



INNOVATION • DRIVEN ENTERPRISE

Annual Report 2016



WE MAKE COMMUNICATIONS WORK

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Message from the Chairman

With our knowledge, expertise and more than 22 years of experience in IT industry, Planet Communications Asia (Public) Co., Ltd. or PCA becomes a comprehensive integrated provider of telecommunications and digital TV technology to leading organizations in ASEAN Economic Community (AEC). Currently, there is a rapid change and development in Thailand's IT Industry. It is prospected that Cloud Computing, as a new, highly flexible IT management system is now taking role in IT industry transformation. Global trend in IT industry would give big impact on Thailand's IT industry. The traditional and infrastructure IT would be continuously dropped, while public cloud would be rapidly growing. We, as the IT business entrepreneur have to implement self-development. Business strategy must be defined to catch up with rapid change of global trend and responsive with rapid growth and change to serve public, business and private sectors as a whole.

Focusing on fair and free competition, PCA committed to develop service standards in reasonable and fair prices. Apart from products and services development, the Company's strategies are also implemented to approach various segments of clients as well as human resources development aimed at best serving customers' needs. Human resources development in terms of occupational skill, expertise and fairness is what we emphasize. Human is the most vital resource to gear us to our set goal achievement.

Strong intention and devotion of PCA's executives and staff in telecommunication business and adjustment to the rapid change is evident. Our business is run with transparency and accountability in accordance with good governance and community, social and environmental responsibilities.

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

Mr. Sanpat Sapon
Chairman



Message from CEO & CTO

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

PCA operates telecommunication and digital TV business covering three main products, i.e., products distributed by PCA, products under PlanetComm brand, PCA services in line with following vision;

“Commitment to the new future gearing to the Innovation Driven Enterprise with sustainable growth in line with key goals of sales and profits growth, social responsibility and environmental concerns”

With rapid change in IT business and society trends, as well as global economy fluctuation, the government defines its policy in implementation of IT and telecommunications for mobilizing Thailand’s economy, as well as new management and prompt and efficient response with customers’ demand, strengthening industry entrepreneurs to be competitive with other countries, setting strategies to expansion to AEC market, products and developments to the market, risk management and sustainable development for human resources. We emphasize on good governance for anti –corruption.

Thailand’s IT Industry is now approaching to Cloud Computing era. Highly flexible new IT Management system is now changing IT industry. Therefore, PCA initiated new products to serve application of business, for example, PlanetCloud PBX “Calling is easy” which is the newest innovation of telephone exchange or branch telephone stations developed to be in form of Software as a Service-SaaS”. With this innovation, no installation cost is needed for branch telephone stations for easy application, cost efficiency and suitable for modern business organization.

In 2017, our business strategies are set in line with our goal to Innovation Driven Enterprise for sustainable development in terms of human resources, corporate culture, working process and IT system development, aimed at increasing working efficiency, competitive capacity, creativity for new products and services, such as, Cloud PBX, Cloud Office, Cloud City and new products, such as Jammer for VHF, Drone for revenue, profit generation, social responsibility and environmental concern.

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

Mr. Prapat Rathlertkarn
President & CEO

Mr. Trevor John Thompson
President & CTO

Vision and Mission

We Make
Communications
Work



Vision

PlanetComm : to be innovation Driven Enterprise for Sustainable Growth in Economy, Social and Environmental

Mission

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

Award

2016

- Excellence in Industry for APAC by Polycom
- Platinum Partner by Polycom
- Total Innovation Management Awards (TIM 2016) by SET & MAI

2015

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

2014

- Cisco Premier Partner 2014

2013

- FY13 Public Sector Partner of the Year by Cisco
- FY13 Top YoY Growth of the Year (2 Tier) by Cisco
- Best Growth Partner of the Year by ClearOne

- Best Performance / Marketing Penetration Award by TVU Network
- Codan-Authorised Partner 2013
- The Top Premier Collaboration Partner Award and Premier
- Certified Partner (Cisco Chanel Partner Program)

2012

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



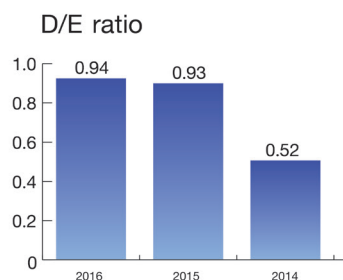
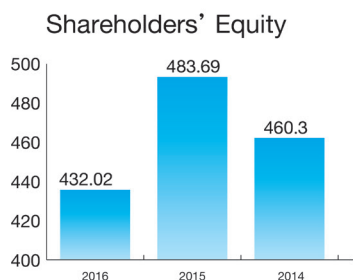
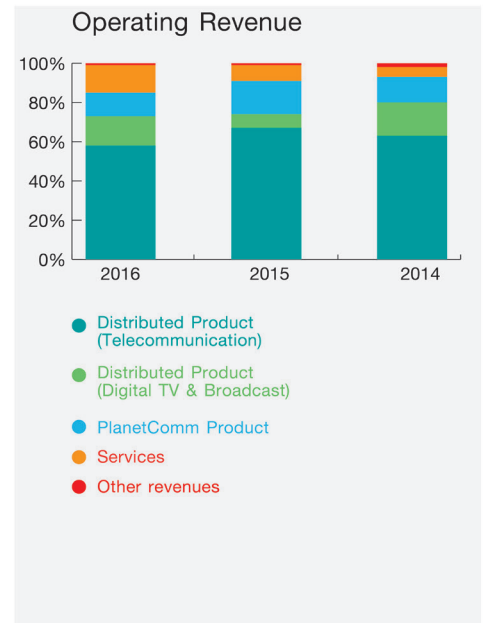
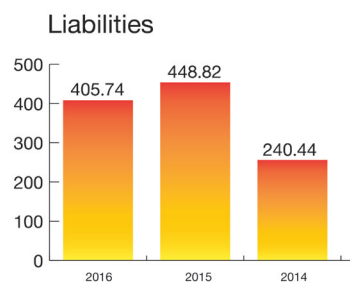
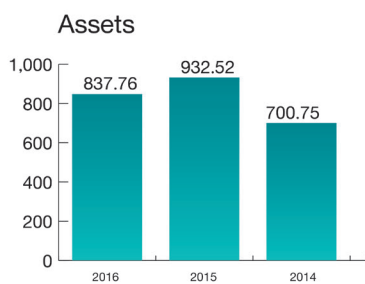
Financial Highlights

Revenue Structure

Incomes	2016	%	2015	%	2014	%
1. Revenue from Sales	601.43	83.84	902.13	87.78	863.91	89.65
1.1 Sale of distributed products	504.31	70.30	720.50	70.11	744.01	77.21
- Telecommunication System	421.19	58.72	643.32	62.60	587.83	61.00
- Digital TV and Broadcast	83.12	11.59	77.18	7.51	156.18	16.21
1.2 Sale of PlanetComm Product	97.12	13.54	181.63	17.67	119.90	12.44
2. Revenue from Services	114.03	15.90	117.09	11.39	87.42	9.07
3. Other Revenues	1.86	0.26	8.51	0.83	12.36	1.28
Total Revenues	717.32	100.00	1027.73	100.00	963.69	100.00

Cost of Good Sales and Service / Gross Profit Margin

Cost of Sales and Services	2016	GP (%)	2015	GP (%)	2014	GP (%)
Cost of Distributed Products	381.15	24.42	521.87	27.57	541.78	27.18
- Telecommunication System	305.05	27.57	456.44	29.05	415.32	29.35
- Digital TV and Broadcast	76.10	8.45	65.43	15.22	126.46	19.03
Cost of PlanetComm Products	95.71	1.45	146.85	19.15	95.94	19.98
Cost of Services	78.42	31.23	77.48	33.83	64.89	25.77
Total Cost of Sales and Services	555.28	22.39	746.20	26.79	702.61	26.14



Board of Directors



1. Mr. Sanpat Sopon

- Chairman
- Director

4. Mr. Trevor John Thompson

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

2. Dr. Katiya Greigarn

- Independent Director
- Chairman of Audit Committee

5. Mr. Somphong Outrakul

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

7. Mr. Pramote Bhongse-tong

- Director
- Chairman of Nomination Remuneration and Corporate Governance Committee

3. Mr. Prapat Rathlertkarn

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

6. Mrs. Sutharak Soonthornpusit

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

8. Mr. Somkid Wangcherdchuwong

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

Executive Management



1. Mr. Prapat Rathlertkarn

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

4. Mr. Veerasak Arthornchaikul

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

2. Mr. Trevor John Thompson

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

5. Ms. Wannapha Weerachoen

- Executive Committee Member
- Vice President of Operation

7. Mr. Rungroj Jaturaworaporn

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

3. Mr. Satit Rathlertkarn

- Executive Committee Member
- Executive Vice President of Sales (Enterprise & Public Sector)

6. Mrs. Phairunya Supitux

- Executive Committee Member
- Acting Vice President of Finance and Accounting

8. Mr. Phairoj Pornpathananagoon

- Executive Committee Member
- Vice President of Technical Services

Board of Directors



Mr. Sanpat Sopon

Age 62

- Chairman
- Director

Education:

- Master of Business Administration, Western Michigan University, USA
- Bachelor of Law, Ramkhamhaeng University

Work experiences

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

Director in other listed companies

- Independent Director and Chairman of Audit Committee, MasterKool International Plc.
- Director and Chairman of Audit Committee, VintcomTechnology Pcl
- Independent Director and Chairman of Audit Committee, AME Technology Plc.

Other companies

- Director, K. Sport Worldwide Co., Ltd.
- Director, Moustache Co., Ltd.
- Director, Moustache Ratchaburi Co., Ltd.
- Director, Ratchaburi Future Co., Ltd.
- Director, Sanpat & Bodinwit Co., Ltd.

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

- 0 Share

Trainings

- Director Certification Program (DCP) , 49/2004
- The Executive Director Course (EDC) ,1/2012
- Role of the Chairman Program (RCP) , 30/2013
- Audit Committee Program (ACP)

Meeting(s) attended in 2016

- Board of Director Meeting : 9/9



Dr. Katiya Greigarn

Age 64

- Independent Director
- Chairman of Audit Committee

Education

- Ph.D. of Electrical Engineering, University of Missouri-Rolla, USA
- Master Degree of Electrical Engineering, University of Missouri-Rolla, USA
- Bachelor Degree of Electrical Engineering, Chulalongkorn University

Work experiences

- 2012 – present • Independent Director, MK Restaurant Group Plc.
- 2011 – present • Independent Director, Chairman of Audit Committee, Planet Communications Asia Plc.
- 2008 – present • Independent Director, Chairman of Audit Committee, Premier Marketing Plc.
- 2007 – 2015 • Independent Director, Chairman of Audit Committee, Premier Technology Plc.

- 1988 – present • Managing Director, KV Electronics Co., Ltd.

Director in other listed companies

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

Other companies

- Director and Managing Director, KV Electronics Co., Ltd.
- Director, Lynx Corporation Co., Ltd.
- Director, Mekfah Development Co., Ltd.
- Director, Viptel Co., Ltd.
- Director, Sab Udom Property Co., Ltd.

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

- 0 Share

Trainings

- Director Accreditation Program (DAP), 37/2005
- Financial Statements for Directors (FSD), 3/2008
- Director Certification Program (DCP), 110/2008
- Audit Committee Program (ACP), 34/2011
- Anti-Corruption for Executive Program (ACEP), 9/2014
- Director Certification Program Update (DCPU), 5/2015

Meeting(s) attended in 2016

- Board of Directors Meeting : 9/9
- Audit Committee Meetings : 4/4



Mr. Prapat Rathlerkarn

Age 58

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

Education

- Master of Business Administration, Phillips University, USA
- Bachelor of Economics, Thammasat University

Work experiences

2015 - present • Sub-Committee Management and Development Space Krenovation Park Geo- Informatics and Space Technology Development Agency (Public Organization): GISTDA

1994 – present • Vice Chairman, Chariman of Executive Committee, President and Chief Executive Officer, Planet Communications Asia Plc.

2004 – present • Director, P&T Asset Co., Ltd.

Director in other listed companies

- None

Other Companies

- Director, P & T Asset Co., Ltd.
- Sub-Committee Management and Development Space Krenovation Park Geo- Informatics and Space Technology Development Agency (Public Organization): GISTDA

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

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

Trainings

- Director Accreditation Program (DAP) 94/2012
- Director Certification Program (DCP)195/2014
- Successful Formulation & Execution of Strategy (SFE) 28/2016

Meeting(s) attended in 2016

- Board of Directors Meeting : 9/9



Mr. Trevor John Thompson

Age 62

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

Education

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

Work experiences

1994 – present • Director, Vice Chairman of Executive Committee, President and Chief Technology Officer, Planet Communications Asia Plc.

2004 – present • Director of P&T Asset Co., Ltd.

Director in other listed companies

- none

Other Companies

- Director, P & T Asset Co., Ltd.

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

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

Trainings

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

Meeting(s) attended in 2016

- Board of Directors Meeting : 9/9



Mr. Somphong Outrakul

Age 63

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

Education

- Master of Business Administration, Rangsit University
- Bachelor Degree, Sukhothai Thammathirat Open 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

Other companies

- None

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

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

Trainings

- Director Accreditation Program (DAP), 102/2013
- Advanced Audit Committee Program (AAP). 17/2014
- Director Certification Program (DCP), 219/2016
- Driving Company Success with IT Governance, 3/2016

Meeting(s) attended in 2016

- Board of Directors Meeting : 9/9
- Audit Committee Meeting : 4/4
- Risk Management Committee Meeting : 1/1
- Nomination Remuneration and Corporate Governance Committee Meeting : 2/2



Mrs. Sutharak Soonthornpusit

Age 64

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

Education

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

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

Other companies

- Managing Director, Charoendecor International Co., Ltd.

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

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

Trainings

- Director Accreditation Program (DAP), 103/2013
- Director Certification Program (DCP), 219/2016

Meeting(s) attended in 2016

- Board of Directors Meeting : 9/9
- Audit Committee Meeting : 4/4
- Risk Management Committee Meeting : 1/1
- Nomination Remuneration and Corporate Governance Committee Meeting: 2/2



Mr. Pramote Bhongse-tong

Age 73

- Director
- Chairman of Nomination Remuneration and Corporate Governance Committee

Education

- Bachelor of Electrical Engineering, Feati University, Philippines

Work experiences

- 2015 – present • Independent Director, Planet Communications Asia Plc.
- 2016 – present • Advisor, Subcommittee on Industry and Service Reforms
- 2010 – 2014 • Chairman of Audit Committee, Software Industry Promotion Agency
- 2010 – 2013 • Executive Director, Software Industry Promotion Agency

Director in other listed companies

- None

Other companies

- Advisor, Subcommittee on Industry and Service Reforms

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

- 0 Share

Trainings

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

Meeting(s) attended in 2016

- Board of Directors Meeting : 9/9
- Nomination Remuneration and Corporate Governance Committee Meeting : 2/2



Mr. Somkid Wangcherdchuwong

Age 59

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

Education

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

Work experiences

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

Director in other listed companies

- Chairman, ITV Plc.

Other companies

- Director, Keyman Wind Power Co., Ltd.
- Managing Director, C.T. Land Co., Ltd.

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

- 0 Share

Trainings

- Director Accreditation Program (DAP), 2006

Meeting(s) attended in 2016

- Board of Directors Meeting : 9/9
- Nomination Remuneration and Corporate Governance Committee Meeting : 2/2
- Risk Management Committee Meeting : 1/1

Management



Mr. Prapat Rathlerkarn

Age 58

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

Education

- Master of Business Administration, Phillips University, USA
- Bachelor of Economics, Thammasat University

Work experiences

2015 - present • Sub-Committee Management and Development Space Krenovation Park Geo- Informatics and Space Technology Development Agency (Public Organization): GISTDA

1994 – present • Vice Chairman, Chariman of Executive Committee, President and Chief Executive Officer, Planet Communications Asia Plc.

2004 – present • Director, P&T Asset Co., Ltd.

Director in other listed companies

- None

Other Companies

- P & T Asset Co., Ltd.
- Sub-Committee Management and Development Space Krenovation Park Geo- Informatics and Space Technology Development Agency (Public Organization): GISTDA

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

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

Trainings

- Director Accreditation Program (DAP) 94/2012
- Director Certification Program (DCP)195/2014
- Successful Formulation & Execution of Strategy (SFE) 28/2016

Meeting(s) attended in 2016

- Board of Directors Meeting : 9/9

Mr. Trevor John Thompson

Age 62

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

Education

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

Work experiences

1994 – present • Director, Vice Chairman of Executive Committee, President and Chief Technology Officer, Planet Communications Asia Plc.

2004 – present • Director of P&T Asset Co., Ltd.

Director in other listed companies

- none

Other Companies

- Director, P & T Asset Co., Ltd.

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

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

Trainings

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

Meeting(s) attended in 2016

- Board of Directors Meeting : 9/9



Mr. Satit Rathlertkarn

Age 52

- Executive Committee Member
- Executive Vice President of Sales

Education

- Bachelor of Electrical Engineering, Chiangmai University

Work experiences

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

Directors in other listed companies

- none

Other companies

- none

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

- 10,390,000 shares (or 4.16% of total paid-up share capital)

Trainings

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



Mr. Veerasak Arthornchaikul

Age 42

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

Education

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

Work experiences

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

Director in other listed companies

- none

Other companies

- none

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

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

Trainings

- none



Ms. Wannapha Weeracharoen

Age 48

- Executive Committee Member
- Vice President of Operation

Education

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

Work experiences

2016 - present • Vice President of Sale of Operation, Planet Communications Asia Plc.

2010 - 2016 • Head of Sales Department (Service Provider), Planet Communications Asia Plc.

Director in other listed companies

- none

Other companies

- none

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

- 0 Share

Trainings

- Successful Formulation & Execution of Strategy (SFE) 28/2016



Ms. Phairunya Supitux

Age 40

- Executive Committee Member
- Acting Vice President of Finance and Accounting

Education

- Master of Professional Accounting – International program, Thammasat University
- Bachelor of Business & Administration- Accounting Major, Assumption University

Work experiences

2017– present • Vice President of Finance & Accounting Planet Communications Asia Plc.

2014 - 2016 • Deputy Chief Executive Officer, Planning and Corporate Support, WP Energy Plc.

2013 – 2016 • President, Eagle Intertrans Co., Ltd.

2010 – 2013 • Chief, Accounting and Tax, PTT Green Energy (Thailand) Co., Ltd.

2008 – 2010 • Accounting Manager, Sawasdeeshop Co., Ltd.

2002 – 2008 • Senior Audit Assistant, PricewaterhouseCoopers ABAS Ltd.

Director in other listed companies

- none

Other companies

- none

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

- 0 Share

Trainings

- none



Mr. Rungroj Jaturaworaporn

Age 43

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

Education

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

Work experiences

2013 – present • Vice President of Sale of Broadcast & Service Providers, Planet Communications Asia Plc.

2010 – 2013 • Country Sales Director, ECI Telecom Ltd.

2009 – 2010 • Senior Manager Nortel Networks Inc.

Director in other listed companies

- none

Other companies

- none

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

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

Trainings

- Successful Formulation & Execution of Strategy (SFE) 28/2016



Mr. Phairoj Pornpathananangoon

Age 40

- Executive Committee Member
- Vice President of Technical Services

Education

- Master of Telecommunication Management, University of Maryland, USA
- Bachelor of Telecommunication Engineering, Capitol Technology University, USA

Work experiences

2016 – present • Vice President of Technical Services, Planet Communications Asia Plc.

2009 – 2015 • Senior Manager, I-Mobile Plus Co., Ltd.

Director in other listed companies

- none

Other companies

- none

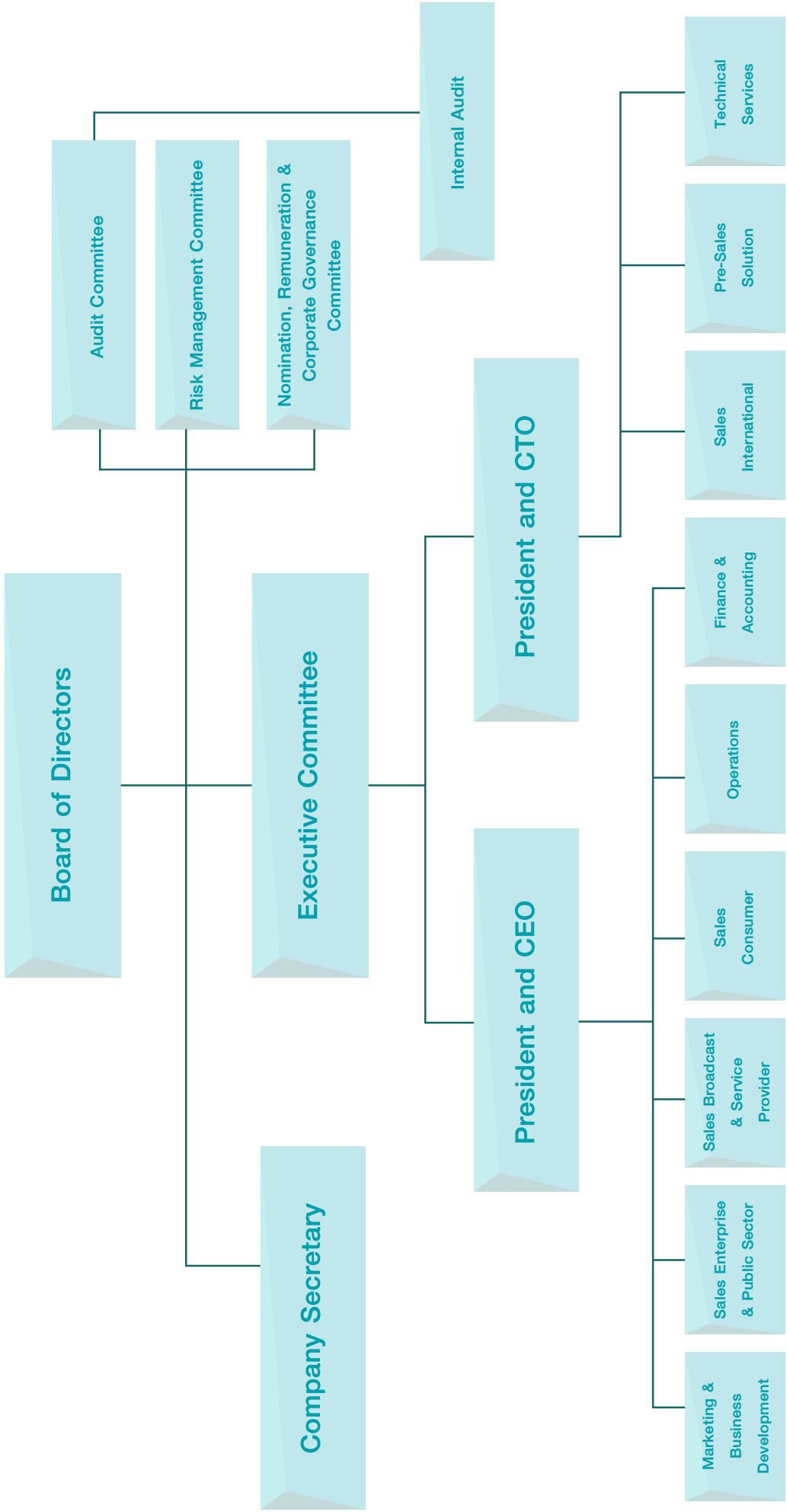
Number of shares held (including those held by associated persons)

- 0 Share

Trainings

- none

Organization Chart





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

Year	Milestone
1994	<ul style="list-style-type: none"> - Founded as “Technology Gateway Asia Co., Ltd.”; rendered services for the consultancy, development and implementation of satellite communication systems. - Appointed as an authorized distributor of satellite communication products for Prodelin/Vertex (GD SATCom), Comtech EF Data and Viasat.
1996	<ul style="list-style-type: none"> - Increased paid-up capital to 5 million baht for business expansion. - Appointed as a distributor of satellite communication products for CODAN.
1998	<ul style="list-style-type: none"> - Rebranded as Planet Communications Asia Co., Ltd. - Increased paid-up capital to 15 million baht for business expansion.
1999	<ul style="list-style-type: none"> - Increased paid-up capital to 25 million baht for business expansion. - Commenced wired network services; appointed as an authorized distributor of data network products for Patton Electronics and security network products for Thales Group.
2000	<ul style="list-style-type: none"> - Commenced multimedia services - Appointed as an authorized distributor of video conferencing systems for Polycom.
2001	<ul style="list-style-type: none"> - Granted ISO 9001:2000 accreditation.
2002	<ul style="list-style-type: none"> - Commenced broadcast services; provided satellite earth station devices to television broadcasting companies in Thailand and ASEAN countries. - Successful in-house R&D to manufacture 1:1 Redundant LNB/LNA equipment.
2005	<ul style="list-style-type: none"> - Commenced terrestrial wireless and radio communications services; appointed as an authorized distributor for Motorola and CODAN HF. - Successful in-house R&D to assemble a mobile satellite vehicle.
2010	<ul style="list-style-type: none"> - Relocated Head Office to PlanetComm Building on Ramindra Road. The new 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 LN_x 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	<ul style="list-style-type: none"> - Collaborated on R&D with the National Electronics and Computer Technology Center (NECTEC) to manufacture the radio jammer T-Box 3.0. - Commenced second generation terrestrial digital video broadcasting (DBV-T2/Digital TV) services in preparation for the transition from analog broadcasting to digital system, in accordance with NBTC and government policy.
2012	<ul style="list-style-type: none"> - Appointed as an authorized Radio Telecommunications Equipment Service Center for CODAN. - Became the only company in Thailand to qualify as a TelePresence Video Master Authorized Technology Partner for Cisco. - Awarded FY12 Public Sector Partner of the Year by Cisco. - Appointed as an authorized distributor of terrestrial and digital TV broadcasting systems for Cobham, TVU, and Thomson.

Year	Milestone
2013	<ul style="list-style-type: none"> - 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 shares to 25 million shares. - Increased registered capital from 25 million baht to 250 million baht by issuing 225 million new ordinary shares with a par value per share of 1.00 baht allocated as follows: <ul style="list-style-type: none"> • 150 million shares to existing shareholders, resulting in the increase of the Company's paid-up capital to 175 million shares • 70 million shares via the initial public offering (IPO) • 5 million shares to the Company's directors and employees
2014	<ul style="list-style-type: none"> - Began offering 75 million capital gain shares at 2.80 baht per share, consisting of 70 million shares via IPO and 5 million shares to the Company's directors and employees. - Traded ordinary shares on the Market for Alternative Investment (MAI) under the stock symbol "PCA" on June 23, 2014. - Appointed as a Premier Partner of Cisco.
2015	<ul style="list-style-type: none"> - Awarded THE MOST IMPROVED VAR YEAR-ON-YEAR REVENUE INCREASE by Cobham. - PlanetFiber being granted by National Broadcasting and Telecommunications Commission (NBTC) for Telecommunications Business Operation Licenses Type III on September 2, 2015
2016	<ul style="list-style-type: none"> - Awarded as the Excellent in Innovation Enterprise of Total Innovation Management Awards (TIM2016) by Stock Exchange of Thailand (SET), Market for Alternative Investment (MAI), and Nation Innovation Agency (NIA) - Awarded Excellence in Industry for APAC by Polycom - Awarded Platinum Partner by Polycom

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:

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.

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.

Revenue Structure

Incomes	2016		2015		2014	
	million baht	%	million baht	%	million baht	%
Sale of distributed products						
-Telecommunication systems	421.19	58.72	643.32	62.60	587.83	61.00
-Digital TV and Broadcast systems	83.12	11.58	77.18	7.51	156.18	16.21
Total Sale of distributed products	504.31	70.30	720.50	70.11	744.01	77.21
Sale of PlanetComm products	97.12	13.54	181.63	17.67	119.90	12.44
Service Revenue	114.03	15.90	117.09	11.39	87.42	9.07
Total revenue from sale and services	715.46	99.74	1019.22	99.17	951.33	98.72
Other revenue*	1.86	0.26	8.51	0.83	12.36	1.28
Total revenue	717.32	100.00	1,027.73	100.00	963.69	100.00

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

- Rearrange Grouping of Revenue from sales, service income, cost of sales, and cost of service in 2014 - 2015 in order to conform with 2016 revenue.

1. Products and Services

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

1.1 Products for which Company is an authorized distributor

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

Products related telecommunications systems including

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

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

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

The Company is an authorized distributor for world-class vendor, such as GD Satcom, CODAN, CPI, Comtech EF data, Viasat, Cobham (SeaTel), Thinkom and many more.



Satellite communication equipment

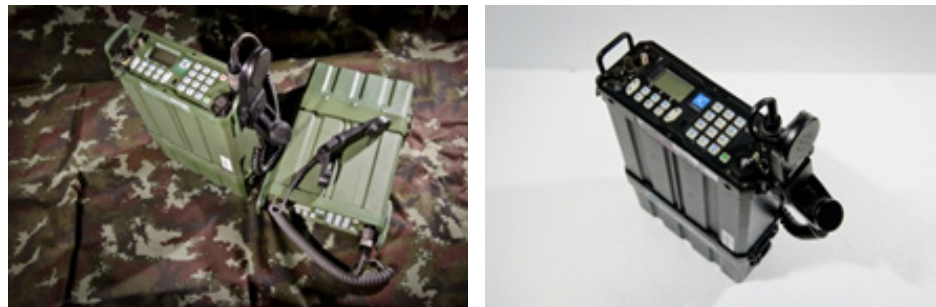
(b) Terrestrial Wireless Communications, which transmit data using terrestrial radio frequencies. The system can be categorized by application as follows;

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



Terrestrial wireless equipment

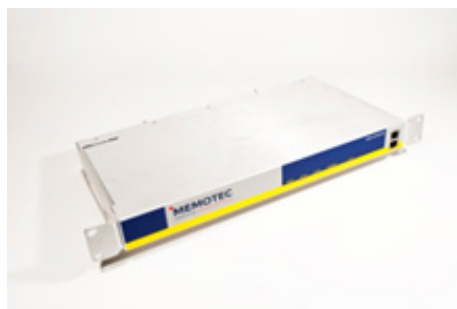
(c) Radio Communication is the technology for transmitting data, images and audio via radio frequencies over long distance. The Company is an authorized distributor of world-class products, such as CODAN's digital radio system and P25 digital radio communications from Harris, High Frequency (HF), Very-High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



Radio Communications Equipment

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

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



Data Network Equipment

(b) Optical Fiber Network , consisting of

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



Fiber Optic Network Equipment

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



Data Security Equipment

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

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



Video Conference Equipment

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



United Collaboration Equipment

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



Audio Conference Equipment

(4) Audio & Visual Accessories for teleconference, namely

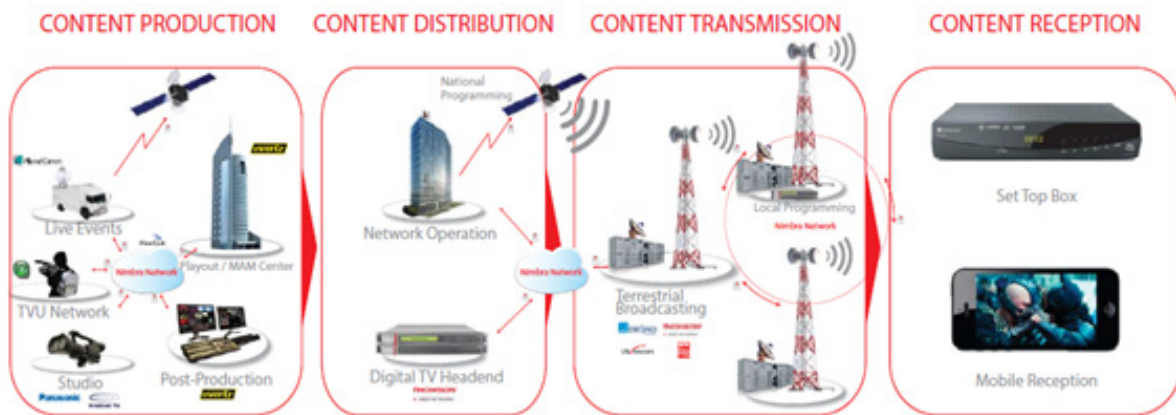
- 3D visualizer by Wolfvision
- HD Cameras by Vaddio
- Visual display systems for mobile devices by Mersive
- Microphone systems for conference rooms by ClockAudio



Audio and Visual accessories for Teleconference

2. Products related to digital TV broadcasting systems

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



Digital TV Broadcasting systems

1. Content Production & Studio, consisting of

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



Equipment for TV and multimedia content production and studio system

2. Content Distribution & Transmission consisting of

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



Equipment for video over fiber network

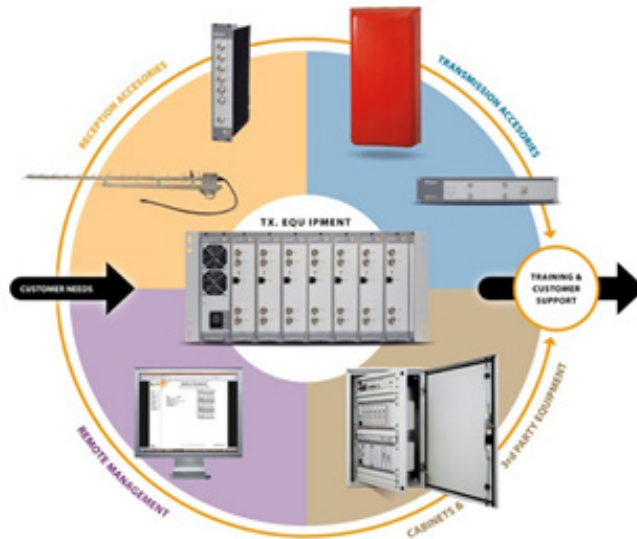
(b) Television Signal Processing and Encoding Systems for television headend, which encode and convert signals into digital formats, i.e. MPEG-2/MPEG-4 compression standards for signal broadcasting, to viewers via terrestrial, satellite and internet networks. The Company is an authorized distributor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



Equipment for Television Headend

(c) Television Transmitter and Network Infrastructures consisting of

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



RF Components for Transmission System

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



Antenna and RF Components for Content Transmission System

1.2 Products under PlanetComm Brand

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

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

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



Mobile Satellite Vehicle

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



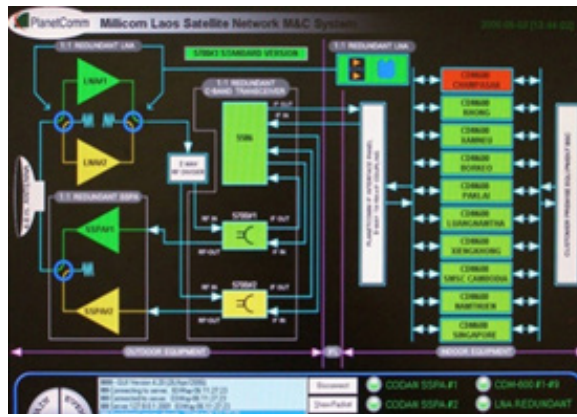
Redundant Controller 1:1LNx

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



Radio Jammer Equipment

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



Network Management For Satellite Station

3. General products distributed under the PlanetComm brand including

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

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

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

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

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



Products distributed under PlanetComm brand

1.3 Services

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

1. **Pre-Sales Services** to design and consult on end-to end solutions for comprehensive and customized telecommunications and digital TV systems
2. **Implement & Installation Services** to assemble, install, implement and test telecommunications and digital TV systems

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

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

3.2 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.

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

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

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

2. Market and competition

2.1 Competitive Strategy

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

1. NEW Innovation

1.1 New Products & Technology

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

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

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

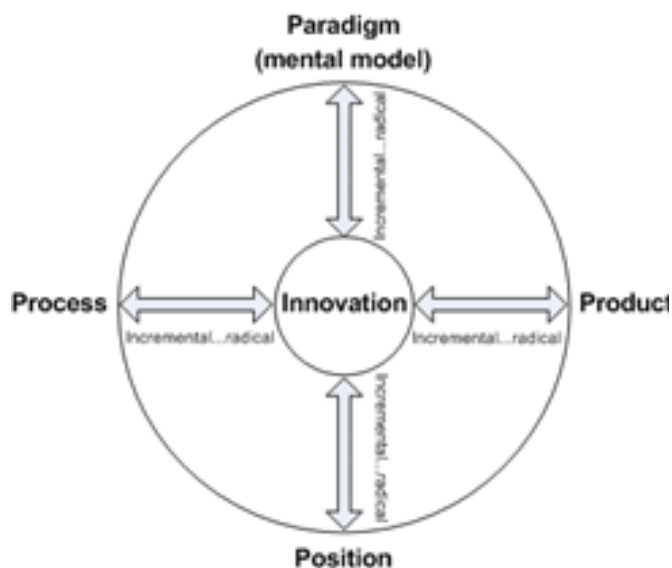
1.2 New Service Solution

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

1.3 New Business Model

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

Type of 4P innovations



Product Innovation It is referred to changes in “Products and Services” of the organization to be modernized and in line with current technologies and best serve customers’ demand

Process Innovation It is referred to changes in production process, product presentations, release of new innovation to the market for just-in- time products and services presentation.

Position Innovation It is referred to changes in type of products and services or changes of position of products and services ever launched to the market to be updated and modernized for perception and comprehension.

Paradigm Innovation It is referred to innovation to conceptual changes (Change in Mental Model) for products and services creativity.

2. Competency

2.1 People Knowledge

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

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

2.2 Facilities Competency

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

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

2.3 Professional Services

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

3. Trusted Provider

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

3.1 Proven Experiences

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

3.2 Vendor Recognition

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

3.3 Corporate Social Responsibility: CSR

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

2.2 Distribution Channel and Target Customers

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

(1) Distribution of products and services directly to customers

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

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

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

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

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

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

(2) Distribution of Products and Services via Business Partners

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

Revenue from sales and services by distribution channel and target sector for 2014-2016

	2016		2015		2014	
	million baht	%	million baht	%	million baht	%
Distribution directly to customers	565.12	78.99	965.36	94.27	801.13	84.21
• Broadcasting Sectors	126.78	12.44	94.16	9.24	127.15	13.37
• Telecommunication service provider Sectors	89.88	12.56	270.81	26.57	62.52	6.57
• Commercial Sectors	146.74	20.51	214.38	21.03	391.79	41.18
• Public Sectors	174.88	24.44	379.83	37.27	203.01	21.34
• International Sectors	26.84	3.75	6.19	0.61	16.66	1.75

	2016		2015		2014	
	million baht	%	million baht	%	million baht	%
Distribution via Business Partners	150.34	21.01	53.86	5.28	150.20	15.79
Total	715.46	100.00	1,019.22	100.00	951.33	100.00

History of business achievements by client organizations, project/product and revenue from 2014-2016

Year of delivery	Customer Name	Customer Name	Customer Name
Telecommunications Products			
2016	Royal Thai Navy	Main IP PABX Installation	25.60
2016	Royal Thai Air Force	VDO Downlink Receiver	16.64
2016	Aeronautical Radio of Thailand Ltd.	DB7 Disaster Recovery sites	13.64
2015	Signal Department, Royal Thai Army	Upgrade New HD MCU and VTC	22.44
2015	Signal Department, Royal Thai Army	Border Surveillance	39.07
2015	Aeronautical Radio of Thailand Ltd.	Telephony Earth Station	103.18
2015	Thaicom Public Company Limited	Fixed Remote Station & Dynamic Bandwidth VSAT Network	23.49
2014	Court of Justice	Web Conference	43.40
2014	Department of Civil Aviation, Myanmar	Upgrade of Vsat System & RCAG	24.00
2014	Ministry of Information and Communication Technology	Graphic information system for natural disaster management and prevention	21.50
Broadcasting and Digital TV Products			
2016	BEC - Multimedia Co.,Ltd.	Outside Broadcasting Van (OBVAN)	85.31
2015	BEC - Multimedia Co.,Ltd.	DSNG Project (Digital Satellite News Gathering)	49.95
PlanetComm Products			
2015	Thaicom Public Company Limited	C-Band Satellite Mobile Car	47.36

2.3 Pricing policy

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

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

2.4 State of the Industry and Competition

Industry overview

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

According to Economic Intelligence Center (EIC), it was estimated that Thailand's economy in 2016 was rising from previously 2.5% growth to 2.8% growth after a report made by Office of the National Economics and Social development Board (NESDB) on GDP in the first quarter of 2016, rising 3.2% of the same period in 2015 or 0.9% growth from previous quarter, beyond ever expected. The key factor supporting Thailand's economy in this year was public consumptions and expenditures, government's enhancement measures, continuous public investments, greater number of foreign tourists, positive trend of private investments, low interest rate applied for expenditures and investments enhancement. Risk factors included agricultural household income affected by decreasing price of agricultural products and drought, weakened purchasing power of non-agricultural households, caused by lower employment and hours of operations, delay of public mega-projects, delay of export and global trade activities and globally financial fluctuations.

Estimations of Economy in 2016 and Economic Growth in 2017

- Expansion of private sector consumption in 2016, same as previously and delay of export activities in 2017.
- Over-expected investment by public sector in 2016, caused by government's economic enhancement policies.
- Continuous expenditure by public sector on investment in 2016 and increase of expenditure accelerated by government policies
- Export volume lower than expectation, led to lower export value, even increase of export values in line with consumption products.
- Greater volume of foreign tourists in compensation of lower volume of exports, led to greater volume of products and services.
- Higher oil price caused by productions limitation of petroleum exporting countries and continuously increasing trend in next year following demand in recovering directions.

%YOY	2559		2560	
	มี.ค. 59	มิ.ย. 59	มี.ค. 59	มิ.ย. 59
อัตราการขยายตัวของเศรษฐกิจ	3.1	3.1	3.3	3.2
- การบริโภคภาคเอกชน	1.8	1.8	2.4	2.1
- การลงทุนภาคเอกชน	2.4	3.1	4.0	2.3
- การอุปโภคภาครัฐ	3.3	3.5	2.8	2.8
- การลงทุนภาครัฐ	10.7	10.1	4.5	5.2
- ปริมาณการส่งออกสินค้าและบริการ	1.0	2.2	1.7	0.9
- ปริมาณการนำเข้าสินค้าและบริการ	0.6	-1.9	1.5	2.4
ดัชนีบัญชีเงินสะพัด (พันล้านบาท) (ตร.)	34.8	37.8	32.7	32.3
- มูลค่าการส่งออกสินค้า	-2.0	-2.5	0.1	0.0
- มูลค่าการนำเข้าสินค้า	-6.1	-6.0	3.6	5.3
ราคาน้ำมันดิบ (ดอลลาร์ ตร./บาร์เรล)	37.3	43.1	47.0	53.0
จำนวนนักท่องเที่ยวต่างประเทศ (ล้านคน)	32.4	34.0	34.4	36.7



Telecommunications Market Value Perspective in 2015-2016

Telecommunications market value perspective in 2015 was depicted with 7.3% growth or figured as 535,989 million Baht as a delayed growth from previously expected of 12.3% growth. This was because the household sector which is the main user in this market had 55.7% expenditure, being more careful about expenditure, as well as declining trend of products and services price, caused by price competition, giving effect on household expenditures. The private and public sectors had greater expenditure at 44.3%. Even greater expenditure and investment, the market cannot be grown in double. The government's digital economy did not give much effect on the market in 2015.

In 2016, the telecommunications market values were be grown up to 11.5% or figured as 597,584 Million Baht. The stimulant was 3G/4G network. The implementation of digital economy covered infrastructure development, importance on transformation of organizational management, as well as more digital services. However, economic risks caused by economic situation were the pressure against growth of telecommunications market. Private and public sectors could not adjust themselves for competition in digital age. This was another limitation against growth in telecommunications value market and business sector itself.

Factors for Perspective

1. Economic circumstances.
2. Political circumstances.

- Operator's 3G/4G network expansion.
- Forming Digital Economy, for example, nationwide broadband, public infrastructures, startup business cultivation, local online shops.
- National e-Payment system development, partly implemented in 2016.
- Public mega-projects investment, for example, Fiber Optic MRT for mass transportations and telecommunications services.
- Digital transformation of service businesses and organizational management.
- Implementation of IoT/ M2M by Industry 4.0 for manufacturing process of industrial sector.
- International sports games, for example, European champs football, Olympic.

Positive Factors of Telecommunications Market

- More stable political circumstance.
- Expansive digital application, implementation of ICT knowledge for business operations.
- High popularity of Social Media application.
- More online medias consumption.
- Coverage of 3G/4G network expansion and lower cost of Mobile Device, easily accessible by users.

Negative Factors of Telecommunications Market

- Delayed economy, awareness of public and private sectors on austerity.
- Delayed public investment.
- Unactualized Digital Economy Policy.
- Lower expansion of new fields of business.



According to the study on segmenting markets by Office of The National Broadcasting Telecommunications Commission (NBTC) in collaboration with National Science and Technology Development Agency (NSTDA) in 2015, it was reported that communication service market shared 57.7% of telecommunications market, especially Non voice mobile service which the growth rate was 21.5% or 107,540 Million Baht. In 2015, it was predicted that the growth rate would be 41.2% or valued 151,847 million Baht, while Voice service in mobile phone market was reduced from 2014, valued 108,864 Million Baht and lower to 94,712 Million Baht in 2016, figured as -13.0%, while internet service (excluding mobile phone internet or mobile data), valued 53,578 Million Baht in 2015, figured as 10.1% growth. It was estimated in 2016, it would be 10.9% increased or valued 59,396 Million Baht.

Regarding Data Communication Service, in 2015, the growth rate was 5.2% or valued 14,302 Million Baht. In 2016, it was estimated that the growth rate would be 5.4% or valued 15,071 Million Baht. The direction of market value indicated that services relevant to data consumption were continuously expanded. On the contrary, voice market

service was continuously decreased. In 2015, fixed telephone service market at - 7.4% or valued 14,809 Million Baht will be lower to -12.1% or 13,016 Million Baht, same as internation phone in 2015, valued 10,357 Million Baht or figured as -16.66%. It was predicted that in 2016, the market will be lower to -24.6%. This decrease will make consumers turn to use Chat or OTT services.

In 2015, for telecommunication devices, the market value shared 42.3% of the total telecommunication market, focusing on 3G/4G network investment. It reflected that the growth of wireless device market in 2015 was 31.0% or valued 35,809 Million Baht. It was estimated that 4G network expansions will push the market in 2016 to 42.0% increase, or valued Baht 50,860 Million Baht. For main network market in 2015, the growth rate was 9.3% or valued 69,680 Million Baht and Cabling at 24,520 Million Baht. It was estimated that in 2016, the main network device market will be 13.1% increased or valued 78,780 Million Baht. The wireless device market in 2015 was 7.0% increased or valued 16,030 Million Baht. In 2016, the growth will be 12.2% or valued 17,980 Million Baht. The growth on key devices market and wireless devices are motivated by digital technology policy and digital infrastructure enhancement policy by the government, as well as high speed internet in all villages and Data Center and Cloud by public sector.

Another survey report was that mobile phone market was in declining trend. In 2015, the growth was 12.9% or 103,725 Million Baht. In 2016, the growth rate was 3.1% or 106,960 Million Baht or 3.5% increase, while feature phone market in 2015 was 675 Million and dropped to 260 Million Baht in 2016. The delay of mobile phone market was caused by continuously lower price adjustment by promotion campaign of service providers and more marketing campaign for low price mobile phone. Moreover, economic circumstance took important part in hard decision-making for changing big cost mobile phone, while fixed mobile phone with continuously decline trend, in 2015, it was declined to -14.1%, valued 1,295 Million Baht and predicted to -10.9% in 2016.

In 2015, it reported that household sector is still key payer in tele-communications market, figured as 55.7% per the total communication value market. It showed declining trend from previous years, showing lower potential of household expenditure. Product and service price are in declining trend from price competition, giving effects to household expenditures. Expenditures by public and private sectors were 44.3% increase, mainly caused by network development of service providers. Another important factor was investment in transformation and technology, even during economic regression period. According to the survey, although continuous growth of tele-communications market value, generating income by telecommunications service providers' traditional services would be more difficult which the service providers have to add service areas to daily life more, either OTT service or Mobile Payment for value-adding to the network. Other businesses cannot overlook digital development because of new business model, such as Tech Startup, takes more role, for example, FinTech for financial service sector, etc.

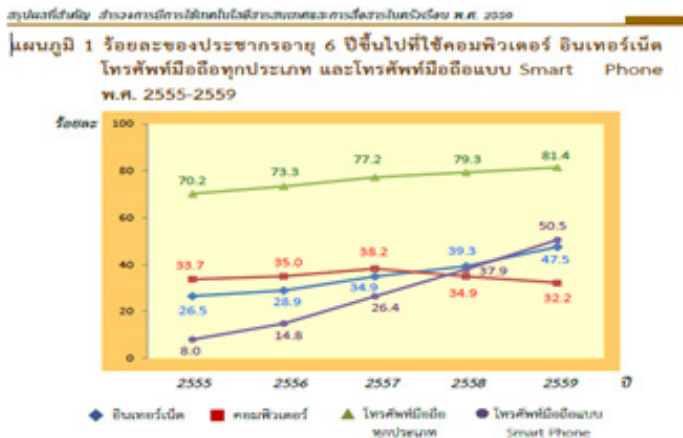
Global ICT Expenditure

For Global ICT expenditure in 2015 and 2016, it was estimated that in 2016, expenditure on devices, for example, PC, tablet, mobile phone and printer would be lower, compared with year 2015, figured as 1.9% . This was caused by lower demand for PC devices in major regions, such as, Japan, Russia, Western Europe and consumer saturation on PC and tablet devices. Communications services expenditure was predicted to be 1.2% lower.



Application of Computer, Internet and Mobile phone

According to the survey by National Statistical Office, among 62.8 million persons of age over 6 years, 20.2 million of them used computer (32.2%), 29.8 million of them using internet (47.5%) and 51.1 million of them using mobile phone (81.4%). According to trend of computer, internet and mobile phone of people over 6 years during 5 years (2012-2016), it reported that the number of computer users was lower from 33.7% (21.2 million users), figured as 32.2% (20.2 million users).



The number of internet users increased from 26.5% (16.6 million users), figured as 47.5% (29.8 million users). Users of all kinds of mobile phone increased from 70.2% (44.1 million users), figured as 81.4% (51.1 million users) and Smart Phone users increasing from 8.0% (5.0 million users), figured as 50.5% (31.7 million users)

For device assessable to internet, users for smart phone accessible to internet were quite high at 90.4%, PC at 50.1%, notebook at 24.9% and tablet at 15.2%.



Thailand’s Business and Technology Sector

Digital Transformation can bring Thai organizations to achievement by Platform 3 application and emphasize on necessity on transforming with leadership maintenance. Plan form 3 contains 4 main pillars including Cloud, Mobility, Big data/Analytics and Social Business and 6 innovations including Internet of Thing, Cognitive System, robot technology, 3 dimensions printing, virtual or argumentality and Next Gen Security system.

For IT industry perspective, the budget in 2015 was 372,400 Million Baht or 2% growth which was lower than GDP of 29%. The budgetary situation was predicted towards 2016 that the budget would be 383,700 Million Baht or 3% growth. Classified by industry, smart phone and tablet was the big group of consumers, amount to 180,869 Million Baht, followed by telecommunications group, due to 3G and 4G investment, the budget value was 56,348 Million Baht.

Key Prospects of Thailand’s Business and Technology Sectors

1. Digital Transformation

By end of 2017, more than half of Thai organizations will start digital transformation which is a key factor for their IT investment. Digital transformation is the implementation of Platform Technology 3 for customization and higher operational efficiency. Transformation is focused on digital expertise in relationship, operation and data-based products and services

2. Cloud as IT Infrastructure Investment

By 2018, investment in Cloud will be at least a quarter of total IT costs. In 2020, it would be figured as 30% of total Cloud-based IT infrastructure investment. Application of Cloud would be 30-35% of total costs of software, services and technologies.

In 2016, organizations are required to develop capacity of Cloud application. Projects relevant to Platform Technology 3 or business digital transformation will be hardly formed without Cloud application. It means that Cloud application will be much increased in next years.

In 2020, organization expenditure for Cloud, Cloud hardware and software, Cloud service and management would be more than 350 million. US Dollar, figured as 100% growth from the present time. Most hardware and software by vender would be “CloudFirst”. Transformation of Cloud-based service from “New” architecture to basic technology would be substantial for IT and business leaders.

3. Greater numbers of Smartphone Users to 25 Million Persons

By 2018, in Thailand, internet users by smart phone as initial device would be 50 million persons, figured as 73% of total population. This is a board transformation in business process, for example, strategies and applications development for smart phone, new presentation of products and services thorough smart phone as MobileFirst, adjustment to local market, application of online network as new paradigm, customer participation. This transformation would also bring to application of cognitive system for analysis, off-line application and big data efficiency because all existing and new data will be digitally stored and ready to serve 50 million users.

4. Achievement of New Business Model

By 2017, more than 20% of large organizations would be impacted by this new innovation of business model. In the past, impacts were derived from goods and services innovations. Internet and Platform 3 would bring to different models of products and services presentation soon. Old business model would be impacted by rapidly grown new one produced by integration of resources for products and services monopoly.

5. New Payment Mode

By 2017, 10 retailing industrial leaders would implement Near Field Communication (NFC), characterized by fingerprint scanning and uncensored system.

By October 2018, the policy of “Liability Penalty” would be effective. Shops would be penalized against fraud from credit cards. This incident has recently happened in foreign country. It indicated that security violation give much affects to more than million customers and produce excessively high cost which retailing shops in Thailand in any sizes would give a big concern

Since most of trading transactions are in the shop, retail shops must be responsible for fraudulent protection .Many online shops will conduct safe trades on internet. One of frequently found defect is authentication, particularly on payment verification and approval. This sophisticated verification can avoid any fraudulent actions

In 2017, big retail shops would implement payment system in proximity area, especially NFC system which can facilitate sophisticated verification.

6. Smart Multifunction Printers

By 2018, Multifunction Printers – MFPs would be basic device with massive printing troubleshooting in big offices. Recently, highly competent models have been implemented with multifunction printers though structural architecture, starting from basic scanning competency and/or documentation. However, it is predicted by IDC that this solution will be widely used and transformation of printing and copying equipment to intelligently multifunction printer would be actualized in the next two years after organizations’ perception of board intelligence of this printer

Security, mobility and Cloud support would be main standard. These features can support printing devices for higher efficiency, cost-saving and business optimization.

7. Change in Status of Supplier and Partner

Coming digital transformation would bring to effects and new trends, as well as players in the market which will be a big pressure for traditional IT suppliers and push new players to be leader in the market. In the next years, there would be big change in vendor group. One of three of currently leading suppliers will come up with acquisition, downsizing or transformation

- Few Cloud-based service providers will share 75-80% market.
- Acquisition by IOT group.
- More importance of StartUp organizations.

Platform 3 and digital transformation will be much increased in next years. Some suppliers will be successful and some will fade away.

8. More approach and comprehension to consumers

In 2017, Thai organizations would use more big data to approach and comprehend consumers through portable devices, omni-channels and Social Medias. Thai organizations would be successful in creating new customer bases, through digital engagement with customers, containing big data for analysis due to easily found and lower cost devices. However, these channels have not been potentially optimized because of lack of vision and expertise in data science. For data science, organization and academic institutes would be aware of lack of expertise and start to launch necessary expertise to the market. Few organizations would start their big data strategies. In 2017, the concept of “More approach and comprehension to consumer” would be significantly implemented.

9. Risk management

By 2017, more than 30% of IT units would deviate their focus from preventive measure to “restriction and control” against damages. With implementation of digital transformation, Platform 3 would be used more. Although new technologies can bring to benefits, more risks would be, due to big jump of potentially attacked “area” and more threats. Therefore, creating “barrier” against attack would be no longer an efficient option, and replaced by “restriction and control” for damages through limitation of data accessibility and more security system

10. Insurance business group as IoT leader

By 2017, budget on IT and number of innovation in insurance business would be higher than banking business because IoT in insurance business would bring to a short-cut way. Other technologies would be used to support industry sectors. Cloud would be implemented for more efficiency in organization and management would push insurance business to Platform 3. By 2016, it was predicted that main systems of industry sector would be upgraded for three times, bringing to 10% growth of IT expenditure in industry sector, while business growth of banking business would be only 6%.

Predictions under the Context of Year of Digital Engagement

- In 2017, more than 50% of business organizations would be done through third party for API application with real-time communications.
- In 2018, SD WAN would be 30% implemented in businesses which are key component for controlling communications.
- In 2018, although benefits from WAN application (low power WAN), like LoRa and Sigfox are motivated, no permit granted and lack of QoS would make organizations more emphasize on IoT application.
- In 2018, OTT technology would be the start of transformation of traditional Pay TV to Cloud system.
- In 2019, organizations would use analytical equipments more when this service can be used through destination network.



Thailand's Outstanding Technologies in 2017

1) Cloud Computing

According to current information and information technology trends, it was indicated that Cloud Computing is transforming industries, especially global market potentially affecting Thailand's information technologies industry against lower trend of Tradition IT. IT Infrastructure would be lower, while Public Cloud would be rapidly growing. It was predicted that Tradition IT market would be dropped to only 55% in 2019. Cloud Computing market would bring big change to players in the market.

2) Big Data Analytics

Telecommunications and financial industries would invest more in this field of infrastructures. Hadoop would be supplied for collection of Semi-structure/Unstructured data. Big data would be initiated to be analyzed for new business trends for more market and customer information. Public sector would give importance on Open Data and development for public sector's big data development which electronic office under the government (public organization) would be continuously operating and creating activities and collaborations in development group. Academic institutes would give more importance on Data Scientist.

In 2017, more awareness in this field would be more. Organizations would be more interested in big data analysis, particularly, banking and financial, market, telecommunications and retailing sectors. Competition in this field, as well as infrastructures investment by organizations would be more. Instruments for data analysis from various sources, such as RDBMS, Data Warehouse, NoSQL and Hadoop would be more. Data Visualization would be more emphasized with more Predictive Analytics. Data Scientist would be in more demand.

3) Internet of Things

IoT (Internet of Things) is one of technology trend for global transformation which brings to much effect on industry 4.0. In the future, many devices would be used for internet connection and by many businesses to boost up competition potential and value-added. Thailand is now emphasizing on the term "Thailand 4.0" (Economic Development Model by Thai Government) covering Industry 4.0 and Digital Economy. Smart City would be planned with infrastructure structuring on information technology. IoT would be applied. Developers are more interested in IoT with establishment of Maker Clubs, Thailand IoT Consortium and continuous activities. Thai citizen presided South East Asia Makerspace Network. NECTEC promoted IoT Platform, like NETPIE. Many private companies have started the IoT projects in collaboration with foreign countries to global market, for example, Board Nano32 and ESP32 as being developed by Thai as the only board in global supply.

4) Webscale IT

In Thailand, internet has been hugely used. It means the higher demand for on-line services, for example, searching information, receiving services, as well as E-Commerce. Therefore, on-line service system is required to serve same time users

5) FinTech

Financial Technology is widely known by our financial institutes. For many Thai banks, FinTech unit was established to initiate new innovative in replacement of previous financial modes, as well as non-financial institutes as new players and start-up group initially interested in implementation of technology to financial transactions. It is even predicted that technology would be used more for financial transactions, led to lower branches of bank. According to current data by Bank of Thailand, the numbers of Mobile Banking accounts are more than 10 million accounts and more than 12 million accounts for Internet Banking, showing more application of on-line transactions.

6) PromptPay

“PromptPay” (AnyID) has been most renowned in previous years. It is considered as big change of financial innovative of Thailand. Financial transaction by cash will be lower, and replaced by identity card or mobile hone number instead of bank accounts through variety of channel, for example, internet banking, mobile banking, ATM. Although this project will be postponed to the first quarter of 2017, with government and banks enhancement, PromptPay is an interesting instrument. It is also an IT restructuring of banking group, to serve new payment of organizations as well as awareness on relevant security systems

7) IT Security

Higher application for IT makes organizations more awareness of IT security. In this year, since there are much news on data robbery, website attack and mulware release or recently ATM robbery and higher demand of online services, relevant organizations have to give more investment and awareness on the users. With sophisticated technologies and entry of new technology, like IoT, IT security should be strengthened and improved by organizations to bring users reliability.

8) Digital Transformation

An entry of IT technologies brings to big transformation of businesses and industries to new ones; for example, Airbnb, Uber or Agoda. An entry of new business gives effect on previous businesses.

9) Mobility

Although demand for Smartphone, Tablet or 4G applications in Thailand will be much higher, most of application is for entertainment rather than for work or business value-adding. However, working behaviors of new generations is changed to mobility anywhere, any equipment. Due to traffic issues in big cities of Thailand, technologies, operations have to be improved to serve more mobility, for example, online meetings, collaboration, data sharing through Share Drive or online documentation in form of Google Docs or Office 365. Thai organizations would adjust their organizational cultures to be more digital to serve mega transformation.

10) Business Value Dashboard

Data Visualization is made by organizational database. Data Warehouse and Business Intelligence have been created for decision-making by managerial level. Business Dashboard is still one of key technology for organization to present data to facilitate the management’s decision- making. More investments will be on processing devices and more projects will be on Business Intelligence.

(Source: Gartner)

Competition in Telecommunications Technology Industry

Service providers and the public sector have placed high priority on the development of national telecommunications systems, to bring Thailand’s telecommunications infrastructure up to international standards and

expanded coverage to remote areas. Therefore, the Ministry of Information and Communication Technology (MICT) has launched the Smart Thailand Project, in accordance with the National Broadband Policy and the Information and Communications Technology Framework for 2011-2020 (ICT 2020). The project is a two-pronged initiative consisting of Smart Network, to develop broadband 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, with high investment and continual sustainable growth.

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

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

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

Broadcasting and Digital TV Industry

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

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

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

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

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

1 	2 	3 	4
5 การศึกษา วิทยาศาสตร์ เทคโนโลยี	6 ศาสนา ศิลปะ วัฒนธรรม อาชีพ เกษตร	7 สุขภาพ อนามัย กีฬา สุนัขภาพ ชีวิต	8 ความมั่นคงของรัฐ หน่วยงานของรัฐ
9 ความปลอดภัย สาธารณะ	10 รัฐบาล รัฐสภา	11 การปกครองใน ระบอบ ประชาธิปไตย	12 สนธิสาร ด้อย โอกาส เด็ก เยาวชน

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

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

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

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

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

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

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

The NBTC set the auction schedule as follows;

- October 28-29, 2013: Tender submission. Name of the bidders to be announced within 45 days of the last submission.

- Early December 2013: Announcement of bidder list.
- Mid-December 2013: Auction commencement, where the date, place and order of auction category to be announced 15 days prior to the auction date.

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

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

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

Competition in the Broadcasting and Digital TV Industry

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

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

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

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

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

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

2.5 Product Procurement

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

(a) Products related to telecommunications systems

• Wireless Networks

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

• Wired Networks

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

• Multimedia System

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

(b) Products related to broadcasting and digital TV systems

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

Authorized distributor agreements granted to the Company generally carry a term of 1-2 years, which is normal practice for distributor agreements in the IT industry. However, the Company has a good relationship with manufacturers and vendors based on long-standing business. Therefore, the Company strongly believes that it will continue to be the

distributor for these manufacturers. Good business relationships benefit the Company in terms of technical assistance, special discounts, timely delivery, prevention of product shortage, etc. The Company purchases products from both local and overseas manufacturers and vendors.

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

source	2016		2015		2014	
	million baht	%	million baht	%	million baht	%
Domestic	278.67	50.62	454.24	51.16	395.52	51.68
Overseas	271.84	49.38	433.69	48.84	369.76	48.32
Total	550.51	100.00	887.93	100.00	765.28	100.00

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 2015 and 2016 constituted 12.20 % and 7.89% 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 express edits 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. 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.

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 2015 and 2016, products were purchased in foreign currencies equivalent to 433.69 million baht and 271.84 million baht, respectively. Foreign purchases accounted for 48.84% and 49.38% 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 10.10 million baht on the exchange rates in 2015. In 2016, the Company lost from currency exchange rate for 0.89 Million Baht affected by decreasing from previous year because of precaution in management and analytical in exchange rate.

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 21.34%, 37.27% and 16.22% in 2014, 2015 and 2016, respectively. Government agencies approved their budgets in the third and fourth quarter, which plays a factor in tenders for those periods. However, their budgets are now evenly distributed throughout the year, which translates to evenly distribute public contract revenue, led to more consistent revenue of the Company.

7. Risks from Dependency on Executives

Established by Mr. Prapat 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

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

1. Board of Directors

As of December 31, 2016, the Company's Board of Directors consisted of eight Directors (including six Non-Executive Directors*) as follows;

Name-Surname	Title	Appointed on:
Mr. Sanpat Sopon *	Chairman, Director	30 December 2011
Mr. Prapat Rathlertkarn	Deputy Chairman	27 April 1994
Mr. Trevor Thompson	Director	27 April 1994
Dr. Katiya Greigarn *	Independent Director & Audit Committee Chairman	30 December 2011
Mr. Somphong Outrakul *	Independent Director & Audit Committee Member	30 December 2011
Mrs. Sutharak Soonthornpusit *	Independent Director & Audit Committee Member	30 December 2011
Mr. Pramote Bhongse-tong *	Director	12 May 2015
Mr. Somkid Wangcherdchuwong *	Director	12 May 2015

Miss Wathara Arun is the company's secretary effectively on 12 November 2014.

Authorized Directors

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

Scope of powers and duties of the Board

1. To operate and manage the Company's business according to applicable laws, the Company's objectives, Articles of Association and resolutions of shareholders' meeting , together with, make all efforts to protect the Company's interests.
2. To have the balance sheet and profit and loss statement prepared and audited at the end of the Company's accounting period, for presentation at the shareholders' meeting for review and endorsement.
3. To set targets, adopt guidelines and policies, make operation plans and allocate budgets, as well as oversee the management and administration of executives or persons assigned to such tasks to ensure compliance with the Company's policies.
4. To review, scrutinize and approve policies, orientations, strategies and operation plans proposed by management.
5. To set the management structure, appoint Managing Director , form Executive Committee and other Committee and designate the scope of their powers and duties

The Executive Committee, the Managing Director and other Committees so appointed shall not have powers or duties to consider and approve any transactions that potentially cause conflict of interest with the

Company or any of its affiliated companies (if any), otherwise approved in accordance with the Company's policies and criteria set forth by the Board of Directors.

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

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

In brief, the Authorizations (approval) of the Board are as follows:

1. To approve the setting and modification the Company's rules and regulations, organization structure, level of authorizations, finance and accounting policies, accounting improvement, and procurement regulations.
2. To approve annual business plan and budgeting, including annual investment.
3. To approve appointing authorize persons which related to bank and financial institutes.
4. To approve loan or increasing loan with bank and financial institutes complying with level of authorization.

Roles and Duties of Chairman

1. To act as leader of the Company's Board of Directors to supervise and oversee the management and operation of the Company's Executive Committee and other Committees to achieved the set objectives.
2. To act as chairman of the Company's Board of Directors and shareholders' meeting
3. To give award in case of draw votes by the Company's Board of Directors'

2. Audit Committee

As of December 31, 2016, the Company's Audit Committee was comprised of three members;

Name-Surname	Title	Appointed on:
1. Dr. Katiya Greigarn	Audit Committee Chairman	30 December 2011
2. Mr. Somphong Outrakul*	Committee Member	30 December 2011
3. Mrs. Sutharak Soonthornpusit	Committee Member	30 December 2011

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

Scope of powers and duties of Audit Committee

1. To audit the Company's account to ensure that financial reports contain complete and correct information.
2. To audit the Company's internal control and internal audit to ensure they are appropriate and efficient, to ensure the independence of internal audit personnel, to engage, transfer and disengage internal audit chiefs or any persons related to the internal audit.
3. To audit the Company with regard to securities and stock exchange laws and regulations and laws applicable to business operations
4. To consider, recruit and appoint an independent auditor of the Company and set remuneration, to convene a meeting with the auditor at least once a year without management present as well as to approve and terminate hire for external auditor

5. To examine connected transactions, to act in the best interests of the Company to ensure compliance with laws and the regulations of the stock exchange.
6. To issue the annual audit report signed by the Audit Committee Chairman for disclosure in the Company's annual report. The annual audit report must at least contain observations and recommendations on the following;
 - (a) the correctness , completeness and reliability of the Company's financial statements
 - (b) the adequacy of the Company's internal control
 - (c) the Compliance with securities and stock exchange laws and regulations, or laws applicable to the Company's operations
 - (d) the qualifications of the auditor
 - (e) the connected transactions that may cause a conflict of interest
 - (f) the number of meetings attended by each Audit Committee Member
 - (g) the findings from duties performed as Audit Committee according to the Charter)
 - (h) the information to be given to shareholders and investors as required by the Audit Committee as set forth by the Board of Directors
7. To perform other acts assigned by the Board of Directors, subject to the approval of the Audit Committee

3. Nomination, Remuneration and Corporate Governance Committee

As of December 31, 2016, the Nomination, Remuneration and Corporate Governance Committee were comprised of four members namely;

Name-Surname	Title	Appointed on:
1. Mr. Pramote Bhongse-tong	Committee Chairman	19 June 2015
2. Mr. Somphong Ouitrakul	Committee Member	13 November 2014
3. Mrs. Sutharak Soonthornpusit	Committee Member	13 November 2014
4. Mr. Somkid Wangcherdchuwong	Committee Member	14 August 2015

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

1. Nomination

- (1) To deliberate on the structure and number of members on the Board of Directors and Committee(s) and the professional background and expertise of each director or Committee member in relation to the nature of the Company's business and industries by Board Skill Matrix method.
- (2) To deliberate on the qualifications of a candidate for independent director according to the Company requirements and SEC regulations
- (3) To set forth the criteria and procedures for recruitment and engagement of directors, and publish them in the Company's annual report and website. For example, the extension of directorships ;the engagement of new directors ;the nominations by shareholder or incumbent directors; and the recruitment of new directors via employment agencies or directory of professional directors
- (4) To establish a development plan for incumbent and new directors to understand their roles, the Company's businesses and developments

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

2. Remuneration

- (1) To establish rates of remuneration and other fringe benefits for directors in a clear and transparent manner and present them for approval by the Board of Directors or the shareholders' meeting
- (2) To ensure that directors receive remuneration proportionate to their duties and responsibilities
- (3) To lay guidelines on director performance assessment for consideration of annual rewards
- (4) To disclose in the Company's annual report the policies on remuneration and all types of payments
- (5) To propose the rates of remuneration for directors and Committee members to the Board of Directors and the shareholders' meeting for approval
- (6) To review proposals on the management of remuneration policies and other fringe benefits for employees and payment schedules and submit recommendations to the Board of Directors

3. Corporate Governance

- (1) To adopt corporate governance policies and submit them to the Board of Directors for approval; to follow up on practices to ensure compliance with said policies; to review said policies on a continual basis to ensure relevance
- (2) To monitor the Company's practices and ensure compliance with the corporate governance principles of the regulatory agencies such as SEC and SET
- (3) To assess the annual performance of the Chairman, Directors and Committee members
- (4) To self-assess their performance on a continual basis and report to the Board of Directors.
- (5) To perform acts as required by laws, rules, notifications, regulations or orders of government agencies.

4. Risk Management Committee

As of December 31, 2016, the Risk Management Committee was comprised of three members

Name-Surname	Title	Appointed on:
1. Mr. Somphong Ouitrakul	Committee Chairman	13 November 2014
2. Mrs. Sutharak Soonthornpusit	Committee Member	13 November 2014
3. Mr. Somkid Wangcherdchuwong	Committee Member	19 June 2015

Scope of powers and duties of Risk Management Committee

1. To set a clear agenda; to state, analyze and examine major risk factors; and to adopt strategies for managing risks
2. To establish the Company's risk management measures for all departments
3. To communicate such measures to all employees and ensure their compliance
4. To arrange for systematic and constant assessment / analysis of possible losses and damages in all stages of business operations
5. To constantly improve risk management for the entire organization in line with international standards

5. Executive Committee

As of January 31, 2017, the Executive Committee was comprised of eight members as follows;

Name-Surname	Title
1. Mr.Prapat Rathlertkarn	Committee Chairman
2. Mr.Trevor Thompson	Committee Deputy Chairman
3. Mr.Satit Rathlertkarn	Committee Member
4. Mr.Rungroj Jatuworaporn	Committee Member
5. Ms. Wannapha Weeracharoen	Committee Member
6. Mr. Veerasak Athornchaikul	Committee Member
7. Mr. Phairoj Pornpathananagoon	Committee Member
8. Mrs. Phairunya Supitux (3)	Committee Member
9. Mr. Prawich Rungdecharak (1)	Committee Member (resigned)
10. Mrs. Thachaporn Ratanamora (2)	Committee Member (resigned)

Notes :

- (1) Mr. Prawich Rungdecharak resigned the company, effectively since April 1, 2015
- (2) Mrs. Thachaporn Ratanamora resigned the company, effectively since November 30,2016
- (3) Mrs. Phairunya Supitux was appointed as the Committee Member on January 12,2017

Scope of Powers and Duties of Executive Committee

1. To propose targets, policies, annual budgets, business plans and strategies to the Board of Directors for approval
2. To monitor the Company's operations and ensure compliance with the policies, plans and budgets as approved by the Board of Directors
3. To consider and approve the Company's regular activities in line with the Board-approved budget
4. To present organization structure and management to the Board of Directors for approval
5. To appoint or hire consultants for Company management to ensure efficiency
6. To determine the Company's profits or losses and propose interim dividend payments to the Board of Directors for approval
7. To authorize person (s) to perform act (s) under its responsibilities or grant such person(s) the power for a period they see fit. The Committee reserves the right to revise or revoke such authorization or replace such person (s)
8. To perform other acts assigned by the Board of Directors
9. Such authorization shall not be for having powers or duties to consider or approve any connected transactions in conflict with the Company or its affiliated company (if any) in accordance with Notification of the Capital Market Supervisory Board or the Securities and Exchange Commission, otherwise approved in accordance with the Company's policies and criteria set forth by the Board of Directors.

6. Company Secretary

The Company's Board of Directors' meeting no. 5/2014 held on November 12, 2014 resolved in favor of appointing Miss Wathara Arun as the Company Secretary who educated the bachelor degree in accountancy and trained the Company Secretary Program (CSP) 59/2014 in compliance with Section 89/15 of the Securities and Stock Exchange of Thailand Act, B.E. 2535, revised by the Securities and Stock Exchange of Thailand Act (No.4), B.E. 2551. The Secretary has the following duties and responsibilities:

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

7. Executives

As of January 31, 2017, the company has eight executives;

Name-Surname	Title
Mr. Prapat Rathlertkarn	President and Chief Executive Officer
Mr. Trevor Thompson	President and Chief Technology Officer
Mr. Satit Rathlertkarn	Executive Vice President of Sales
Mr. Rungroj Jatuworaporn	Vice President of Sales
Miss Wannapha Weeracharoen	Vice President of Operation
Mr. Veerasak Athornchaikul	Vice President Marketing and Business Development
Mr. Phairoj Pornpathananangoon	Vice President of Technical Services
Mrs. Phairunya Supitux	Vice President of Accounts and Finance

Note: Chief Executive Officer (CEO) and Chief Technology Officer (CTO) shall limit to be as the director of three companies only.

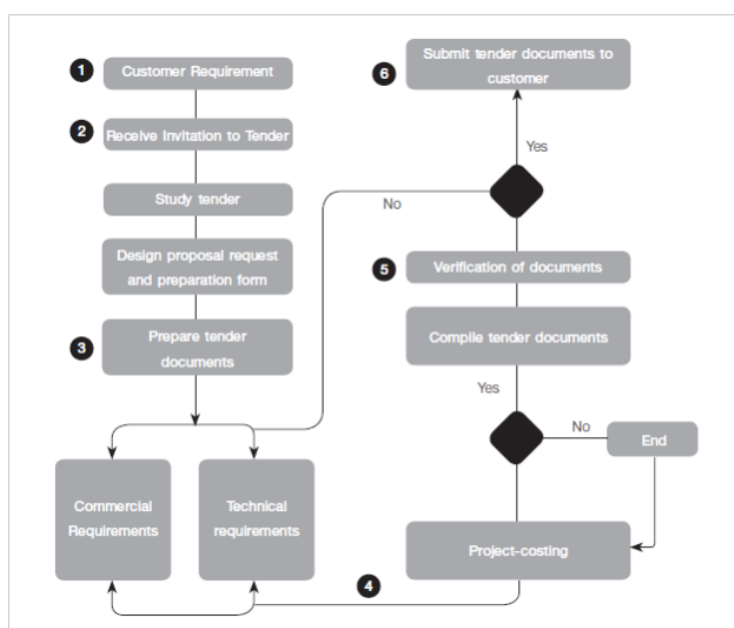
Scope of powers and duties of Executives

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

7. To issue orders, regulations, notifications and notes with respect to Company operations in compliance with its policies, for maintaining discipline in the organization and in the interests of the Company
8. To perform other duties as assigned by the Executive Committee or the Board of Directors

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

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



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

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

Remuneration for Directors and Executives

1. Monetary Remuneration

Remuneration for Board of Directors

The company's Board of Directors approved the remuneration structure for Directors as follows

Year	Remuneration (Baht/person/year)
2014	Not exceeding 350,000 Baht
2015	Not exceeding 400,000 Baht
2016	Not exceeding 500,000 Baht

Remunerations for Executive Committee and other committees	In 2016		In 2015	
	Monthly remuneration (Baht/person/month)	Attendance Fee (Baht/person/time)	Monthly remuneration (Baht/person/month)	Attendance Fee (Baht/person/time)
1. Board of Directors				
Chairman	20,000	10,000	20,000	5,000
Member	10,000	10,000	10,000	5,000
2. Audit Committee				
Chairman	15,000	10,000	15,000	5,000
Member	10,000	10,000	10,000	5,000
3. Nomination, Remuneration and Corporate Governance Committee				
Chairman	-	25,000	-	25,000
Member	-	20,000	-	20,000
4. Risk Management Committee				
Chairman	-	25,000	-	25,000
Member	-	20,000	-	20,000

From 2014 to 2016, we have paid our Directors as follows;

(Unit : Baht)

Name-Surname	Year 2016	Year 2015	Year 2014
1. Mr. Sanpat Sapon	335,000	295,000	270,000
2. Mr. Prapat Rathlertkarn	210,000	175,000	150,000
3. Mr. Trevor Thompson	210,000	170,000	145,000
4. Dr. Katiya Greigarn	445,000	355,000	330,000
5. Mr. Somphong Ouitrakul	430,000	355,000	275,000
6. Mrs. Sutharak Soonthornpusit	425,000	325,000	265,000
7. Mr. Pramote Bhongse-tong (2)	265,000	155,000	-
8. Mr. Somkid Wangcherdchuwong (3)	255,000	145,000	-
9. Mr. Satit Rathlertkarn (1)	-	65,000	150,000
10. Mrs. Ratana Suwan (1)	-	70,000	145,000
11. Mr. Somchai Sakulwichitsintu (1)	-	65,000	150,000
Total	2,575,000	2,175,000	1,880,000

Notes

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

Remuneration for Executives

From 2014- 2016, we have paid our Executives remuneration of 27.27 Million Baht , 24.04 Million Baht and 22.55 Million Baht respectively , including monthly salary, bonus, contribution to provident

Year	Number of Executive (Person)	Remuneration (Baht)
2014	8	27,267,463.00
2015	7	24,041,539.56
2016	8	22,550,490.38

2. Other Remunerations

The Company also has Director and Officer Liabilities Insurance (D&O) to Directors and Executives.

Human Resources

1. Number of employees

As of December 31, 2016, total number of the company's employees is 162 persons (excluding executives). 157 of them are full-time employees and 5 are employed on daily basis. Details are as follows

Department	Full-Time Employee (person)	Daily Workers (person)	Total (person)
1. Accounts and Finance	8	1	9
2. Marketing and Business Development	10	-	10
3. Sales	46	-	46
4. Operations	31	4	35
5. Technical Services	49	-	49
6. Human Resource	3	-	3
7. Office of the President and Executive	10	-	10
Total	157	5	162

2. Labor Disputes

-none-

3. Remuneration for Employees

Monetary Remuneration

From 2014-2016, the Company paid 100.71 million Baht, 104.42 million Baht and 89.61 million Baht respectively to our employees (excluding executives) in form of monthly salary, bonus, overtime payments and contributions to Workmen's Compensation Fund and other fringe benefits

4. Personnel development Policy

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

1. Improvement of working and management procedures, encouragement of teamwork, proper communication, time management and decision making. Our employees at all levels are trained by specialists
2. Development in line with ISO 9001:2008 implemented by all related departments, and properly keeps records of training sessions. The quality management chief conducts in-house training.

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

1. Corporate Governance Policy

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

Section 1 : Rights of Shareholders

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

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

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

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

Section 2 : The Equitable Treatment of Shareholders

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

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

The Board of Directors has established a measure against insider trading by related persons, which include directors, executives, employees, staff and relatives of aforementioned persons. Penalties are imposed for disclosure or

use of information for personal gain. Regardless, the Company has acquainted directors and executives with their duty to report Company's securities held by themselves, their spouses and minor children, as well as any changes thereof to the SEC as stipulated by Section 59 and penalty clauses of the Securities and Exchange Act B.E.2535

Section 3 : Role of Stakeholders

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

(1) Shareholders

The Company endeavors to operate business with transparency in order to deliver satisfactory returns to shareholders and sustainable growth to the organization.

The Company upholds a principle to treat every shareholder without any discrimination and relies on equality of shareholders and awareness of fundamental rights of shareholders, for example, rights on buy and sell share, right of receiving profit share, rights on receiving adequate business information of the Company, rights on attending the meeting for voting shareholders or withdrawing director, appointing auditor and asking issues relevant to the company, for example dividend payment, stipulating or amending the Company's rules and regulations and memorandum of associations, decrease or increase of capital.

(2) Employees

The Company endeavors to treat employees equitably and fairly, while providing them suitable compensation, continual training and skill development for improved productivity, as well as a provident fund and other fringe benefits such as bonus, health insurance, life insurance, etc. In 2016, the average number of hour for employee's trainings is 12 hours per year decreasing 2 hours from previous year because of control budget and expenses.

In 2016, there is no accident. And the Company emphasizes on safety on employee's life and health as follows;

The Company emphasizes on safety on employee's life and health as follows;

- The Company commits to develop safety, health and working environment as per legal requirements.
- The Company will control and prevent loss from accident, fire and injury in workplace as well as maintain safe workplace for employees.
- The Company supports adequate and appropriate use of natural resources as per legal requirements; commit to develop human resources for knowledge and cultivating conscious in employees' safety and working environment.
- Safety and sanitation is important issue. The executives, supervisory levels and all employees are responsible for complying with legal requirements.

(3) Partners/ Suppliers

Any business alliance with any partners shall not bring any damage to the Company's reputation or any laws. The Company gives concern on equality of business operation and mutual benefits with partners. The Company commits to comply with commercial terms and conditions and sincere compliance with the partnership contracts without taking advantages.

Systematic procurement of goods and services in accordance with ISO 9001:2008 standards as following significant rules:

- a) Partners/ Suppliers selection: The Company shall consider the products' specification, market demand, technology development, reputation, price, marketing support, trade conditions, and delivery.
- b) Partners/ Suppliers evaluation: The Company shall evaluation major partners (both local and internation) every year in the first quarter.
- c) Sub-contractor procedures: The Company set the Committee to evaluate and select the sub-contractors for arranging the sub-contractors list.

(4) Creditors

The Company commits to strictly comply with financial terms and conditions for credibility in terms of debt settlement, loan payment, interest and responsibilities in bonds.

(5) Customers

The Company endeavors to be attentive and responsible to customers by such means as equitable services, high-quality products and services, and the protection of customer confidentiality. Various business units and staff are assigned to respond quickly to clients with customer care, as well as satisfy customers or ensure standard goods and services in reasonable price, as well as maintain good and sustainable relationship under the good practices.

(6) Competitors

The Company endeavors to engage in fair competition, maintain acceptable standards of competition and refrain from unethical practices against competitors.

(7) Communities and Society

The Company realizes to operate its business with community, social and environmental responsibilities as well as safety, quality of life, natural resources conservation, efficient use of energy, awareness of quality of life of community and society. Some of its profits are contributed to payback and create community and society, of environmental effects, be selecting technologies and innovative development for efficient use of energy.

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

In 2016, the Company joined in Children's rights and Business Principles workshop with Thaipat Institute and UNICEF which Thaipat passed knowledge and role of workplace, marketplace and community and environment as well as evaluate the Company regarding the Children's rights.

Section 4 : Disclosure and Transparency

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

In 2015 and 2016, the Company's directors and executives held the following number of shares

Name of Directors and Executives	Title	Total no. of shares held (Share) as of 31 December		Remark
		2016	2015	
1. Mr. Sanpat Sopon	Chairman of the Board of Directors	0	0	-
2. Mr. Prapat Rathlertkarn	Deputy Chairman of Board of Directors, Chairman of Executive Committee	78,950,000	78,950,000	Including related persons
3. Mr. Trevor Thompson	Director, Vice Chairman of Executive Committee	78,950,000	78,950,000	Including related persons
4. Dr. Katiya Greigarn	Independent Director and Audit Committee Chairman	0	0	-
5. Mr. Somphong Ouitrakul	Independent Director, Audit Committee, Chairman of Risk Management Committee and Nomination, Remuneration & Corporate Governance Committee Member	50,000	50,000	-

Name of Directors and Executives	Title	Total no. of shares held (Share) as of 31 December		Remark
		2016	2015	
6. Mrs. Sutharak Soonthornpusit	Independent Director, Audit Committee , Risk Management Committee and Nomination Member, Remuneration & Corporate Governance Committee Member	50,000	50,000	-
7. Mr. Pramote Bhongse-tong	Director, Chairman of Nomination, Remuneration & Corporate Governance Committee	0	0	Being appointed Board of Directors as per the Board of Directors' Meeting No.3/2015 in replacement of Mrs. Ratana Suwan
8. Mr. Somkid Wangcherdchuwong	Independent Director, Risk Management Committee Member, Nomination, Remuneration & Corporate Governance Committee Member	0	0	Being appointed Board of Directors as per the Board of Directors' Meeting No.3/2015 on May 12, 2015 in replacement of Mr. Somchai Sakulwichitsintu
9. Mr. Satit Rathlertkarn	Executive Committee Member and Executive Vice President of Sale	10,390,000	10,375,000	Additional purchase in 2016 , reported to SEC
10. Mr. Prawich Rungdecharak	Executive Committee Member and Vice President of Pre-Sale and Solution	775,000	775,000	Resigned from the Company on 1 July 2016
11. Mr. Rungroj Jaturaworaporn	Executive Committee Member and Vice President of Sale	50,000	50,000	-
12. Miss Wannapha Weerachoen	Executive Committee Member and Vice President of Operation	-	-	Appointed and be effective from January 18, 2016
13. Mr. Veerasak Arthornchaikul	Executive Committee Member and Vice President of Marketing and Business Development	10,000	10,000	Appointed and be effective from January 18, 2016
14. Mr. Phairoj Pornpathananangoon	Executive Committee Member and Vice President of Technical Services	-	-	Appointed and be effective from January 18, 2016
15. Mrs. Thachaporn Ratanamora	Executive Committee Member and Vice President of Finance & Account	-	-	Resigned on 30 November 2016
16. Mrs. Phairunya Supitux	Executive Committee Member and (Acting) Vice President of Finance & Account	-	-	Appointed on 12 January 2017

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

The Company has yet to attach a unit responsible for investor relations, due to a small number of activities. However, Mr. Prapat Rathlertkarn has been assigned to act as investor contacts to provide company information in an accurate and complete manner to shareholders, and analysts and relevant agencies. On August 30, 2016, the Company attended the Opportunity Day at Stock Exchange of Thailand.

Section 5 : Responsibilities of the Board of Directors

1. Structure of the Board of Directors

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

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

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

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

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

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

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

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

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

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

Policy on Conflict of Interest

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

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

Internal Control System

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

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

3. Board of Directors Meeting

3.1 Board of Directors

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

The Company set and informs the schedules of Board of Directors meeting every year in the fourth quarter. In 2017, the Board of Directors meeting shall be held on every month in the third week at 18.00 hrs. If there was the certify financial statement, the Board of Directors meeting would be held on Thursday (before submitting date) at 10.00 hrs.

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

As at December 31, 2016, non-executive directors including Mr. Sanpat Sapon, Dr. Katiya Greigarn, Mrs. Suttharak Soonthornpusit, Mr. Sompong Ouitrakul, Mr. Pramote Bhongse-thong and Mr. Somkid Wangcherdchoowong gathered for the unofficial meeting without administrative parties participation for general discussions for the Company management.

From 2014-2016, the Company held six, ten and nine Board meetings respectively with attendance record of each director as shown below.

Name	No. of Meeting Attendance / Total No. of Meetings		
	Y2016	Y2015	Y2014
1. Mr. Sanpat Sapon	9/9	10/10	6/6
2. Mr. Prapat Rathlertkarn	9/9	10/10	6/6
3. Mr. Trevor Thompson	9/9	8/10	5/6
4. Dr. Katiya Greigarn	9/9	10/10	6/6
5. Mr. Somphong Ouitrakul	9/9	10/10	6/6
6. Mrs. Sutharak Soonthornpusit	9/9	8/10	4/6
7. Mr. Pramote Bhongse-tong ⁽²⁾	9/9	7/10	-
8. Mr. Somkid Wangcherdchuwong ⁽³⁾	9/9	7/10	-
9. Mr. Satit Rathlertkarn ⁽¹⁾	-	2/10	6/6
10. Mrs. Ratana Suwan ⁽¹⁾	-	2/10	5/6
11. Mr. Somchai Sakulwichitsintu ⁽¹⁾	-	2/10	6/6

Notes

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

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

(3) Mr. Somkid Wangcherdchuwong was appointed the Company's Board of Directors as per resolution by the Board of Directors' meeting no. 3/2015 on May 12, 2015 in replacement of Mr. Somchai Sakulwichitsintu

3.2 Audit Committee

From 2014 to 2016, the Audit Committee's meetings have been held on quarterly basis for four times a year. Details of attendance are as follows;

Name	No. of Meeting Attendance / Total No. of Meetings		
	Y2016	Y2015	Y2014
1. Dr. Katiya Greigarn	4/4	4/4	4/4
2. Mr. Somphong Ouitrakul	4/4	4/4	4/4
3. Mrs. Sutharak Soonthonpusit	4/4	3/4	3/4

3.3 Nomination, Remuneration and Corporate Governance Committee

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

In 2015- 2016 , three and two Nomination Committee's meetings were held, respectively. Details of attendance are as follows:

Name	Title	No. of Meeting Attendance / Total No. of Meetings	
		Y2016	Y2015
1. Mr. Sanpat Sapon ⁽¹⁾	Committee Chairman	-	1/3
2. Dr. Katiya Greigarn ⁽²⁾	Committee Member	-	1/3
3. Mr. Pramote Bhongse-tong ⁽³⁾	Committee Chairman	2/2	2/3
4. Mr. Somphong Ouitrakul	Committee Member	2/2	3/3
5. Mrs. Sutharak Soonthornpusit	Committee Member	2/2	2/3
6. Mr. Somkid Wangcherdchuwong ⁽⁴⁾	Committee Member	2/2	2/3

Notes:

(1) Mr. Sanpat Sapon, as the Nomination Committee Chairman resigned the Nomination Committee on June 18, 2015

(2) Dr. Katiya Greigarn, as the Nomination Committee member resigned the Company's Nomination Committee on June 18, 2015

(3) The Company's Board of Directors meeting no.4/2015 on June 18, 2015 resolved to appoint Mr. Pramote Bhongse-tong as the Nomination Committee Chairman, in replacement of Mr. Sanpat Sapon, effectively from June 19, 2015

(4) The Company's Board of Directors meeting no.6/2015 on August 13, 2015 resolved to appoint Mr. Somkid Wangcherdchuwong as the Nomination Committee member, effectively from August 14, 2015

3.4 Risk Management Committee

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

In 2015- 2016, two and one Risk Management Committee's meetings were held, respectively. Details of attendance are as follows:

Name	Title	No. of Meeting Attendance / Total No. of Meetings	
		Y2016	Y2015
1. Mr. Sanpat Sopon ⁽¹⁾	Committee Chairman	-	-
2. Dr. Katiya Greigarn ⁽²⁾	Committee Member	-	-
3. Mr. Somphong Ouitrakul ⁽³⁾	Committee Chairman	1/1	2/2
4. Mrs. Sutharak Soonthornpusit	Committee Member	1/1	2/2
5. Mr. Somkid Wangcherdchuwong ⁽⁴⁾	Committee Member	1/1	2/2

Notes:

(1) Mr. Sanpat Sopon, as the Risk Management Committee Chairman resigned the Risk Management Committee on June 18, 2015

(2) Dr. Katiya Greigarn, as the Risk Management Committee member resigned the Company's Risk Management Committee on June 18, 2015

(3) The Company's Board of Directors meeting no.4/2015 on June 18, 2015 resolved to appoint Mr. Somphong Ouitrakul as the Risk Management Committee Chairman, in replacement of Mr. Sanpat Sopon, effectively from June 19, 2015

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

4. Remuneration of Directors and Executives

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

5. Development of Directors and Executives

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

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

Name-Surname	Title	Training Course Program
1. Mr. Sanpat Sopon	Chairman of the Board of Directors	- Role of the Chairman Program (RCP) , 30/2013
2. Mr. Prapat Rathlertkarn	Vice Chairman, Chairman of the Executive Committee and Chief Executive Officer	- Successful Formulation & Execution of Strategy (SFE) 28/2016 - Advance Innovation Training no. 4 by National Innovation Agency (NIA) - Director Certification Program (DCP), 195/2014 - Director Accreditation Program (DAP), 94/2012

Name-Surname	Title	Training Course Program
3. Mr. Trevor Thompson	Director, Vice Chairman of the Executive Committee and Chief Technology Officer	- Director Certification Program English Program (DCP), 207/2015 - Director Accreditation Program (DAP), 95/2012
4. Dr. Katiya Greigarn	Independent Director and Chairman of Audit Committee	- Director Certification Program Update(DCPU), 5/2015 - Anti-Corruption for Executive Program (ACEP) 9/2014 - Audit Committee Program (ACCP) 34/2011 - Director Certification Program (DCP), 11/2008 - Financial Statements for Directors (FSD) , 3/2008 - Director Accreditation Program (DAP), 37/2005
5. Mr. Somphong Ouitrakul	Independent Director and Audit Committee Member	- Driving Company Success with IT Governance (ITG) 3/2016 - Director Certified Program (DCP) 219/2016 - Advance Audit Committee Program (AACP) , 17/2014 - Director Accreditation Program (DAP), 102/2013
6. Mrs. Sutharak Soonthornpusit	Independent Director and Audit Committee Member	- Director Certified Program (DCP) 219/2016 - Director Accreditation Program (DAP), 103/2013
7. Mr. Pramote Bhongse-tong	Independent Committee Member	- Director Accreditation Program (DAP), 104/2013 - Director Certified Program Refresher (DCP RE), 5/2007 - Director Certified Program (DCP),0/2000
8. Mr. Somkid Wangcherdchuwong	Independent Committee Member	- Director Accreditation Program (DAP), 2006
9. Mr. Satit Rathlertkarn	Executive Committee, Executive Vice President of Sale	- Director Certification Program (DCP), 205/2015 - Director Accreditation Program (DAP), 104/2013
10. Mr. Rungroj Jaturaworaporn	Executive Committee, Vice President of Sale	- Successful Formulation & Execution of Strategy (SFE) 28/2016
11. Ms. Wannapha Weerachoen	Executive Committee, Vice President of Operation	-Successful Formulation & Execution of Strategy (SFE) 28/2016
12. . Mr.Veerarak Athornchaikul	Executive Committee, Vice President of Marketing and Business Development	- Advance Innovation Training no. 4 by National Innovation Agency (NIA)
13. Miss Wathara Arun	Secretary	- Anti-Corruption the Practice Guide (ACPG), Class22/2015 - Company Secretary Program (CSP) , Class59/2014

6. Nomination of Directors and Top Executives

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

6.1 Composition and Appointment of the Board of Directors

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

1. The Board of Directors consists of at least five directors and at least half of the total number of directors must reside in the Kingdom of Thailand. The directors must possess qualifications as specified under the law.
2. Directors are elected by the shareholder meeting according to the following criteria and procedure
 - Each shareholder has a number of votes equal to the number of shares held
 - Each shareholder may allocate all his/her votes to elect one or several candidates. However, in an election for multiple directors, the shareholder must allocate his/her votes equally
3. Candidates receiving the most votes in descending order are elected to the number of positions required at a given meeting. In the event of a tie for the final position, the Chairman of the meeting will cast the awarding vote.
4. Any director intending to resign from office can submit a resignation letter to the Company. The resignation is effective on the date the letter is received by the Company
5. If a directorship falls vacant for reasons other than by rotation, the Board will elect a person with suitable qualifications and legal prerequisites to fill the vacancy at the next Board of Directors meeting, unless the remaining term of the former director is less than two months. The replacement director retains office only for the remaining term of his/her predecessor. The Board of Directors' resolution represents a vote of not less than three-fourth the number of remaining directors
6. The shareholder meeting can remove any director from office before his/her retirement by rotation by a vote of not less than three-fourths the number of shareholders in attendance and entitled to vote. The vote must represent not less than one-half the number of shares held by shareholders in attendance and entitled to vote.

6.2 Composition and Appointment of Independent Directors

The Board of Directors consider a candidate's qualifications for an independent directorship according to the Public Limited Companies Act, law on securities and exchange, notifications of the Capital Market Supervisory Board, an relevant notifications, regulations and/or rules. The Board also considers a potential nominee's proficiency, work experiences and other relevant qualities. The candidate is subsequently nominated to the shareholder meeting in final voting. The number of Independent directors must be at least one-third of the Board, as well as, at least three members. Independent Directors serve a term of three years each time (but total term shall not over 9 years).

As of December 31, 2016, Independent Directors consisted of:

Name	Title	Appointed Date	Total terms
1. Dr. Katiya Greigarn	Audit Committee Chairman	30 December 2011	5 years
2. Mr. Somphong Outrakul	- Audit Committee Member - Risk Management Committee Chairman - Nomination Committee Member	30 December 2011	5 years
3. Mrs. Sutharak Soonthornpusit	- Audit Committee Member - Risk Management Committee Member - Nomination Committee Member	30 December 2011	5 years
4. Mr. Somkid Wangcherdchuwong	- Risk Management Committee - Nomination Committee Member	12 May 2015	1 Year 7 Months 20 Days

Qualifications of Independent Director

1. Must hold no more than 1% of total shares with voting rights in the Company, its parent company, subsidiaries, affiliates or juristic persons with possible conflicts of interest (hence forth, the Company, its parent company, etc”) including shares held by the director’s affiliate
2. Has not served as executive director, employee, staff, salaried advisor, or controlling person in the company, parent company, etc. for at least two years from the date of submitting the application to the SEC.
3. Has no familial relation , either biologically or legally, to executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries. Familiar relations include, but are not limited to fathe, 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 direct or executive of those with business relations to the Company, its parent company, etc. for at least two years from the date of submitting the application to the SEC.
5. Has neither served as an external auditor for the Company, its parent company, etc, nor been a major shareholder, non-independent director, or managing partner of an audit firm which employs external auditors to the Company, its parent company, etc for at least two years from the date of submitting the application to the SEC
6. Has neither been a professional service provider of any kind who received an annual service fee exceeding 2 million Baht from the Company, its parent company, etc, not in the event the professional service provider is a juristic person, been a major shareholder, non-independent director, executive or managing partner of a professional service provider for at least two years from the date of submitting the application to the SEC
7. Has not served as a director appointed as a representative of the Company’s directors, major shareholders or shareholders related to major shareholders.
8. Does not possess any other characteristics that render him/her incapable of giving independent opinions on the Company’s operations

6.3 Composition and Appointment of the Audit Committee

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

1. Is not a director assigned by the Board to make decisions on the business operations of the Company, its parent company, subsidiaries, same-level subsidiaries, affiliates or juristic persons with possible conflicts of interest
2. Is not a director of its parent company, subsidiaries or same-level subsidiaries that are listed companies.
3. Has sufficient knowledge and experiences to perform duties as a member of the Audit Committee. At least one member must have sufficient knowledge and experiences to review the credibility of financial statements.

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

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

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

1) Self-assessment of individual directors shall be the tool for supporting directors to review their own roles and to guide for development efficiency and effectiveness. Self-assessment of individual directors shall evaluate the following skills: 1. Strategy, 2. Ethic and Value, 3. Knowledge, 4. Diligence, and 5. Development

2) Self-assessment of the Board: The Company applied Self-assessment of the Board from Stock Exchange of Thailand which consisted of 1. Structure and Character of the Board, 2. Role and Responsibility of the Board, 3. Board Meeting, 4. Board's performance of duties, 5. Relationship with Management, and 6. Self-development of directors and executive development.

The Self-assessment of the Board and individual directors shall be arranged by the Company Secretary every year. After all directors evaluated both self-assessment, Company Secretary shall gather and summarize for reporting to the Board of Directors Meeting.

3) Self-assessment of top executives shall evaluated the following skills:

Section1: Status of Achievement	Section 2: Performance Measure	Section 3: Development
	1. Leadership	
	2. Strategy Formulation	
	3. Strategy Execution	
	4. Financial Planning/Performance	
	5. Relationship with the Board	
	6. External Relation	
	7. Human Resource Management/ Relation	
	8. Succession	
	9. Product/Service Knowledge	
	10. Personal Quality	

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

8. Succession of the Company's Top Executive Management

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

9. Control over the Use of Internal Information

1. The Company's directors, executives, employees and staff at all levels as prohibited from disclosing or exploiting confidential and/or internal information of the Company for their own or other persons' benefit, either directly or indirectly.
2. The Company's directors, executives, employees and staff at all levels as well as their relations are prohibited from using internal information that may affect the value of the Company's securities for either direct or indirect trading, before said information is officially disclosed to the public, regardless of the intended purpose. Those who violate this regulation shall be subject to disciplinary actions.
3. The Company has acquainted its directors and executives with their duty to report the Company's securities held by themselves or their relatives including changes thereof, to the Office of the SEC. in accordance with Section 59 and penalty provisions of the Securities and Exchange Act, B.E..2535.
4. The Company's directors, executives, employees and staff, as well as their relatives are prohibited from trading the Company's securities during one month period prior to the disclosure of its financial statements to the public.

10. Audit Fee

EY Office Limited has been the Company's audit office since 2012. Ms. Sumalee Reewarabandith, as the external auditor for 2016, which replaced Ms.Thipawan Nananuwat who had been the external audit since 2012. The proposed external auditor is neither a connected person nor a person with conflict of interest. With all due knowledge and independence in auditing, Ms. Sumalee Reewarabandith is also an auditor approved by the Office of the Securities and Exchange Commission (SEC).

In 2014-2016, the Company paid audit fees as follows;

(Unit : Baht)	2016	2015	2014
Audit Fees	1,160,000	1,160,000	1,100,000
Other charges	-	-	-

1. Corporate Social Responsibility Policy

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

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

2. CSR-in-Process

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

3. Actions and Report Preparations

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

1. Good governance
2. Anti-corruption
3. Respect on Human Rights
4. Fair labor practices
5. Responsibilities to consumers
6. Environmental protection
7. Community and Social Development Collaboration
8. CSR Innovation and Innovative Expansion

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

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

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

Expenditures in 2015 – 2016 are

Goal	Indicator	Y2016 (Million Baht)	Y2015 (Million Baht)	Increase (Decrease)
				%
1. Saving energy	1. Electricity fee and electricity consumption rate	1.776	1.987	(11%)
2. Use of paper	1. Volume of paper purchase	0.147	0.177	(17%)
	2. Photocopier service cost	0.991	1.01	(1.88%)
3. Use of plastic paper	1. Volume of “PlanetComm” bottle drinking water	0.033	0.022	+50%
Total Costs		2.947	3.196	(7.79%)

Reference with above expenditure table, the expenditure of 2016 was decreased about 7.79% or 249,000 Baht from previous year, in perspective. But the expense of PlanetComm bottle drinking water in 2016 was increased from 2015 because the Company prepared for social works. However, the Company continues the said project in next year.

As one objective of the “We Care” Campaign was to reduce use of paper. Thus, in 2016, the Management has policy to improve the existed company’s processes to be the “Office Automation” which would be completed by 2017. The purposes of the said project were to reduce paper and to get high and efficiency performance. In first stage, the Quality Management Representative (QMR) and Head of IT Department, as the co-leaders, who would study and review the existed processes, and then improve process by using new technology and IT.

The Management reported the progress of CSR in Process to the Board of Director Meeting every quarter and non-disclosure in Annual Report in accordance with rules and regulations of Stock Exchange of Thailand (SET), and Exchange Commission of Thailand (SEC). However, the Company plans to make the Sustainability Development Report, separately.

4. CSR-after-Process

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

PCA own activities are divided into three types as follows

1. Environmental aspect

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

2. Youth and Disadvantage Children Aspec

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

3. Buddhism Nourishing Aspect

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

According to PCA Board of Directors meeting no. 4/2014 dated August 13, 2014, it was resolved and acknowledged by the Board of Directors to allow the Administration Department to participate in the project of Private Sector Collective Action Coalition against Corruption and in the same year, PCA entered into the Declaration of Collaboration in Private Sector Collective Action Coalition against Corruption and accepted by the project committee on November 24, 2014.

As the PCA Board of Directors meeting no. 6/2016 dated August 11, 2016, it was resolved Anti-Corruption Policy and Whistle Blowing Policy as the good practice and guidelines.

Anti-Corruption policy

The Company's Board of Directors gives concern and focuses on Sustainability Development Roadmap (SD Roadmap) of The Securities and Exchange Commission (SEC). The SD Roadmap includes (1) CG in Substance (2) CSR in Process and (3) Anti-Corruption in Practice.

In 2004, the Company signed on declaration of intent in the Private Sector Collective Action Coalition against Corruption Project to express its intention and commitment for anti-corruption in all kinds.

To ensure on the Company's policy on defining proper responsibilities, regulations and requirements for anti-corruption for all of its businesses and to determine and act carefully for any business operations potentially risky for corruption, the Company launched its "Anti-Corruption Policy" for clear business operation regulations and sustainable development.

1. Definition of Anti-Corruption

"Corruption" means all kinds of bribes offered, promised, granted, sworn, requested or directly, indirectly improper gain of funds, properties or any interests against government officer, public organization or private organization or any responsible person to let such person act or omit to act for acquiring or maintaining business or recommend business for the Company to gain or maintain other business interests, unless laws, rules, announcement, regulations, traditions or business norms.

2. Anti-Corruption Policy

The Company's Board, committees, executives and employees are strictly prohibited to directly, indirectly act or accept all kinds of corruptions to the extent of all businesses, countries and relevant organizations. Compliance with the Anti-Corruption Policy must be always rectified and Anti-Corruption regulations shall be always reviewed to be in line with changes on business rules, regulations and laws.

3. Responsibilities

3.1. The Company's Board of Directors shall be responsible for defining policy and overseeing efficient supporting system for anti-corruption to ensure that the executive gives concern and pays attention to Anti-Corruption and cultivate it as corporate culture.

3.2. The Company's Audit Committee shall be responsible for rectifying appropriate, modern and efficient standard financial and accounting statements system, internal control system, risk management system.

3.3. The Chairman of Executive Committee, Executive Committee, and Executives shall be responsible for defining systems, enhancing and giving support for anti-corruption policy through corporate communication, systems and measures review to be in line with changes on business, rules, regulations or laws.

3.4. The Internal Control Audit Unit shall be responsible for inspecting, rectifying working performance to ensure its correctness, compliance with policy, regulations, mandates, procedures, rules, proper and adequate control system for any potentially corruption risks and report to the Audit Committee for further audit process.

4. Procedures of Anti-Corruption

4.1 Risk assessment and corruption risks management procedures

The Company's internal control audit unit is responsible for auditing working performance of all functional units, based on risk issues as well as auditing corruption risks to ensure appropriate internal control system. In case of inadequate internal control system or corruption found in any units, the audit report, together with preventive and corrective measures shall be submitted to the Audit Committee and Executives for more efficient internal control system.

4.2 Prevention

The Company emphasizes on cultivating consciousness on anti-corruption or corruption involvements through adequate and reasonable remuneration which Human Resources department will follow up with annual wage increase survey from telecommunications and computer institutes and organizations.

4.3 Trainings and communications

The Company conducts trainings to enhance honesty mind-set, working regulations and business ethics as well as overseeing corporate operations through intranet accessible by all employees. The Company defines the anti-corruption publication policy through its website and mail about anti-corruption measures to the Company's partners and associated persons, together with reply form.

4.4 Report and Whistle Blowing

PCA's shareholders, employees and all groups of stakeholders are entitled to report clues of offenses against laws, the Company's rules and regulations, and business ethics or any incidents potentially harming the Company to Chairman of the Board and Audit Committee Chairman by sending letter by post to the following address or through the Company's website. The complaint or report will be kept confidentially to avoid any disturbance to the whistleblower.

Channel for whistle blowing is as following address:
Chairman of the Board or Audit Committee Chairman
Planet Communications Asia Plc.
157, Ramindra 34, Tarang,
Bangkhen, Bangkok 10230

Any whistleblowers for misconduct or non-conformance against the Company's business ethics are able to report their complaints or clues to the following persons;

1. Reliable supervisory level
2. Audit Committee Chairman
3. Chairman of the Board
4. Company Secretary

4.5 Overseeing and monitoring the evaluation of policy compliance

The internal control unit shall make a specific corruption report of each unit in the year to the audit committee as well as remedial measures suggestions

5. Anti-Corruption Guidelines

5.1. The Company's Board, committees, executives and employees at all levels shall strictly comply with Anti-Corruption policy, without direct or indirect corruption involvements.

5.2. The employees shall not ignore or overlook while observing any misconduct actions potentially involving with corruptions, but shall report it to his/her supervisory level or responsible person and provide collaboration for inspection. For any suspect or inquiry, the employee is recommended to consult with his/her supervisory level or any person in charge of monitoring compliance of corporate ethics through any channels provided.

5.3. The Company implements protective measures for the complaining or whistle blowing employees collaborating in corruption report.

5.4. Any corrupting person is considered as violating corporate ethics and regulations which disciplinary penalty shall be applied as set by the Company or even legal punishment.

5.5. The Company emphasizes on publicizing, giving knowledge and making comprehension for other persons performing tasks relevant to or potentially effect to the Company for their conduct in compliance with this Anti-Corruption policy.

5.6. The Company commits to create and maintain corporate culture that corruption is unacceptable for public and private sectors activities.

6. Anti-Corruption Regulations

6.1. This Anti-Corruption policy reaches its extent to human resources processes, starting from recruitment or selection, promotion, training, performance evaluation, remunerations. Supervisory levels shall communicate and make staff comprehend Anti-Corruption policy.

6.2. Anti-Corruption operation shall be complied with business ethics, corporate governance, policy and procedures to stakeholders as well as corporate rules and regulations and any other regulations stipulated in the future.

6.3. For operation with high risk on corruption, the Company's committees, executives and employees at all levels shall perform their works with care in the following issues;

Donation for charity and financial support

The Company supports community and social for developing quality of life, strengthen community and society through business process or charitable donation for public charity and own business support only. The evidence shall be provides and the donation shall be complied with the Company's rules and regulations.

Giving or taking gift, property, or any interests

According to the Company's policy, the executives and employees are prohibited to receive any interests in form of fund or articles from partners or any persons associated with the Company's business for personal purpose, except New Year festival or generally accepted traditions. The gift value shall not exceed Baht 5,000. The executives or employees shall not be feasted in inappropriate manner. In case of necessity to receive the gift or token in abnormally excessive value from any stakeholders, such employee shall report such receipt to the supervisory level.

The Company supports the Board, committees, executives and employees to observe activities; seminar or, training for developing their knowledge and experience which traveling expenses and accommodation cost will be paid by the Company. During the observation visit, or seminar, the Board, committees, executives and employees shall not receive any amount or gain any interest from partners in any circumstance.

Giving gifts, properties, gratuities or any interests in inappropriate way can provoke supporting and binding image, potentially affecting decision-making in the scope of responsibility or causing the Company disadvantageous. The Company does not support this conduct and relies on the following practices:

- Spending for business entertainment or any costs directly relevant to business contract is acceptable but must be done in reasonable manner.
- Giving gift, property or any interest to Thai or foreign government officer shall not against laws or local traditions.
- Payment evidence for gift or token shall be kept for audit purpose.

Activities with public sector

For communicating with the public authorities or organizations, the Company's conduct is based on accuracy and fairness, with good awareness of different laws, rules and regulations, traditions in different regions or countries.

Political neutrality and support

The Company's management strictly relies on honest, political non-alignment, and political neutrality. The Company's Board, committees, executives and employees at all levels are open for political involvements under the constitutional provisions. However, reference as the Company's employee or bringing the Company's property, equipment or tools is not allowed for any action potentially representing the Company's support or alignment to any political party. However, the Company supports its employees to exercise their rights for voting under constitutional election.

Whistle Blowing Policy Elements

1. Receiving clues or complaints

PCA's shareholders, employees and all groups of stakeholders are entitled to report clues of offenses against laws, the Company's rules and regulations, and business ethics or any incidents potentially harming the Company to Committee Chairman and Audit Committee Chairman by sending letter by post to the following address or through the Company's website. The complaint or report will be kept confidentially to avoid any disturbance to the whistleblower.

Channel for whistle blowing is as following address:
Chairman of the Board or Audit Committee Chairman
Planet Communications Asia Plc.
157, Ramindra 34, Tarang,
Bangkhen, Bangkok 10230

Any whistleblowers for misconduct or non-conformance against the Company's business ethics are able to report their complaints or clues to the following persons;

1. Reliable supervisory level
2. Audit Committee Chairman
3. Chairman of the Board
4. Company Secretary

2. Action process upon receiving whistle blowing or complaint issues

1. The whistle blowing or complaint recipient shall collect all relevant information regarding violation or incompliance with the Company's business code of conduct by own or appoint any appropriate person to act for.

2. After data collection, the whistle blowing or complaint recipient shall submit documents and/or available evidences to the Company's Chairman of the Board or Audit Committee Chairman as the case may be.

3. The Company's Chairman of the Board or Audit Committee Chairman shall make an audit and analysis. In case of true information found, the case shall be raised to Audit Committee Chairman for further consideration and action.

4. For whistle blowing or complaining executives or employees in good faith, although it is not concluded later and proved for true complaint, no penal measures shall be applied by the Company to the whistle blowing executives or employees.

However, in the event that the whistle blowing or complaining executives or employees intentionally defame or provide false information, the Company may apply the disciplinary penal measures to them in accordance with corporate rules and regulations. The penal codes are ranged from verbal, written warning, order for suspension to dismissal, to the extent of legal proceedings

5. The Company shall audit received complaints, whistle blowing issues or corruption clues in independent and fair manner, to acquire evidence to prove or defend the received issues, as well as apply disciplinary penalties and/or legal proceeding to the offender as per the Company’s Whistle Blowing Policy.

6. The Company shall keep the whistleblower or complainant disclosing their name, phone number, email or other channels of communication, informed regarding the progress and result of judgment for received complaint or whistle blowing issues. For privacy and confidentiality purpose, the Company shall not disclose detailed information regarding its investigation and disciplinary penalties.

3. Whistleblower Protection Measures

1. The complaining, whistleblowing employees and witness will be protected. Their information will be kept confidentially and not disclosed. Their information will be disclosed to the complaint or whistle blowing issues recipient, Chairman of the Board and Audit Committee Chairman only.
2. The Company will hold the complaining or whistleblowing employees or any collaborative employees harmless while investigation in honest intention.
3. In case that the complaining or whistleblowing employees are threatened or menaced , they are entitled to immediately report such threat or menace to their reliable supervisory levels for appropriate protection, depending on severity and importance of the complaints.
4. The Company’s executives or employees are prohibited to dismiss, suspend, apply penal code or threat in any manner to the complaining or whistle blowing employees; otherwise, disciplinary penalty shall be applied. Whistle Blowing Policy will be reviewed and improved as necessary and appropriate one a year at least.

In 2016, PCA collaborated with private and state enterprise sectors for anti-corruption as follows

Year 2016	Activities Details
June 25	As PCA Board of Directors meeting no. 4/2016, it was resolved to approve PCA Anti-Corruption Milestone.
August 11	As PCA Board of Directors meeting no. 6/2016, it was resolved to approve PCA Anti-Corruption Policy and Whistle Blowing Policy On Misconduct and Corruption.
August 26,	PCA announced the Company’s Code of Conduct, Anti-Corruption Policy, and Whistle Blowing Policy to all employees and propagandized to public on PCA website (www.planetcomm.com).
September 1	Executive Committee approved and acknowledged to send PCA Anti-Corruption Policy with acknowledged letter to stakeholders for acceptance.
November 4	PCA sent our partners and related entrepreneurs books of corporate business ethical practices on giving and receiving gifts for transparency and equality on PCA business operation

In 2016, PCA joined Partners’ Anti-Corruption Policy such a Provincial Electricity Authority (PEA), Benchachinda Group etc.

The Board of Directors' Meeting No. 1/2560, held on February 27, 2017 with the Audit Committee, evaluated the Company's internal controls through consulting management. Conclusions were drawn on five aspects of internal controls, summarized as follows

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

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

1 Internal Control Management

The Company's Audit Committee has deemed the Company's internal controls and internal audit to be adequate and effective. In terms of the Company's performance, the audit has to be in accordance with SEC announcement and SET rules and regulations. The Audit Committee's meeting is held at least very quarter to consider and manage financial reporting for adequate disclosure. Connected transactions, i.e. transactions with potential conflicts of interests were considered in accordance with related laws and Capital Market Supervisory Board's requirements. An independent auditor attended the Audit Committee Meetings to advise as necessary. Details are shown in Audit Committee Report.

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 2016, the Internal Audit observed the Company's operations in major aspects. Improvement suggestions were given for more check and balance in every operating system, led to continuous internal controls and good corporate governance as ultimate goal. The audit showed a suitable internal control system It was further showed that the Company followed the auditor's remedial suggestions. In 2016, auditing and monitoring operation process were conducted by the auditor and following observations were proposed;

Audit on Operation Process of	Observations / Suggestions
Fixed Assets Management	<ul style="list-style-type: none"> • Creating purchasing documents and transporting goods out of the Company • Limited users for accessibility
Corporate Risk Assessment Management in 2016	<ul style="list-style-type: none"> • Forming risk management unit or experts responsible for risk analysis, assessment, management and monitoring • Recommended meeting with risk management committee / risk management committee and risk management team
Human Resources Management (excluding payroll)	<ul style="list-style-type: none"> • Recommended employment guarantee policy for key position
Inventory Management	<ul style="list-style-type: none"> • Stipulating period of stock return • Improving authorization for ACCPAC accessibility and displaying alert or lock upon over-purchase recording
Expenditure Cycle Operation System	<ul style="list-style-type: none"> • Improving sub-contractor application form / process • Review operation process and stipulating procedures for creating vendor database • Reviewing documents for vendor evaluation • Improving and updating purchase request and purchase order.

3 Auditor's Observation on Internal Control System

As of December 31, 2016, the Company's auditor EY Office Limited gave suggestions on the Company's internal control system in terms of correctness and accuracy of inventory counting processes and methods. Further suggestions were provided on more detail of inventory life in inventory aging report for more appropriate and convenient executive review and analysis.

1. Nature of Relationship

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

Person that may have a conflict of interest	Nature of Relationship
P&T Asset Co., Ltd.	<ul style="list-style-type: none"> • The same directors include Mr. Prapat Rathlertkarn and Mr. Trevor Thompson. • Operate property leasing business with the same shareholders. • Mr. Prapat Rathlertkarn and Mr. Trevor Thompson (including related persons) collectively hold 63.16% of share of the Company as of December 31, 2016 and hold the 99.94% of shares in P&T Asset as of December 31, 2016.
Mr. Prapat Rathlertkarn*	<ul style="list-style-type: none"> • Serves as Vice Chairman, President and Chief Executive Officer of the Company. • Holds 78,950,000 shares in the Company (including holdings of related persons), accounting for 31.58% of the total paid-up shares of the Company as of December 31, 2016.
Mr. Trevor Thompson*	<ul style="list-style-type: none"> • Serves as Vice Chairman, President and Chief Technology Officer of the Company. • Holds 78,950,000 shares in the Company (including holdings of related persons), accounting for 31.58% of the total paid-up shares of the Company as of December 31, 2016.

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

2. Details of connected transactions

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

(1) Sales and general administration

Person who may have a conflict of interest	Nature of transaction	Transaction value (Mil. Baht) 2016	Nature and justifications of transactions
1. P&T Asset Co., Ltd.	Lease	11.41	<p>1. Leasing of building. Total area is 3,269 square meters leased at 836,450 Baht per month. The Company leases the building from P&T Asset for office space. The lease rate is in accordance with an SEC approved independent appraiser. The 3-year lease agreement is effective from January 1,2012 to December, 2014, after which the Company can renew the agreement for another 3 year term. The lease rate of the second agreement (January 1, 2015-December 31, 2017) will be increased by 10% (in accordance with the appraisal report dated September 30, 2011 by American Appraisal (Thailand) Company Limited approved by the SEC.)</p> <p>2. Leasing of warehouse. Total area is 430 square meter. Lease rate is 51,600 Baht per month from November 1, 2014 to October 31, 2017. The Company has the right to renew the agreement for another three years. The lease rate will be increased by 10% (in accordance with the appraisal report dated November 3, 2014 by American Appraisal (Thailand) Company Limited).</p> <p>P&T Asset agrees to extend the lease for another 3 years if the lease rate is at market rate. If the market rate is not available, the Company would engage and SEC-approved independent appraiser to appraise a new lease rate. If the new lease contract is in accordance with the rate appraised by the independent appraiser, P&T Asset agrees to extend the lease contract for another 3 years. The lease extension will be proposed to the Board of Directors. Members of the Audit Committee need to be present at all meetings to consider the approval.</p>

(2) Pledge transactions

Person who may have a conflict of interest	Transaction value (Mil. Baht)			Nature and justifications of transactions
	2016	2015	2014	
1. Mr. Prapat Rathlertkarn	None	None	Limited 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	None	None	Limited 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.
3. P&T Asset Co., Ltd.	Limited 490.00 Used 83.42	None	Limited 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 Professors and the Thai Certified Public Accountants. Transaction shall be disclosed in the notes to the financial statements reviewed or audited by the Company's external auditor.

4 Future connected transactions

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

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

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 customized and integrated under the PlanetComm brand into customized solutions; and (3) full-range services encompassing consultation, design, installation, training as well as system/equipment maintenance and repair.

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

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

The Company's total revenue was 963.69 million Baht in 2014 and 1,027.73 million Baht in 2015 increasing 6.6% from 2014. In 2016, the company's total revenue was 717.32 million Baht, which was 30.2% reduced from 2015.

Although the Company's revenue relies largely on government agencies, closing state budget can affect our operating performance. However, the government sector presently prevented budget concentration in the third and fourth quarters by adopting an evenly-scheduled spending scheme, enabling the Company to earn more regular income.

(a) Revenue

The Company's total revenue amounted to 963.69 million Baht in 2014, 1,027.73 million Baht in 2015, and 717.32 million Baht in 2016. The Company's total revenue in 2016 included revenue from sales and service and other revenues, figured as 99.74% and 0.26% respectively. The Company's revenue can be summarized as follows;

1. Revenue from sales and services

In 2014-2016, the Company earned revenue from sales and services of 951.33 million Baht, 1019.22 million Baht, 715.46 million Baht respectively. In 2016, the revenue was divided into sales of distributed products, sales of PlanetComm products and service revenue of 504.31 million Baht, 97.12 million Baht, and 114.03 million Baht respectively, figured as 70.49%, 13.57% and 15.94% respectively.

Revenue from sales and services	2014		2015		2016	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Revenue from distributed products	744.01	78.21	720.50	70.69	504.31	70.49
Revenue from PlanetComm products	119.90	12.60	181.63	17.82	97.12	13.57
Revenue from services	87.42	9.19	117.09	11.49	114.03	15.94
Total revenue from sales and services	951.33	100.00	1,019.22	100.00	715.46	100.00

Note : Figures on revenue from distributed products, revenue from PlanetComm products and revenue from services in 2014 and 2015 was re-categorized in accordance with category in 2016.

Revenue from distributed products

The Company's revenue from 2014-2016 distributed products totaled 744.01 million Baht, 720.50 million Baht, and 504.31 million Baht, figured as 78.21%, 70.69%, and 70.49 % respectively of the total sales and services revenue. The products distributed by the Company are divided into two main groups, namely (a) products related to telecommunications systems and (b) products related to broadcasting and digital TV systems which can be summarized as follows

Revenue from distributed products	2014		2015		2016	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
(a) Telecommunications systems	587.83	79.01	643.32	89.29	421.19	83.52
(b) Broadcasting and digital TV systems	156.18	20.99	77.18	10.71	83.12	16.48
Total revenue from distributed products	744.01	100.00	720.50	100.00	504.31	100.00

Note : Figures on revenue from distributed products, revenue from PlanetComm products and revenue from services in 2014 and 2015 was re-categorized in accordance with category in 2016.

(a) Revenue from products related to telecommunications systems

In 2014-2016, the Company recorded revenue from distributed products related to telecommunications systems at 587.83 million Baht 643.32 million Baht, and 421.19 million Baht respectively, equal to 79.01%, 89.29%, and 83.52% respectively.

In 2014, the Company had revenue from distributed telecommunications products of 587.83 million Baht or 79.01% of total sales of distributed products, increasing from the same period last year. The increase comes from networking products and security network equipment.

In 2015, the Company had revenue from distributed telecommunications products of 643.32 million Baht or figured as 89.29% of total sales of distributed products, increasing from the same period last year by 9.44%. The increase comes from mega-project on TES (Telephony Earth Station) development and installation valued 103.18 million Baht.

In 2016, the Company had revenue from distributed telecommunications products of 421.19 million Baht or 83.52% of total sales of distributed products, decreasing from the same period last year by 34.53%. The decrease comes from Thailand's economic slow-down, global situation, oil price fluctuation with continuous decreasing trend, led to suspension of customers' project or delay of investment.

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

In 2014-2016, revenue from broadcasting and digital TV products distributed by the Company amounted to 156.18 million baht, 77.18 million Baht, and 83.12 million Baht respectively, figured as the ratio to revenue from distributed products, equal to 20.99%, 10.71%, and 16.48% respectively.

In 2014, the revenue from broadcasting and digital TV products distributed by the Company amounted to 156.18 million Baht or 20.99% of total revenue from distributed products, representing a year-on-year increase due to additional digital equipment installation services rendered to television service providers caused by transformation from analog to digital system..

In 2015, the revenue from broadcasting and digital TV products distributed by the Company dropped to 77.18 million Baht or 10.71% of total revenue from distributed products, representing a year-on-year increase of 50.58% as the transformation from analog to digital TV broadcasting cannot meet the government expectation and a slow-down of investment on TV channels made lower revenue from this field.

In 2016, the revenue from broadcasting and digital TV products distributed by the Company increased 7.70% from the same period last year. Such increase came from consignment of mega projects of up to 85 million Baht for high resolution broadcasting mobile vehicle.

Revenue from PlanetComm Products

In 2014-2016, the Company's PlanetComm's products revenue totaled 119.90, 181.63, and 97.12 million Baht respectively, accounting for 12.60%, 17.82 %, and 13.57% of total sales and services revenue respectively.

In 2014 and 2015, PlanetComm products revenue amounted to 119.90, and 181.63 million Baht respectively or 12.60% and 17.82 % of total sales and services revenue, increasing from the same period of previous year. The increase was caused by higher revenue from set-top boxes sales.

In 2016, PlanetComm products revenue amounted to 97.12 million Baht or 13.57% of revenue from sales and services, as 46.53% decreasing from the same period of previous year. The decrease was caused by economic slow-down in 2016, led to delay of projects and investment. It was predicted that the suspended projects would be recovered and actualized in 2017.

The average revenue from PlanetComm products over 2014-2016 was about 14.84% of total sales and services revenue. 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 2014-2016, the Company had services revenue of 87.42 million Baht, 117.09 million Baht, and 114.03 million Baht respectively, accounted for 9.19%, 11.49%, and 15.94% of total sales and services revenue respectively.

In 2016, the Company recorded services revenue of 114.03 million Baht or 15.94% of total sales and services revenue, whereas the maintenance service revenue, the repair service revenue and other revenues totaled 13.00 million Baht, 28.37 million Baht and 72.66 million Baht respectively.

2. Other revenue

In 2014-2016, the Company had other revenue of 12.36 million Baht, 8.51 million Baht, and 1.86 million Baht respectively. In 2014, key components of other revenue of 12.36 million Baht included financial support for marketing activities from distributor at 4.51 million Baht, profit from currency exchange at 1.26 million Baht, profit from asset sales at 2.91 million Baht, revenue from equipment rentals at 1.83 million Baht, received interest at 0.88 million Baht. In 2015, the Company generated other incomes at 8.51 million Baht, mostly from equipment rental at 5.63 million Baht, financial support for marketing activities from distributor at 2.08 million Baht, received interest at 0.54 million Baht and profit from asset sales at 0.26 million Baht.

In 2016, the Company's other revenue was 1.86 million Baht. Key components of other revenue include equipment rentals at 0.56 million Baht, profit from assets sale at 0.27 million Baht and others at 1.03 million Baht.

(b) Costs and expenses

Main expenses of the Company consist of sales and services costs, selling and administrative expense and interest expense. In 2014-2016, the Company's total costs and expenses amounted to 902.40 million Baht, 958.89 million Baht, and 745.04 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 2014, the sales and services costed 702.61 million Baht, 746.20 million Baht in 2015, and 555.28 million Baht in 2016, accounting for 72.91%, 73.21%, and 77.61% of total sale and service revenue, respectively. The Company's sales and services cost can be divided into the cost of sales cost distributed products, the cost of PlanetComm products sales and the cost of services. Details are as follows;

Sales and services costs	2014		2015		2016	
	Mil.Baht	GPM (%)	Mil.Baht	GPM (%)	Mil.Baht	GPM (%)
Cost of Sales on Distributed Products						
• Telecommunications	415.32	29.35	456.44	29.05	305.05	27.57
• Broadcasting and digital TV	126.46	19.03	65.43	15.23	76.10	8.44
Total cost of distributed products	541.78	27.18	521.87	27.57	381.15	24.42
Cost of PlanetComm products	95.94	19.98	146.85	19.15	95.71	1.45
Cost of services	64.89	25.77	77.48	33.82	78.42	31.23
Total sales and services costs	702.61	26.14	746.20	26.79	555.28	22.39

Note : Figures on revenue from distributed products, revenue from PlanetComm products and revenue from services in 2014 and 2015 was re-categorized in accordance with category in 2016.

Products distributed by the Company

The sales cost of products distributed by the Company in 2014-2016 amounted to 541.78 million Baht, 521.87 million Baht and 381.15 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 2014-2016, the sales cost of telecommunications products distributed by the Company was 415.32 million Baht, 456.44 million Baht, and 305.05 million Baht respectively, figured as a GPM of 29.35%, 29.05% and 27.57% respectively.

In 2014 and 2015, the Company's sales cost of distributed telecommunications products totaled 415.32 million Baht and 456.44 million Baht respectively, figured as a GPM of 29.35% and 29.05%. The figure shrank from 2014 because Cisco-interfaced projects made up only a small portion of telecommunications projects delivered in 2014. On the other hand, satellite and networking projects that carried higher costs had increased in sales volume, causing the GPM to drop from the previous year.

In 2016, the Company's sales cost of distributed telecommunications products totaled 305.05 million Baht, figured as a GPM of 27.57%. The figure shrank from 2015 because of economic slow-down, delay of investment by public and private sector, delay of government budget for project approval led to shrank technology industry.

(b) Products related to broadcasting and digital TV systems

In 2014-2016, the cost of broadcasting and digital TV products distributed by the Company was 126.46 million Baht, 65.43 million Baht and 76.10 million Baht respectively or a GPM of 19.03%, 15.23% and 8.44% respectively. The GPM of this product group was relatively volatile since the Company had just begun marketing this line of product so negotiation power is minimal.

In 2016, the cost of broadcasting and digital TV products distributed by the Company was 76.10 million Baht or a GPM of 8.44%. In 2015, the GPM was 15.23%, representing lower GPM. The decrease in 2016 came from business expansion in new products with installation of high resolution broadcasting mobile vehicles. Due to lack of experience in this field, the GPM in this field of product was lower. However, this project can bring the Company to new market and generate the Company's higher income in the future.

Products under PlanetComm brand

The sales cost of PlanetComm products in 2014-2016 was 95.94 million Baht, 146.85 million Baht, and 95.71 million Baht respectively, representing a GPM of 19.98%, 19.15%, and 1.45% respectively.

As for 2015, the cost of PlanetComm products was at 146.85 million baht or a GPM of 19.15%. The 2015 GPM of PlanetComm products were close to 2014 which GPM was 19.98%. The company remained selling Set Top Box which yields are lower than other products in the same category because of intense competition.

In 2016, the sales cost of PlanetComm products was 95.71 million Baht, representing a GPM of 1.45%, decreasing from 2015 which the GPM was 19.15%. The decrease was that the Company remains its sale on Set Top Box which was the product with lower GPM than other products in this field, high competition, free coupon for receiving the Set Top Box policy by NBTC which delayed from 2016 to 2017. The effect was that the Company had to allow for lower cost of inventory of Set Top Box, increased from 2015 at 13.02 million Baht, led to drastically dropping GPM of Set Top Box.

Services cost

In 2014-2016, the Company's service cost was 64.89 million Baht, 77.48 million Baht, and 78.42 million Baht respectively. These costs include the cost of services, the cost of warranty and maintenance paid to manufacturers or distributors, the cost of salaries for post-sale service department and amortization. In 2014-2016, the Company's GPM from services was 25.77%, 33.82%, and 31.23% respectively.

In 2016, the services cost of the Company totaled 78.42 million Baht including cost of services at 64.05 million Baht, cost of warranty and maintenance at 4.29 million Baht, cost of salaries of post-sale service department at 3.24 million Baht, amortization at 6.84 million Baht, figured as 81.69%, 5.47%, 4.13% and 8.75% of total cost of services which in this round, the Company's GPM from services equaled to 31.23%

2. Selling expense

The Company recorded selling expense in 2014 of 79.81 million Baht, 77.01 million Baht in 2015, and 61.94 million Baht in 2016, equal to 8.28%, 7.49%, and 8.63% of total revenue respectively. The average sales expense in 2014-2016 included 68% sales representative expense, 25% marketing expense and 7% sales representative traveling expense.

In 2016, the Company's selling expense totaled 61.94 million Baht, comprised of sales representative expense, marketing expense and traveling expense at 79.27%, 13.71% and 7.04 % of total sales expenses respectively. In 2016, the sales expenses were figured as 8.63 % of total revenue, while the sales expense in 2015 was 77.01 million Baht. The selling expense in 2016 was 15.07 million Baht dropped caused by lower cost of advertisement and other costs were controlled in line with the Company's lower sales in the year.

3. Administrative expense

The Company's administrative expense was 114.50 million Baht in 2016 representing 33.82% for personnel expenses, 15.74% for depreciation, 37.98% for operation expense and 12.46% for rentals expense. The Company's administrative expense in 2016 was figured as 15.97% of total revenue, decreasing from its in 2015 of 11.08 million Baht due to lower cost of labor with 5.52 million Baht decrease and depreciation with 3.71 million Baht drop, caused by complete deduction of depreciation of assets cost of 26.00 million Baht in 2015, led to lower depreciation cost in 2016.

4. Financial expense

In 2014-2016, the Company incurred financial expense of 8.12 million Baht, 10.10 million Baht, and 13.32 million Baht respectively. Interest expense mostly incurred from use of L/I, P/N and LC/TR loans, which were current loans for domestic and international purchase orders. In 2014-2016, the Company borrowed 103.08 million Baht, 260.91 million Baht, and 249.20 million Baht respectively in short-terms period from financial institutions. In 2016, the Company has long-terms loan with a financial institution amounted to 43.00 million Baht.

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

In 2014-2015, the Company earned a net profit of 48.45 million Baht and 53.39 million Baht respectively with NPM of 5.03% and 5.20% respectively.

In 2016, the Company's net loss amounted to 24.72 million Baht, figured as 3.45%. The Company had comprehensive income profits from actuarial science based- speculation at 8.04 million Baht. The total comprehensive income in 2016 amounted to 16.68 million Baht, figured as net loss of 2.33%.

Return on equity

The return on equity ratio was 14.51% in 2014, 11.31% in 2015, and (5.40%) in 2016. In 2015, the Company paid dividend to shareholders totaling 30 million Baht or a payout of 56.18%, while the Company paid dividend to shareholders totaling 35 million Baht or a payout of (141.59%) in 2016.

Financial Position

(a) Assets

In 2014-2016, the Company's total year-end assets amounted to 700.74 million Baht, 932.52 million Baht, and 837.76 million Baht respectively. Key assets include trade receivables and other account receivables, leftover inventory, leasehold improvement and equipment. In 2014, The key assets to total asset ratios were 42.45%, 23.46%, and 8.02% respectively. In 2015, the key assets to total assets ratio were 36.80%, 26.99% and 9.51% respectively. In 2016, the key assets to total assets ratio were 36.89%, 26.41% and 13.62% respectively Details of the Company's key assets are as follows.

Trade receivables

Not including allowance for doubtful accounts, the Company had trade receivables before doubtful accounts deduction amounted 297.39 million Baht at year end 2014, 347.02 million Baht at year end 2015, and 313.40 million Baht at year end 2016, figured as 42.44%, 37.21 % and 37.41% of total assets respectively. The Company has a policy to grant a credit terms from 30-60 days to general customers. At year end of 2014-2016, the Company recorded an average collection period of 98.38 days, 132.85 days and 205.63 days respectively.

Outstanding period	As of December 31, 2014		As of December 31, 2015		As of December 31, 2016	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Net overdue	135.27	45.49	156.36	45.06	218.16	69.61
Overdue						
Below 3 months	96.27	32.37	89.68	25.84	32.20	10.27
3 - 6 months	20.60	6.92	66.40	19.14	11.10	3.55
6 - 12 months	45.25	15.22	33.81	9.74	11.26	3.59
Over 12 months	-	-	0.77	0.22	40.68	12.98
Total trade receivable	297.39	100.00	347.02	100.00	313.40	100.00
Allowance for doubtful accounts	(1.85)		(4.51)		(5.50)	
Total Net trade receivables	295.54		342.51		307.90	
Other receivables	1.92		0.70		1.16	
Total net trade receivables and other receivables	297.46		343.21		309.06	

The above table indicates that paid or not yet overdue receivables of the Company as of 2014-2016 years ends accounted for 45.49%, 45.06% and 69.61% respectively of total trade receivables, before allowances for doubtful accounts. During these year-end periods, receivables that were below 3 month overdue accounted for 32.37 %, 25.84 %, and 10.27% respectively of total trade receivables, before allowance for doubtful accounts; those that were to 3 to 6 month overdue accounted for 6.92%, 19.14%, and 3.55% respectively of total trade receivables, before allowance for doubtful accounts .

As of 2014 year-end, the Company recorded higher trade receivables due to more projects sold and delivered that has not been settled. A delivered project worth 45.25 million Baht that was 6-12 months overdue belonged to one government agency completely paid 43.5 million Baht in the first quarter of 2015 and one private sector completely paid 1.8 million Baht which the Company brought the case to the lawsuit and completed payment was made in 2015. As of 2015 year-end, the debtor with below 3-6 months default increased significantly because of massive mega projects consignments during this period. For some projects, the due date of payment was not match the due date of customer's payment so the due date of customer's payment was delayed. In addition, some customers were public sector; therefore, period of payment would be longer than private sector.

As of 2016 year-end, the debtor with more than 12 months default increased significantly of 35.53 million Baht which was from one public organization which period of payment would be longer than private sector.

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

1. Government agencies and state enterprises for which no 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 2014-2016 year-ends, the Company had inventory, before allowance for impairment of 171.62 million Baht, 269.03 million Baht, and 247.46 million Baht respectively mostly with finished goods accounting for 81.32%, 93.52%, and 92.58% respectively. The Company must retain sufficient stock of certain goods based on customer demand, e.g. audio conference system, telepresence systems, etc.

At the end of 2014, there were goods-in-process 14.27% of total inventory and goods in transit was 4.18% of total inventory. In 2015, the volume of finished goods increased from 2014 up to 112.03 million Baht for Set Top Box and remote conference system. In 2016, the inventory remains closely to 2015, mostly in finished goods as Set Top Box for public distribution in accordance with digital TV policy by Office of The National Broadcasting and Telecommunications Commission (NBTC).

	As of Dec 31, 2014		As of Dec 31, 2015		As of Dec 31, 2016	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Finished goods	139.56	81.32	251.59	93.52	229.10	92.58
Goods-in-process	24.49	14.27	13.98	5.20	13.49	5.45
Spare parts and supplies	0.40	0.23	0.13	0.04	0.09	0.04
Goods- in- transit	7.17	4.18	3.33	1.24	4.78	1.93
Total inventory	171.62	100.00	269.03	100.00	247.46	100.00
Less: Reduce Cost to net realisable value	(7.18)		(17.34)		(26.20)	
Net inventory	164.44		251.69		221.26	

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 7.18 million Baht at the end of 2014, 17.34 million Baht at the end of 2015 and 26.20 million Baht at the end of 2016. 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 December 31, 2016 (Mil.Baht)	Value of Allowance for Impairment of Inventory as of December 31, 2016 (Mil.Bt)
1-2 years	10%	129.57	12.96
2-3 years	20%	35.61	7.12
3-4 years	30%	1.79	0.54
4-5 years	40%	1.76	0.70
5 years and over*	100%	7.51	4.88

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

Leasehold improvement and equipment

The Company's leasehold improvement and equipment totaled 56.19 million Baht at the year end 2014, 88.72 million Baht at the year end 2015, and 114.13 million Baht at the year end 2016, figured as 8.02 %, 9.51%, and 13.62 % respectively. In 2014, the Company invested 5.83 million Baht in test equipment, 16.72 Million Baht in vehicles and 5.25 million Baht in office equipment. In 2015, the Company invested 24.96 million Baht in test equipment, 14.32 million Baht in network equipment and 5.50 million Baht in office equipment and 1.20 million Baht in vehicles. In 2016, the Company invested 7.59 million Baht for test equipment, 6.28 million Baht for office equipment and 36.50 million Baht for on-installation assets, grouped in fiber optic asset.

(b) Liquidity

Cash flow

In 2014-2016, the Company recorded cash flows (used in) from operations of (112.97) million Baht, and (74.40) million Baht and 53.18 million Baht respectively. The cash flow from operations in 2015 was 38.57 million Baht increased from the same period of previous year due to more debt collection with greater accounts receivables 27.60 million Baht and advanced receivable for goods and services 9.05 million Baht. In 2016, cash flow from operations increased 127.58 million Baht, with lower trade receivable, other receivables, and inventory.

The cash flow generated from (used in) the Company's investing activities in 2014-2016, was equal to (47.69) million Baht, (45.92) million Baht, and (47.29) million Baht respectively. In 2014-2016, investment in test equipment, network equipment and office equipment were 13.30 Million Baht, 44.82 million Baht and 50.36 million Baht respectively. In 2016, investment in on-installation fiber optic was 36.50 million Baht. Therefore, total investment in 2016 was 50.36 million Baht.

The cash flow generated from (used in) the Company's investing activities. In 2014, cash flow (used in) from the Company's financing activities was at 178.37 million Baht, due to payment of dividends to shareholders at 202.70 million Baht, payment of interest expense, and repayment of loans with financial institutions. As for 2015, the Company had a cash flow generated from (used in) financing activities of 118.26 million Baht due to the cash received from long-term loan from bank 60 million baht, while dividend payment of 30 million Baht. In 2015, cash flow (used in) from financing activities was equal to (17.06) million Baht, while the repayment for short-terms and long-terms loan to financial institution was 29.64 million Baht, payment for interest at 10.04 million Baht and dividend payment at 35 million Baht.

(Unit : Million Baht)	2014	2015	2016
Cash generated from (used in) operating activities	(112.97)	(74.40)	53.18
Cash generated from (used in) investing activities	(47.69)	(45.92)	(47.29)
Cash generated from (used in) financing activities	178.38	118.26	(17.06)
Net increase (decrease) in cash and cash equivalents	17.71	(2.06)	(11.17)

Liquidity ratios

In 2014-2016 year end, the Company recorded a current ratio of 2.73, 1.86, and 1.69 respectively and a quick ratio of 1.92, 1.24, and 1.11 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 29.76 %, 33.18 %, and 34.66% respectively. The Company's cash cycle was 126.40 days in 2014, 150.47 days in 2015, and 299.32 days in 2016. For 2015, the cash cycle was 150.47 days, increasing from 2014 caused by more average goods sale period from 69.19 days to 101.77 days, while collection period remained same.

The Company's cash cycle was 299.32 days in 2016, increasing 148.85 days from 2015. The average goods sale period increased from 101.77 days to 155.44 days and the average collection period increased from 132.85 days to 205.63 days. Big customers were public organizations which the process for payments was longer than private sector, led to significant increase of debt collection period.

	2014	2015	2016
Current ratio (time)	2.73	1.86	1.69
Quick ratio (time)	1.92	1.24	1.11
Average collection period (days)	98.38	132.85	205.63
Average sales period (days)	69.19	101.77	155.44
Payment period (days)	41.32	49.69	61.75
Cash Cycle (days)	126.40	150.47	299.32

(c) Source of fund

Liabilities

At 2014-2016 year end, the Company had total liabilities of 240.44 million Baht, 448.82 million Baht, and 405.74 million Baht respectively. In 2015, the total liabilities jumped significantly due to spending short-term loan from commercial banks and financial institutions for purchase of goods for sale and equipment for operation. The total liabilities in 2016 were closely similar to 2015.

However, when considering the Company's liabilities structure, most of its liabilities were current liabilities used in business operations, which was 84.03% of total liabilities in 2014 year end, 91.08% of total liabilities in 2015 year end, and 92.91% of total liabilities in 2016. The most current liabilities included loans from financial institutions, which mostly are overdraft and LC/TR and trade receivable of 78.29% of total liabilities in 2016 year end respectively.

Shareholder's equity

In 2014 year end, the shareholder's equity was 460.30 million Baht, increased from 252.62 million Baht in 2013 year end because the Company offered 75 million capital gains ordinary shares from June 16-18, 2014. 70 million shares were offered to the general public and another 5 million Shares 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 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.

In 2015, the shareholder's equity was 483.70 million Baht, as 23.40 million Baht increased from 2014 because of the Company's greater net profit of 53.39 million Baht, and dividend payment of 30 million Baht.

In 2016, the shareholder's equity was 432.02 million Baht, as 51.68 million Baht decreased from 2015 because of the Company's net loss of 24.72 million Baht, other net profit and loss from actuarial science estimation of 8.04 million Baht and dividend payment of 35 million Baht.

Financial Ratio

Financial Ratio		2014	2015	2016
Liquidity Ratio				
Current Ratio	(time)	2.73	1.86	1.69
Quick Ratio	(time)	1.92	1.24	1.11
Cash Flow Ratio	(time)	(0.55)	(0.24)	0.14
Account Receivable Turnover	(time)	3.70	2.75	1.78
Average Collection Period	(days)	98.38	132.85	205.63
Inventory Turnover	(time)	5.28	3.59	2.35
Average Days Sale	(days)	69.19	101.77	155.44
Account Payable Turnover	(time)	8.83	7.35	5.91
Average Payment Period	(days)	41.32	49.69	61.75
Cash Cycle	(days)	126.40	150.47	299.32
Profitability Ratio				
Gross Profit Margin	(%)	26.14	26.79	22.39
Operating Profit Margin	(%)	6.44	6.70	(3.86)
Other Income Margin	(%)	1.28	0.83	0.26
Cash to Make a Profit Ratio	(%)	(162.74)	(94.25)	(369.31)
Net Profit Margin	(%)	5.03	5.20	(3.45)
Return on Equity (ROE)	(%)	14.51	11.31	(5.40)
Efficiency Ratio				
Return on Assets	(%)	8.53	6.54	(2.79)
Return on Fixed Asset	(%)	120.47	108.02	0.14
Total Asset Turnover	(time)	1.38	1.26	0.81
Financial Policy Ratio				
Debt to Equity Ratio	(time)	0.52	0.93	0.94
Interest Coverage Ratio	(time)	10.91	10.27	0.79
Coverage Obligation	(time)	0.74	(0.58)	0.46
Dividend Payout	(%)	-	56.18	(141.59)

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

The company's Board of Directors considers that the company's internal control system is satisfactory level and provides reasonable confidence in credibility of the company's financial statements as at December 31, 2016. The company's auditor performs her audit, based on generally accepted accounting principles with his/her opinion given for accurate financial statements significantly in accordance with generally accepted accounting principles.



(Mr. Sanpat Sopon)
Chairman, Board of Directors



(Mr. Prapat Rathlertkarn)
President & Chief Executive Officer

Signed on February 27, 2017

The Company's Audit Committee consists of three qualified Independent Directors which one of them is expertise and experienced in accounting and financing. The Audit Committee's responsibilities are assigned by the Company's Board of Directors, in line with notifications by The Securities and Exchange Commission and rules and regulations by Stock Exchange of Thailand.

In 2016, there were four times of Audit Committee's meeting completely attended by all Audit Committee members with the Audit Committee's report made on quarterly basis. Discussions and reviews made by the Audit Committee, Executives, Internal Auditor and related Auditors were concluded as follows;

1. Financial Statements and Non-Financial Statements Review

The Audit Committee, Executives, Internal Auditor and related Auditors collectively reviewed quarterly and annual 2016 financial statements of Planet Communications Asia Public Company Limited without presence by Administrative Department. The purpose of this review was to discuss about independence of responsibilities, auditor's opinions, inquiry to auditor about accuracy of financial statements, significant adjustment of financial statements which affect its financial statements in terms of properness of accounting entries and scope of audit. Disclosure of accurate, complete information and independence of auditor ensures that the financial statements was prepared in accordance with generally accepted accounting principles and related rules and regulations, accurate and reliable accounting system and financial statements including adequate and in-time disclosure for the benefit of investors and financial statements users. The Audit Committee reviewed operating performances of each department and compares its action plan and operating performance by inquiring issues, giving opinions, determining solutions to ensure proper and transparent operations.

2. Review on Risk Management Assessment

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

3. Corporate Governance Review

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

4. Internal Control System Review

The Audit Committee reviewed internal control system to assess adequacy and properness of internal control system in accordance with internal control standards and guidelines stipulated by The Securities and Exchange Commission and the Stock Exchange of Thailand as well as review on audit results as per the approved audit plan and audit report. The Company's executives continuously monitored actions as per its recommendations, comments and the Audit Committee's opinions shown in the audit report including internal control improvements to be in accordance with changing situations. The result of internal control review showed no significant weakness or defections. It was determined by the Audit Committee that the Company's implemented internal control system and risk management system is adequate and proper. Internal control system was also assessed by auditor. The result showed no significant weakness potential affecting the Company's financial statements.

5. Review on Related Business Laws Compliance

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

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

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

7. Review on compliance with anti-corruption measures

The Audit Committee reviewed internal control measures, as well as compliance with anti-corruption measures, risks management and gave necessary guidelines. The Company was accepted for membership on the Project of Private Sector Alliance on Anti-Corruption on November 24, 2014 and on the process of being granted for membership of the said project in 2017.

8. Appointment of Auditor

Considering knowledge, experience , competency, qualification and operating performance of EY Office Limited for the past accounting year, in the Company's Shareholder's Meeting, the Audit Committee proposed to the Company's Board of Directors to review and appoint staff of EY Office Limited including Ms. Sumalee Reewarabandith, a holder of the certified public accountant registration no. 3970 or Ms. Wissuta Jariyathanakorn, a holder of the certified public accountant registration no. 3853 or Mr. Termphong Opanaphan, as a holder of the certified public accountant registration No. 4501 as the Company's auditors in 2017.



Dr. Katiya Greigarn

Chairman, Audit Committee

Planet Communication Asia Public Company Limited

February 27, 2017

Independent Auditor's Report

To the Shareholders of Planet Communications Asia Public Company Limited

Opinion

I have audited the accompanying financial statements of Planet Communications Asia Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2016, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2016, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Company has a variety of revenues which consist sales of goods, revenue from sales of equipment including designation and installation and rendering of maintenance services which recognition of revenue criteria are different as disclosed in Note 4 to financial statements.

For the revenue from sales of equipment including designation and installation, the process of measurement, the determination of appropriate timing of recognition, and the estimation of possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion, the probability of loss, and the measurement of possible loss. In addition, the economic slowdown has directly resulted in more intense competition in the industry. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special considerations given to expanding the scope of the testing of the internal controls which respond to the above risks.

- Applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sale and service transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sale and service transactions throughout the period, particularly for accounting entries made through journal vouchers.

For the revenue from sales of equipment including designation and installation, I also selected contracts made with major customers and randomly selected additional samples to

- Read the contracts to consider the conditions relating to revenue recognition.
- Inquire with the management about the terms of and risks associated with these contracts, relevant to revenue recognition and estimates of possible loss.
- Make enquiries of responsible executives, gain an understanding of the Company's process to assess the percentage of completion and cost estimates for projects, compare estimates of project costs to the project budgets approved by authorized person, and on a sampling basis, examine relevant documents, examine actual costs with supporting documents and test the calculation of the percentage of completion based on actual costs incurred.
- Evaluate the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component.
- Examine the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities.
- Review the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition and the estimation of possible losses.

Inventory

Estimating the net realisable value of inventory, as disclosed in Note 9 to the financial statement, is an area of significant management judgement, particularly with regard to the estimation of provision for dropping in selling prices, slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and tested the internal controls of the Company relevant to the determination of provision for diminution in the value of inventory by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I also assessed the method and the assumptions applied by management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventory, and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing details of sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.
- Analysing consumer trends identified through external market data and the prevailing economic condition to assess the key assumptions applied by management in preparing sales forecasts by product line.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the

Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Miss Sumalee Reewarabandith.



Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970
EY Office Limited
Bangkok: 27 February 2017

Planet Communications Asia Public Company Limited

Statement of financial position

As at 31 December 2016

(Unit: Baht)

	Note	2016	2015
Assets			
Current assets			
Cash and cash equivalents	7	4,995,753	16,166,604
Trade and other receivables	8	309,062,422	343,208,459
Accrued income		58,374,106	95,490,097
Inventories	9	221,260,041	251,690,680
Advances for purchases of goods		29,175,582	40,301,184
Other current assets		15,516,011	11,627,714
Total current assets		638,383,915	758,484,738
Non-current assets			
Restricted bank deposits	10	70,850,159	73,075,827
Leasehold improvement and equipment	11	114,133,639	88,718,167
Deferred tax assets	20	9,637,567	8,498,487
Other non-current assets		4,752,126	3,741,948
Total non-current assets		199,373,491	174,034,429
Total assets		837,757,406	932,519,167

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 2016

(Unit: Baht)

	Note	2016	2015
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans from banks	12	249,202,131	260,910,653
Trade and other payables	13	68,434,022	119,461,973
Current portion of long-term loan	14	20,400,000	-
Long-term loan - classified as current liability	14	22,600,000	-
Current portion of liabilities under finance lease agreements	15	2,604,757	2,386,181
Income tax payable		-	3,407,071
Advances received for goods and services		8,296,939	19,152,182
Other current liabilities		5,432,013	3,465,771
Total current liabilities		376,969,862	408,783,831
Non-current liabilities			
Liabilities under finance lease agreements	15	12,283,556	14,888,649
Provision for long-term employee benefits	16	16,485,332	25,148,335
Total non-current liabilities		28,768,888	40,036,984
Total liabilities		405,738,750	448,820,815

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 2016

(Unit: Baht)

	Note	2016	2015
Shareholders' equity			
Share capital			
Registered			
250,000,000 ordinary shares of Baht 1 each		250,000,000	250,000,000
Issued and paid-up			
250,000,000 ordinary shares of Baht 1 each		250,000,000	250,000,000
Premium on ordinary shares		129,163,346	129,163,346
Capital surplus on share-based payment		17,117,100	17,117,100
Retained earnings			
Appropriated - statutory reserve	17	10,073,000	10,073,000
Unappropriated		25,665,210	77,344,906
Total shareholders' equity		432,018,656	483,698,352
Total liabilities and shareholders' equity		837,757,406	932,519,167

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 2016

(Unit: Baht)

	Note	2016	2015
Profit or loss:			
Revenues			
Sales		601,428,073	902,130,993
Service income	18	114,027,924	117,088,693
Other income		1,866,091	8,512,616
Total revenues		717,322,088	1,027,732,302
Expenses			
Cost of sales		476,863,838	668,720,034
Cost of services		78,413,379	77,483,508
Selling expenses		61,940,452	77,007,739
Administrative expenses		114,504,819	125,582,833
Total expenses		731,722,488	948,794,114
Profit (loss) before finance cost and tax income (income tax expenses)		(14,400,400)	78,938,188
Finance cost		(13,321,671)	(10,105,321)
Profit (loss) before tax income (income tax expenses)		(27,722,071)	68,832,867
Tax income (income tax expenses)	20	3,004,425	(15,442,265)
Profit (loss) for the year		(24,717,646)	53,390,602

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

Planet Communications Asia Public Company Limited

Statement of comprehensive income (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Note	2016	2015
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
- Actuarial gain - net of income tax		8,036,298	-
Other comprehensive income for the year		8,036,298	-
Total comprehensive income for the year		(16,681,348)	53,390,602
Basic earnings (loss) per share	21		
Profit (loss) for the year		(0.10)	0.21

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 2016

(Unit: Baht)

	Issued and paid-up share capital	Premium on ordinary shares	Capital surplus on share-based payment	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2015	250,000,000	129,163,346	17,117,100	7,372,600	56,650,924	460,303,970
Profit for the year	-	-	-	-	53,390,602	53,390,602
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	53,390,602	53,390,602
Transferred unappropriated retained earnings to statutory reserve (Note 17)	-	-	-	2,700,400	(2,700,400)	-
Dividends paid (Note 24)	-	-	-	-	(29,996,220)	(29,996,220)
Balance as at 31 December 2015	250,000,000	129,163,346	17,117,100	10,073,000	77,344,906	483,698,352
Balance as at 1 January 2016	250,000,000	129,163,346	17,117,100	10,073,000	77,344,906	483,698,352
Loss for the year	-	-	-	-	(24,717,646)	(24,717,646)
Other comprehensive income for the year	-	-	-	-	8,036,298	8,036,298
Total comprehensive income for the year	-	-	-	-	(16,681,348)	(16,681,348)
Dividends paid (Note 24)	-	-	-	-	(34,998,348)	(34,998,348)
Balance as at 31 December 2016	250,000,000	129,163,346	17,117,100	10,073,000	25,665,210	432,018,656

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 2016

(Unit: Baht)

	2016	2015
Cash flows from operating activities		
Profit (loss) before tax	(27,722,071)	68,832,867
Adjustments to reconcile profit (loss) before tax to net cash provided by		
(paid from) operating activities:		
Depreciation	24,864,303	24,876,618
Allowance for doubtful accounts	993,078	2,658,894
Reduction of cost of inventories to net realisable value	8,859,431	10,163,800
Gain on sales of equipment	(273,525)	(263,284)
Equipment written-off	84,172	99,643
Long-term employee benefits expenses	3,492,369	4,720,689
Unrealised loss on exchange rate	855,308	1,166,329
Interest income	(564,925)	(535,146)
Interest expense	9,986,706	6,398,372
Profit from operating activities before changes in operating assets and liabilities	20,574,846	118,118,782
Operating assets (increase) decrease		
Trade and other receivables and accrued income	70,520,696	(139,363,452)
Inventories	21,571,208	(97,422,111)
Advances for purchases of goods	11,125,602	18,107,983
Other current assets	4,786,946	(2,500,083)
Other non-current assets	(1,010,178)	(1,002,081)
Operating liabilities increase (decrease)		
Trade and other payables	(51,155,203)	35,857,810
Advances received for goods and services	(10,855,243)	9,922,980
Other current liabilities	1,966,242	791,718
Cash paid for long-term employee benefits	(2,110,000)	(1,244,880)
Cash flows from (used in) operating activities	65,414,916	(58,733,334)
Cash paid for corporate income tax	(12,234,960)	(15,666,651)
Net cash from (used in) operating activities	53,179,956	(74,399,985)

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 2016

(Unit: Baht)

	2016	2015
Cash flows from investing activities		
Acquisition of equipment	(50,363,949)	(56,986,521)
Decrease in restricted bank deposits	2,225,668	10,050,301
Interest received	573,842	586,138
Proceeds from sales of equipment	273,527	433,565
Net cash flows used in investing activities	(47,290,912)	(45,916,517)
Cash flows from financing activities		
Increase (decrease) in bank overdrafts and short-term loans from banks	(12,638,024)	156,966,520
Payment of liabilities under finance lease agreements	(2,386,517)	(2,224,400)
Cash received from long-term loan	60,000,000	-
Repayment of long-term loan	(17,000,000)	-
Interest paid	(10,037,006)	(6,489,601)
Dividend paid	(34,998,348)	(29,996,220)
Net cash from (used in) financing activities	(17,059,895)	118,256,299
Net decrease in cash and cash equivalents	(11,170,851)	(2,060,203)
Cash and cash equivalents at beginning of year	16,166,604	18,226,807
Cash and cash equivalents at end of year	4,995,753	16,166,604
Supplemental cash flows information:		
Non-cash transactions		
Purchase of equipment under finance lease agreement	-	681,869
Actuarial gain	10,045,372	-

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 2016

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 equipment. 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

a. Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which became effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

b. Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company believes that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Revenue from sales of equipment including designation and installation

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

Rendering of maintenance services

Maintenance service revenue is recognised when services have been rendered.

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

4.5 Leasehold improvement and equipment/Depreciation

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

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

Leasehold improvement	-	4	years (Lease term)
Network equipment	-	10	years
Testing 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 individuals or enterprises 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 or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company’s operations.

4.7 Long-term leases

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

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

4.8 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.9 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.10 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

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

4.11 Share-based payment

Transfers 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 shareholders' equity.

4.12 Provisions

Provisions are recognized 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 reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

4.14 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Allowance for diminution in value of inventories

In determining an allowance for diminution in value of inventories, the management is required to make estimates of the loss on damaged and slow moving inventories, and the net realisable value of inventories.

Fair value of financial instruments

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

Leasehold improvement and equipment/Depreciation

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

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

Deferred tax assets

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

Provision for losses on projects

The management applied judgement in estimating the loss they expect to be realised on each project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of materials, labour and the current situation.

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)

	2016	2015	Transfer pricing policy
Transactions with related company			
Rental expense	11	11	Contract price which was determined by independence appraisal
Transactions with director			
Service expenses	-	1	Contract price

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	2016	2015
Short-term employee benefits	25,125	28,519
Post-employment benefits	1,217	1,774
Other long-term benefits	13	26
Total	26,355	30,319

Guarantee

Credit facilities from a bank are secured by the mortgage of land of a relate company without charging guarantee fee.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2016	2015
Cash	179	120
Bank deposits	4,817	16,047
Total	4,996	16,167

As at 31 December 2016, bank deposits in savings accounts and fixed deposits carried interests between 0.04% and 0.38% per annum (2015: between 0.04% and 1.00% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	2016	2015
Trade receivables - unrelated parties		
Age on the basis of due dates		
Not yet due	218,159	156,359
Past due		
Up to 3 months	32,199	89,683
Over 3 - 6 months	11,098	66,401
Over 6 - 12 months	11,257	33,809
Over 12 months	40,682	769
Total	313,395	347,021
Less: Allowance for doubtful accounts	(5,499)	(4,506)
Total trade receivables - unrelated parties, net	307,896	342,515
Other receivables		
Advance to employees	1,166	693
Total other receivables	1,166	693
Total trade and other receivables - net	309,062	343,208

The major outstanding balance of trade receivables which past due over 12 months is government.

9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	229,102	251,591	(26,203)	(17,344)	202,899	234,247
Work in process	13,485	13,983	-	-	13,485	13,983
Spare parts and supplies	97	127	-	-	97	127
Goods in transit	4,779	3,334	-	-	4,779	3,334
Total	247,463	269,035	(26,203)	(17,344)	221,260	251,691

During the current year, the Company reduced cost of inventories by Baht 9 million (2015: Baht 10 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	Testing equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost							
1 January 2015	4,858	920	57,703	62,691	24,435	1,297	151,904
Additions	-	14,315	24,958	5,550	1,204	11,641	57,668
Disposals/Write off	-	-	(875)	-	-	-	(875)
Transfer	-	-	(711)	711	-	-	-
31 December 2015	4,858	15,235	81,075	68,952	25,639	12,938	208,697
Additions	-	-	7,586	6,279	-	36,499	50,364
Disposals/Write off	-	-	(396)	(234)	-	-	(630)
Transfer	-	18,884	-	-	-	(18,884)	-
31 December 2016	4,858	34,119	88,265	74,997	25,639	30,553	258,431
Accumulated depreciation							
1 January 2015	1,884	26	38,955	48,041	6,802	-	95,708
Depreciation for the year	991	540	9,725	9,407	4,214	-	24,877
Depreciation on disposals/Write off	-	-	(606)	-	-	-	(606)
Transfer	-	-	(55)	55	-	-	-
31 December 2015	2,875	566	48,019	57,503	11,016	-	119,979
Depreciation for the year	992	2,989	10,674	5,849	4,360	-	24,864
Depreciation on disposals/Write off	-	-	(312)	(234)	-	-	(546)
31 December 2016	3,867	3,555	58,381	63,118	15,376	-	144,297
Net book value							
31 December 2015	1,983	14,669	33,056	11,449	14,623	12,938	88,718
31 December 2016	991	30,564	29,884	11,879	10,263	30,553	114,134

	Leasehold improvement	Network equipment	Testing equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
Depreciation for the year							
2015 (Baht 3.1 million included in cost of sales and services, and the balance in selling and administrative expenses)							24,877
2016 (Baht 6.8 million included in cost of sales and services, and the balance in selling and administrative expenses)							24,864

As at 31 December 2016, the Company had motor vehicles which were acquired under finance lease agreement with net book value of Baht 10 million (2015: Baht 14 million).

As at 31 December 2016, 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 Baht 87 million (2015: Baht 78 million).

12. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (percent per annum)			
	2016	2015	2016	2015
Bank overdrafts	2.5% - 7.25%	-	29,349	-
Short-term loans from banks	MLR - 0.5% and 1.20% - 4.15%	MLR - 0.5% and 1.19% - 4.20%	219,853	260,911
Total			249,202	260,911

Bank overdrafts and short-term loans from banks are secured by the pledge of bank deposits as mentioned in Note 10 to financial statements and the mortgage of land of a related company.

13. Trade and other payables

(Unit: Thousand Baht)

	2016	2015
Trade payables - unrelated parties	57,880	86,571
Other payables - unrelated parties	1,176	2,073
Accrued cost	6,783	19,541
Accrued expenses	2,595	11,277
Total	68,434	119,462

14. Long-term loan

(Unit: Thousand Baht)

Interest rate	Repayment schedule	2016	2015
Year 1 MLR less 1.5% per annum Year 2 - 3 MLR less 1.0% per annum	36 monthly installments of Baht 1.7 million each and the remainder to be paid in the final installment, commencing March 2016	43,000	-
Less: Portion due within one year		(20,400)	-
Amount classified as current liability		(22,600)	-
Portion due more than one year		-	-

Long-term loan from bank is secured by the mortgage of land of a related company.

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

As at 31 December 2016, the Company was unable to maintain the financial ratio stipulated in the loan agreement. However, to date the Company has been able to make the loan principal and interest payments as scheduled in the loan agreement. Nevertheless, for reporting purposes, in compliance with the relevant financial reporting standards, as at 31 December 2016 the Company presented this loan as current liabilities in the statement of financial position.

15. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	2016	2015
Liabilities under finance lease agreements	17,335	21,110
Less: Deferred interest expense	(2,446)	(3,835)
Total	14,889	17,275
Less: Portion due within one year	(2,605)	(2,386)
Portion due more than one year	12,284	14,889

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

Future minimum lease payments required under the finance lease agreements are as follows.

(Unit: Thousand Baht)

	As at 31 December 2016		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	3,776	13,559	17,335
Deferred interest expense	(1,171)	(1,275)	(2,446)
Present value of future minimum lease payments	2,605	12,284	14,889

(Unit: Thousand Baht)

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

16. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Defined benefit plans		Other long-term employee benefits		Total	
	2016	2015	2016	2015	2016	2015
Provision for long-term employee benefits at beginning of year	23,094	19,783	2,054	1,890	25,148	21,673
Included in profit or loss:						
Current service cost	3,471	3,403	550	501	4,021	3,904
Interest cost	910	751	75	65	985	816
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	(480)	-	(480)	-
Financial assumptions changes	-	-	163	-	163	-
Experience adjustments	-	-	(1,196)	-	(1,196)	-

(Unit: Thousand Baht)

	Defined benefit plans		Other long-term employee benefits		Total	
	2016	2015	2016	2015	2016	2015
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	(2,073)	-	-	-	(2,073)	-
Financial assumptions changes	2,100	-	-	-	2,100	-
Experience adjustments	(10,073)	-	-	-	(10,073)	-
Benefits paid during the year	(2,110)	(843)	-	(402)	(2,110)	(1,245)
Provision for long-term employee benefits at end of year	15,319	23,094	1,166	2,054	16,485	25,148

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

(Unit: Thousand Baht)

	2016	2015
Cost of sales and services	1,028	871
Selling and administrative expenses	2,464	3,849
Total expenses recognised in profit or loss	3,492	4,720

As at 31 December 2016, the Company expects to pay Baht 3.6 million of long-term employee benefits during the next year (2015: Baht 1 million).

As at 31 December 2016, the weight average duration of the liabilities for long-term employee benefit is 13 years (2015: 9.82 years).

Significant actuarial assumptions are summarised below.

	2016 (% per annum)	2015 (% per annum)
Discount rate	2.05 - 2.37	3.80
Salary increase rate	7.07	7.00
Employee turnover rate	0 - 18	0 - 15

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarized below.

(Unit: Million Baht)

	As at 31 December 2016		As at 31 December 2015	
	Increase 0.5%	Decrease 0.5%	Increase 1%	Decrease 1%
Discount rate	(0.6)	0.6	(2.0)	2.0
Salary increase rate	0.5	(0.5)	3.0	(2.0)
Employee turnover rate	(0.6)	0.4	(2.0)	2.0

17. Statutory reserve

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

18. Service income

Service income for the years ended 31 December 2016 and 2015 are summarised below.

(Unit: Baht)

	2016	2015
Service income under Type-three telecommunication business license No. 3Gor/58/003	7,542,433	840,769
Other service income	106,485,491	116,247,924
Total	114,027,924	117,088,693

On 2 September 2015, the Board of the National Broadcasting and Telecommunications Commission approved the issue to the Company of a 15-year, Type three telecommunication business license with own telecommunications network. The license is to provide voice, data and multimedia telecommunications. The Company is obliged to comply with conditions stipulated under the licenses and to pay an annual fee.

19. Expenses by nature

Significant expenses classified by nature are as follows.

(Unit: Thousand Baht)

	2016	2015
Salaries, wages and other employee benefits	122,108	133,562
Depreciation	24,864	24,877
Rental expenses from operating lease agreements	14,270	15,616
Purchases of goods	427,061	606,722
Changes in inventories of finished goods and work in progress	22,987	(101,529)

20. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows.

(Unit: Thousand Baht)

	2016	2015
Current income tax:		
Current income tax charge	144	17,800
Deferred tax:		
Relating to origination and reversal of temporary differences	(3,148)	(2,358)
(Tax income) income tax expenses reported in the statement of comprehensive income	(3,004)	15,442

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows.

(Unit: Thousand Baht)

	2016	2015
Deferred tax on actuarial gain	(2,009)	-

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

(Unit: Thousand Baht)

	2016	2015
Accounting profit (loss) before tax	(27,722)	68,833
Applicable tax rate	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	(5,544)	13,767
Adjustment in respect of deferred tax of previous year	(901)	-
Effects of:		
Non-deductible expenses	3,472	1,765
Additional expense deductions allowed	(31)	(90)
Total	3,441	1,675
(Tax income) income tax expenses reported in the statement of comprehensive income	(3,004)	15,442

The components of deferred tax assets are as follows.

(Unit: Thousand Baht)

	2016	2015
Allowance for doubtful accounts	1,100	-
Allowance for diminution in value of inventories	5,241	3,469
Provision for long-term employee benefits	3,297	5,029
Total	9,638	8,498

21. Basic earnings (loss) per share

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

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 2016 and 2015.

(Unit: Million Baht)

	Planetcomm Products		Non Planetcomm Products		Services		Total segments	
	2016	2015	2016	2015	2016	2015	2016	2015
Sales and service income to external customers	97	182	504	720	114	117	715	1,019
Operating results								
Segment profit	1	35	123	199	36	39	160	273
Unallocated income and expenses:								
Other income							2	8
Selling expenses							(62)	(77)
Administrative expenses							(115)	(126)
Finance cost							(13)	(10)
Profit (loss) before tax income (income tax expenses)							(28)	68
Tax income (income tax expenses)							3	(15)
Profit (loss) for the year							(25)	53

Geographic information

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

Export sales and services during the year ended 31 December 2016 represented approximately 3% (2015: 3%) of total sales and services.

Major customers

For the year 2016, the Company has revenue from government in amount of Baht 116 million and two major customers in amount of Baht 97 million and Baht 85 million, respectively, arising from these all operating segments.

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% of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to Baht 2 million (2015: Baht 2 million) were recognized as expenses.

24. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2014	Annual General Meeting of the Shareholder on 29 April 2015	30.00	0.12
Total dividends for 2015		30.00	0.12
Final dividends for 2015	Annual General Meeting of the Shareholder on 28 April 2016	35.00	0.14
Total dividends for 2016		35.00	0.14

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 contracts were as follows.

(Unit: Million Baht)

	As at 31 December	
	2016	2015
Payable:		
In up to 1 year	14	17
In over 1 and up to 5 years	1	11

25.2 Bank guarantees

As at 31 December 2016, there were outstanding bank guarantees of Baht 127 million (2015: Baht 116 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. Fair value hierarchy

As at 31 December 2016 and 2015, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Forward foreign currency contracts	-	0.2	-	0.2

	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives	-	1.0	-	1.0
Forward foreign currency contracts				

27. Financial instruments

27.1 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, short-term and long-term loans from banks, trade and other payables and liabilities under finance lease agreements. 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 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, short-term and long-term interest-bearing loans. Most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2016 and 2015, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Interest rate	
	Within 1 year		More than 1 - 5 years		2016	2015	2016	2015	2016	2015	2016	2015
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Financial assets												
Cash and cash equivalents	-	-	-	-	5	16	-	-	5	16	0.04 - 0.38	0.04 - 1.00
Trade and other receivables	-	-	-	-	-	-	309	343	309	343	-	-
Restricted bank deposits	71	73	-	-	-	-	-	-	71	73	0.37 - 1.10	0.37 - 1.10
	71	73	-	-	5	16	309	343	385	432		
Financial liabilities												
Bank overdrafts and short-term loans from banks	220	261	-	-	29	-	-	-	249	261	1.20 - 7.25	1.19 - 6.00
Trade and other payables	-	-	-	-	-	-	68	119	68	119	-	-
Long-term loan	-	-	-	-	43	-	-	-	43	-	MLR-1.5	-
Liabilities under finance lease agreements	-	-	15	17	-	-	-	-	15	17	5.9 - 9.0	5.9 - 9.0
	220	261	15	17	72	-	68	119	375	397		

Foreign currency risk

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

As at 31 December 2016 and 2015, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2016 (Million)	2015 (Million)	2016 (Million)	2015 (Million)	2016	2015
					(Baht per 1 foreign currency unit)	
US dollar	0.2	1.0	3.0	7.0	35.8306	36.0886
Euro	-	-	0.2	-	37.7576	-

As at 31 December 2016 and 2015, forward exchange contracts outstanding are summarized below.

31 December 2016			
Foreign currency	Bought amount (Million)	Contractual exchange rate bought (Baht per 1 foreign currency unit)	Contractual maturity date
Euro	0.2	38.3900	15 June 2017

31 December 2015			
Foreign currency	Bought amount (Million)	Contractual exchange rate bought (Baht per 1 foreign currency unit)	Contractual maturity date
US dollar	2.0	35.5793 - 36.0575	5 January 2016 - 27 May 2016

27.2 Fair values of financial instruments

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

The fair value of the derivatives is as follows.

(Unit: Million Baht)

	As at 31 December 2016 Fair value (Gain)	As at 31 December 2015 Fair value (Gain)
Derivatives		
Forward exchange contracts	0.2	1.0

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

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

28. 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 2016, the Company's debt-to-equity ratio was 0.9:1 (2015: 0.9:1).

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2017.

Shareholders and dividend payment policy

7.1 Number of registered capital and paid registered capital

As at December 31, 2016, PCA's registered capital was 250.00 million Baht. The issued and paid-up share capital was 250.00 million Baht, divided as 250.00 million ordinary shares of 1.00 Baht par value.

7.2 List of top-ten principal shareholders as at December 31, 2016

Item No.	Shareholder Name	Number of Share	Number of Share	% of Total Share
1	Mr. Prapat Rathlertkarn's family		78,950,000	31.58
	1.1 Mr. Prapat Rathlertkarn	70,200,000		
	1.2 Mrs. Chanisa Rathlertkarn	6,250,000		
	1.3 Miss Patnaree Rathlertkarn	2,500,000		
2	Mr. Trevor John Thompson's family		78,950,000	31.58
	2.1 Mr. Trevor John Thompson	70,200,000		
	2.2 Mrs. Jongjit Anek-ka	6,250,000		
	2.3 Mr. Danai Thompson	833,334		
	2.4 Mr. Darun Thompson	833,333		
	2.5 Miss Adisa Thompson	833,333		
3	Mr. Satit Rathlertkarn		10,390,000	4.16
4	Mrs. Ratana Suwan		5,130,000	2.05
5	Mr. Sompong Arphathananont		2,700,000	1.08
6	Mr. Narong Wangcharoenwong		2,392,700	0.96
7	Mr. Thawatchai Prasitnaraphan		1,450,000	0.58
8	Mr. Anan Arsiralertsiri		1,396,000	0.56
9	Mr. Somchai Sakulwichitsintu		1,250,000	0.50
10	Mr. Pornchai Chantacheevakul		1,175,000	0.47

* Remark

(1) Limitation for Foreigner Assets Entitlement

PCA's limitation for foreigner assets entitlement is 49% of paid capital. As at December 31, 2016, foreigner holding PCA assets is figured at 28.08% of its paid capital.

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

Mr. Prapat Rathlertkarn's family and Mr. Trevor John Thompson's family, and Mr. Satit Rathlertkarn entirely holding about 67.32% shares are the Group of principal shareholders which two of eight Directors have significantly behavioral influence on defining PCA policies and business operations.

7.3 Issuance of other assets

- none -

7.4 Dividend payment policy

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

Details	2015	2014
1. Net Profit (Baht)	53,390,602	48,453,495
2. Net Profit after legal reserved (Baht)	50,690,202	46,022,895
3. Number of Shares (Million Shares)	250	250
4. Dividend Payment (Baht per share)		
- Interim dividend	-	-
- Annual dividend	35,000,000	30,000,000
5. Total dividend payment (Baht)	35,000,000	30,000,000
6. Dividend Payout Ratio (%)	69	65

(1) Securities issuer

Name:	Planet Communications Asia Public Company Limited Head office location 157 Ramindra 34, Ramindra Road, Tha Rang, Bang Khen, Bangkok 10230
Establish date:	April, 27, 1994
Listed date in Mai:	June, 23, 2014
Industry/Sector:	Technology
Nature of business:	Provision of service of telecommunication and digital TV, covering 3 groups of products: (1) Telecommunication, TV broadcasting and digital TV systems, equipment and devices sold by the company (2) PlanetComm products (3) Related services
Registration No:	0105537049391
Homepage:	www.planetcomm.com
Tel:	02-792-2400
Fax:	02-792-2499

(2) Securities Registrar

Name:	Thailand Securities Depository Co., Ltd. (TSD)
Head office location:	93 Rachadapisek Road, Dindaeng, Bangkok 10400
Homepage:	www.set.or.th/tsd
Tel:	02-009-9000
Fax:	02-009-9991

(3) Auditor

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

(4) Consultants

(4.1) Internal Control Consultant

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

(4.2) Legal consultant

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

Remark

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



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