from banks. No fees are charged for these guarantees.

## 7. Cash and cash equivalents

Unit: Thousand Baht

	2014	2013
Cash	94	174
Bank deposits	18,133	339
<b>Total</b>	<b>18,227</b>	<b>513</b>

As at 31 December 2014, bank deposits in saving accounts and fixed deposits carried interests between 0.1 and 1.1 percent per annum (2013: between 0.1 and 0.5 percent per annum).

## 8. Trade and other receivables

Unit: Thousand Baht

	2014	2013
Trade receivables - unrelated parties		
Age on the basis of due dates		
Not yet due	135,269	107,952
Past due		
Up to 3 months	96,268	73,000
3 - 6 months	20,604	390
Over 6 - 12 months	45,248	28,348
Total	297,389	209,690
Less: Allowance for doubtful accounts	(1,847)	-
Total trade receivables - unrelated parties, net	295,542	209,690
Other receivables		
Accrued income - unrelated parties	5,759	-
Advance to employees	1,920	683
Total other receivables	7,679	683
Total trade and other receivables - net	303,221	210,373

## 9. Inventories

Unit: Thousand Baht

	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	139,558	62,944	(7,180)	(6,119)	132,378	56,825
Work in process	24,487	27,042	-	-	24,487	27,042
Spare parts and supplies	398	114	-	-	398	114
Goods in transit	7,169	17,970	-	-	7,169	17,970
Total	171,612	108,070	(7,180)	(6,119)	164,432	101,951

During the current year, the Company reduced cost of inventories by additional Baht 1 million (2013: Baht 3 million), to reflect the net realisable value. This was included in cost of sales.

## 10. Restricted bank deposits

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

## 11. Leasehold improvement and equipment

Unit: Thousand Baht

	Leasehold improvement	Network equipment	Test equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost:							
1 January 2013	4,858	-	42,703	54,440	26,254	-	128,255
Additions	-	-	11,781	3,191	3,794	-	18,766
Disposals	-	-	(106)	-	(2,504)	-	(2,610)
Write off	-	-	(537)	(160)	(130)	-	(827)
Transfers	-	-	(656)	-	-	-	(656)
31 December 2013	4,858	-	53,185	57,471	27,414	-	142,928
Additions	-	920	5,833	5,254	16,716	1,297	30,020
Disposals	-	-	(1,272)	-	(19,695)	-	(20,967)
Write off	-	-	(43)	(34)	-	-	(77)
31 December 2014	4,858	920	57,703	62,691	24,435	1,297	151,904
Accumulated depreciation:							
1 January 2013	641	-	29,174	30,298	24,750	-	84,863
Depreciation for the year	252	-	5,180	8,682	291	-	14,405
Depreciation on disposals	-	-	(8)	-	(2,504)	-	(2,512)
Depreciation on write off	-	-	(181)	(160)	(130)	-	(471)
Depreciation on transfers	-	-	(231)	-	-	-	(231)
31 December 2013	893	-	33,934	38,820	22,407	-	96,054
Depreciation for the year	991	26	6,314	9,255	2,660	-	19,246
Depreciation on disposals	-	-	(1,272)	-	(18,265)	-	(19,537)

Unit: Thousand Baht

	Leasehold improvement	Network equipment	Test equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
Depreciation on write off	-	-	(21)	(34)	-	-	(55)
31 December 2014	1,884	26	38,955	48,041	6,802	-	95,708
Net book value:							
31 December 2013	3,965	-	19,251	18,651	5,007	-	46,874
31 December 2014	2,974	894	18,748	14,650	17,633	1,297	56,196
Depreciation for the year							
2013 (All amount included in selling and administrative expenses)	-	-	-	-	-	-	14,405
2014 (All amount included in selling and administrative expenses)	-	-	-	-	-	-	19,246

As at 31 December 2014, the Company had motor vehicles which were acquired under finance lease agreement with net book value of Baht 17 million (2013: Baht 3 million).

As at 31 December 2014, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 45 million (2013: Baht 59 million).



## 12. Bank overdrafts and short-term loans from financial institutions

Unit: Thousand Baht

	Interest rate (per annum)			
	2014	2013	2014	2013
Bank overdrafts	-	MOR	-	33,720
Short-term loans from financial institutions	1.35 - 1.51%	MLR - 0.5% and 1.60 - 3.25%	103,077	85,991
Total			103,077	119,711

All bank overdrafts and short-term loans from financial institutions are secured by the pledge of bank deposits as mentioned in Note 10 to financial statements.

As at 31 December 2014, the Company had short-term loans from financial institutions amounted to Baht 17 million (2013: bank overdrafts and short-term loans from financial institutions amounted to Baht 120 million) is secured by the guarantees provided by the Company's directors and the mortgage of land of a related company.

## 13. Trade and other payables

Unit: Thousand Baht

	2014	2013
Trade payables - unrelated parties	68,005	58,753
Other payables - unrelated parties	869	145
Accrued expenses	14,827	16,466
Total trade and other payables	83,701	75,364

## 14. Liabilities under finance lease agreement

Unit: Thousand Baht

	2014	2013
Liabilities under finance lease agreement	24,134	3,972
Less: Deferred interest expenses	(5,317)	(653)
Total	18,817	3,319
Less: Portion due within one year	(2,086)	(253)
Liabilities under finance lease agreement - net of current portion	16,731	3,066

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

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

Unit: Thousand Baht

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

Unit: Thousand Baht

	As at 31 December 2013		
	Less than 1 year	Less than 1 - 5 years	Total
Future minimum lease payments	432	3,540	3,972
Deferred interest expenses	(179)	(474)	(653)
Present value of future minimum lease payments	253	3,066	3,319

#### 15. Provision for long-term employee benefits

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

Unit: Thousand Baht

	Defined benefit		Other long-term employee benefits		Total	
	2014	2013	2014	2013	2014	2013
Defined benefit obligation at beginning of year	16,948	20,011	1,486	3,911	18,434	23,922
Current service cost	2,891	3,665	438	1,262	3,329	4,927
Interest cost	645	752	57	114	702	866
Benefits paid during the year	(701)	-	(91)	(902)	(792)	(902)
Actuarial gain	-	(7,480)	-	(1,798)	-	(9,278)
Past service costs	-	-	-	(1,101)	-	(1,101)
Defined benefit obligation at end of year	19,783	16,948	1,890	1,486	21,673	18,434

Long-term employee benefit expenses included in the profit or loss consist of the following:

Unit: Thousand Baht

	2014	2013
Current service cost	3,329	4,927
Interest cost	702	866
Actuarial gain recognised during the year	-	(9,278)
Past service costs recognised during the year	-	(1,101)
Total expense recognised in profit or loss	4,031	(4,586)
Line items in profit or loss under which such expenses are included		
Cost of sales	762	(1,926)
Selling and administrative expenses	3,269	(2,660)

Key actuarial assumptions used for the valuation are as follows:

Unit: Thousand Baht

	2014 (% per annum)	2013 (% per annum)
Discount rate	3.8	3.8
Future salary increase rate	7	7
Employee turnover rate (depending on age of employee)	7-15	7-15

The amounts of defined benefit obligations and experience adjustments for the current year and past four years are as follows:

Unit: Thousand Baht

	Defined benefit obligation	Experience adjustment on the obligation
Year 2014	21,673	-
Year 2013	18,434	(7,742)
Year 2012	23,922	-
Year 2011	19,279	-
Year 2010	16,510	-

## 16. Share capital

(1) On 25 April 2013, the Annual General Meeting of the Company's shareholders passed a resolution approving the followings:

- To list the Company on the Market for Alternative Investment (MAI).
- To change the par value of the Company's ordinary shares from Baht 10 each to Baht 1 each.
- To increase the Company's registered share capital from Baht 25 million to Baht 250 million through the issuance of 225 million new ordinary shares with a par value of Baht 1 each. These shares are to be allocated by the following means:

- 1). 150 million new ordinary shares are to be allocated to existing shareholders, in whole or in part, at a rate of 6 new ordinary shares per 1 existing ordinary share, at a price of Baht 1 per share.
- 2). 70 million new ordinary shares are to be allocated via an initial public offering.
- 3). 5 million new ordinary shares are to be allocated to the Company's directors and employees.

The meeting authorised the Board of Directors/Person authorised by the Board of Directors/Board of Executive Directors to determine the conditions and details of the above, together with the allocation and action required to make the share offers in 1) to 3) above.

The Company's shareholders' meeting passed a resolution approving the allocation of the 5 million new ordinary shares in 3) to the Company's directors and employees at a price equal to the offering price of the new ordinary shares in 2). However, the minutes of the shareholders' meeting were incorrectly typed up and stated that the offering price was to be equal to the offering price of the ordinary shares in 1). However, on 2 October 2013, the Company sent a letter notifying the Ministry of Commerce of the amendment.

The Company changed the par value of the Company's shares from Baht 10 per share to Baht 1 per share and registered the resultant Baht 225 million increase in share capital with the Ministry of Commerce on 14 May 2013. The Company received from issuance of ordinary shares in 1) amounting to Baht 150 million on 27 June 2013.

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

## 17. Capital surplus on share-based payment

On 24 July 2013, the Company's major shareholders sold 17,290,000 ordinary shares of the Company held with par value of Baht 1 each to the management who are employees of Company, at a selling price of Baht 1 per share, which is lower than the fair value. The Company recorded the difference between the selling price and the fair value, amounting to Baht 17 million, as expense in profit or loss for the year ended 31 December 2013 and as capital surplus on share-based payment in the statement of changes in shareholders' equity as at 31 December 2013.

The fair value of the Company's shares was determined by a financial advisor using the Price to Book Value Ratio Approach (P/BV). This involved multiplying the book value per the financial statements for the six-month period end 30 June 2013, which were the latest financial statements before the transaction date, by the closing price to book value per share ratio of listed companies in businesses similar to the Company, discounted to account for liquidity risk. On the basis of this calculation, the fair value of the Company's share was Baht 1.99 per share.

## 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

	2014	2013
Salaries and wages and other employee benefits	131,311	137,959
Depreciation	19,246	14,405
Rental expenses from operating lease agreements	11,790	10,519
Purchases of goods	573,917	398,895
Changes in inventories of finished goods and work in progress	(74,059)	23,646

## 20. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

Unit: Thousand Baht

	2014	2013
Current income tax:		
Current income tax charge	12,611	16,234
Effects of income tax related to the share offering (Note 16)	1,459	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,229)	494
Income tax expense reported in the statement of comprehensive income	12,841	16,728

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

Unit: Thousand Baht

	2014	2013
Accounting profit before tax	61,295	65,549
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	12,259	13,110
Effects of:		
Non-deductible expenses	826	3,900
Additional expense deductions allowed	(244)	(282)
Total	582	3,618
Income tax expenses reported in the statement of comprehensive income	12,841	16,728

The components of deferred tax assets are as follows:

Unit: Thousand Baht

	Statements of financial position	
	As at 31 December 2014	As at 31 December 2013
Deferred tax assets		
Allowance for doubtful accounts	369	-
Allowance for diminution in value of inventories	1,436	1,224
Provision for long-term employee benefits	4,335	3,687
Total	6,140	4,911

## 21. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year after reflecting the effect of stock split as mentioned in Note 16.

	2014	2013
Profit for the year (Thousand Baht)	48,453	48,821
Weighted average number of ordinary shares (shares)	215,273,973	102,260,274
Earnings per share (Baht/share)	0.23	0.48

## 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.

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

- 1). Planetcomm Products segment, which is sales and installation of telecommunication equipment designed and developed by the Company.
- 2). Non Planetcomm Products segment, which is sales and installation of telecommunication, broadcasting and digital TV equipment purchased from other companies.
- 3). Services segment, which is the provision of after sales services and other services relating to telecommunication systems to general customers.

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

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

The following table presents revenue and profit information regarding the Company's operating segments for the year ended 31 December 2014 and 2013.

Unit: Million Baht

	Planetcomm Products		Non Planetcomm Products		Services		Total segments	
	2014	2013	2014	2013	2014	2013	2014	2013
Sales and service income to external customers	120	81	769	623	62	40	951	744
Operating results								
Segment profit	24	19	184	190	41	31	249	240
Unallocated income and expenses:								
Other income	-	-	-	-	-	-	12	7
Selling expenses	-	-	-	-	-	-	(80)	(65)
Administrative expenses	-	-	-	-	-	-	(112)	(108)
Finance cost	-	-	-	-	-	-	(8)	(8)
Profit before income tax expenses	-	-	-	-	-	-	61	66
Income tax expenses	-	-	-	-	-	-	(13)	(17)
Profit for the year	-	-	-	-	-	-	48	49

#### Geographic information

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

Export sales and services during the year ended 31 December 2014 represented approximately 8 percent (2013: 3 percent) of total sales and services.

#### Major customers

In the year 2014, the Company has no major customer with revenue of 10 percent or more of an entity's revenues. (2013: Baht 103 million derived from one major customer, mainly arising from sales by Non Planetcomm Products).

### 23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company contributed Baht 2 million (2013: Baht 2 million) to the fund.



## 24. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2012	Annual General Meeting of the Shareholder on 25 April 2013	175.00	70.00
Interim dividends for 2013	Board of Directors' meeting on 12 November 2013	43.75	0.25
Total dividends for 2013		218.75	70.25

## 25. Commitments and contingent liabilities

### 25.1 Operating lease and service commitments

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

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

Unit: Million Baht

	As at 31 December	
	2014	2013
Payable within:		
Less than 1 year	17	12
In over 1 and up to 5 years	28	3

### 25.2 Bank guarantees

As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 102 million (2013: Baht 90 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business to guarantee contractual performance.

## 26. Financial instruments

### 26.1 Financial risk management

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

**Credit risk**

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

**Interest rate risk**

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

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

Unit: Million Baht

As at 31 December										
	อัตราดอกเบี้ยคงที่			Floating interest rate		Non-interest bearing		Total		Interest rate (% per annum)
	Fixed interest rates Within 1 year		Fixed interest rates 1- 5 year							
	2014	2013		2014	2013	2014	2013	2014	2013	
Financial assets										
Cash and cash equivalents	-	-	-	18	1	-	-	18	1	0.1 - 1.1 0.1 - 0.5
Trade and other receivables	-	-	-	-	-	303	210	303	210	-
Restricted bank deposits	83	44	-	-	-	-	-	83	44	0.37 - 2.25 0.5 - 2.2
	83	44	-	18	1	303	210	404	255	
Financial liabilities										
Bank overdrafts and short-term loans from financial institutions	103	82	-	-	38	-	-	103	120	1.35- 1.51 1.6 - 6.3
Trade and other payables	-	-	-	-	-	84	75	84	75	-
Liabilities under finance lease agreement	-	-	19	-	-	-	-	19	3	7.0 - 9.0 7.6
	103	82	19	-	38	84	75	206	198	

### Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

The balances of financial liabilities denominated in foreign currencies, which are unhedged against foreign exchange rate risk, are summarised below.

Foreign currency	Financial liabilities as at 31 December		Exchange rate as at 31 December	
	2014	2013	2014	2013
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3	3	33.1132	32.9494

### 26.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial assets and liabilities or by using an appropriate valuation technique, depending on the nature of the instrument.

### 27. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Company's debt-to-equity ratio was 0.5:1 (2013: 1.1:1).

### 28. Subsequent event

On 24 February 2014, the Board of Directors' meeting No. 2/2558 of the Company passed a resolution to propose the payment of a dividend for the year 2014 of Baht 0.12 per share, or a total of Baht 30 million, to its shareholders for approval by the Annual General Meeting of the Company's shareholders on 29 April 2015.

### 29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2015.

## Shareholders and Dividend Payment

### 1. Registered Shares

On 31 December 2014, the Company has a paid registered capital of 250.00 million baht, made up of 250 million ordinary shares at the par value of 1.00 baht.

### 2. Ten Major Shareholders as of 31 December 2014

No.	Names	No. of shares held by each person	Total no. of shares held by each family	% of all shares
1.	Mr. Prapat Rathlertkarn's family		78,950,000	31.58
	1. Mr. Prapat Rathlertkarn	70,200,000		
	2. Mrs. Chanisa Rathlertkarn	6,250,000		
	3. Miss Patnaree Rathlertkarn	2,500,000		
2.	Mr. Trevor John Thompson's family		78,950,000	31.58
	1. Mr. Trevor John Thompson	70,200,000		
	2. Mrs. Jongjit Aneka	6,250,000		
	3. Mr. Danai Thompson	833,334		
	4. Mr. Dylan Thompson	833,333		
	5. Miss Adisa Thompson	833,333		
3.	Mr. Satit Rathlertkarn		10,210,000	4.08
4.	Mrs. Rattana Suwan		5,150,000	2.06
5.	Mr. Jaral Rawisaensul		2,550,000	1.02
6.	Mr. Sompong Kittipipatputi		1,628,500	0.65
7.	Mr. Somchai Sakulwijitsintu		1,400,000	0.56
8.	Mr. Preecha Sakulfulert		1,295,500	0.52
9.	Mr. Pornchai Chantachewakul		1,205,000	0.48
10.	Mr. Sitisak Pantipotjaman		1,032,300	0.41

#### \* Notes

(1) Limitation on securities held by foreigners

The company sets forth the limit of securities held by foreigners at 49% of paid registered capital. On December 2014, foreign shareholders with PCA securities hold 28.08% of paid registered capital

(2) Major shareholders whose actions can significantly affect PCA policies and operation:

Out of nine directors, five of them, namely Mr. Prapat Rathlertkarn's family, Mr. Trevor John Thompson's family, Mr. Satit Rathlertkarn, Mrs. Rattana Suwanand Mr. Somchai Sakulwijitsintuhold 69.86% of total shares; their actions can significantly affect PCA policies and operation.

### 3. Other securities:

- none -

### 4. Dividend Payment

It is our policy to pay dividend rates of at least 50% net profit after deducting corporate income tax. However, dividend payout may decrease if the Company requires more capital for business expansion.

## General Information and Other Information

### (1) Securities Issuer

**Name:** Planet Communications Asia Public Company Limited

**Business Operations:** Provision of service of telecommunication and digital TV, covering 3 groups of products:

- (1) Telecommunication, TV broadcasting and digital TV systems, equipment and devices sold by the company
- (2) PlanetComm products
- (3) services

**Head office:** 157 Soi Ramindra 34, Ramindra Road, Tharang, Bangkhen, Bangkok 10230

**Registration No:** 0105537049391

**Homepage:** [www.planetcomm.com](http://www.planetcomm.com)

**Tel:** 02-792-2400

**Fax:** 02-792-2499

### (2) Securities Registrar

**Name:** Thailand Securities Depository Co., Ltd. (TSD)

**Head office:** 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110

**Homepage:** [www.tsd.co.th](http://www.tsd.co.th)

**Tel:** 02-229-2800

**Fax:** 02-359-1259

### (3) Auditor

**Name:** EY Office Co., Ltd.

**Head office:** 33 Floor Lake Ratchda Office Complex  
193/136-137 New Ratchadaphisek Road  
Klongtoey

**Homepage:** [www.ey.com](http://www.ey.com)

**Tel:** 02-264 0777, 02-661-9190

**Fax:** 02-264-0789-90

#### (4) Consultants

##### (4.1) Internal Control Consultant

**Name:** P&L Internal Audit Co., Ltd.

**Head office:** 92/204 Moo 5 Ratanathibet Road, Nanthana Garden Housing Development, Tha It Lane, Bang Rak Noi subdistrict, Muang Nonthaburi district, Nonthaburi 11000

**Tel:** 02-526-6100, 02-526-7811

##### (4.2) Legal consultant

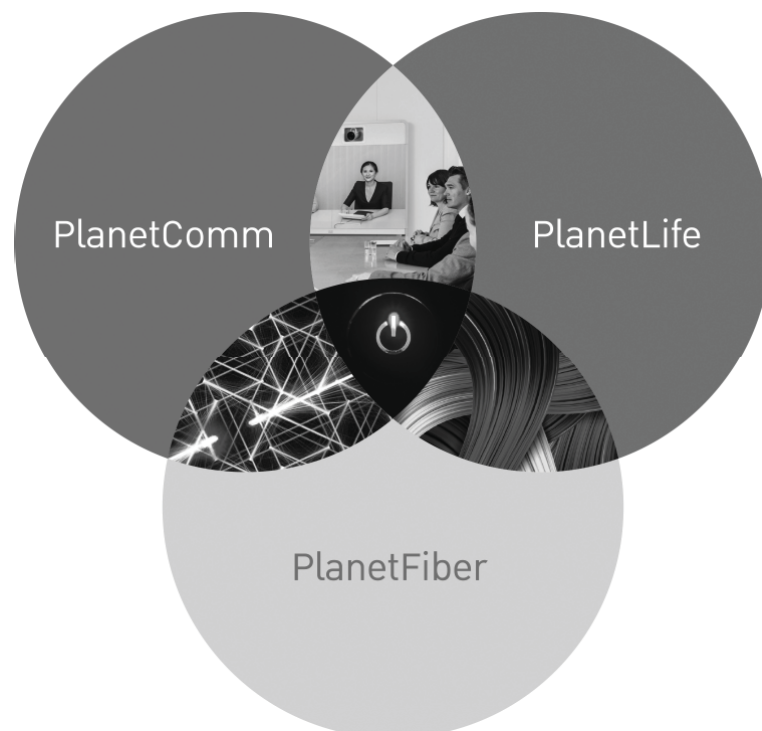
**Name:** Dharmniti Public Company Limited

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**Homepage:** [www.dharmniti.co.th](http://www.dharmniti.co.th)

**Tel:** 02-587-8080

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“Investors could find more Company’s information in Form 56-1 via [www.sec.or.th](http://www.sec.or.th) or [www.planetcomm.com](http://www.planetcomm.com)”



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