

EXTENSION



ANNUAL
REPORT 2013



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Vision

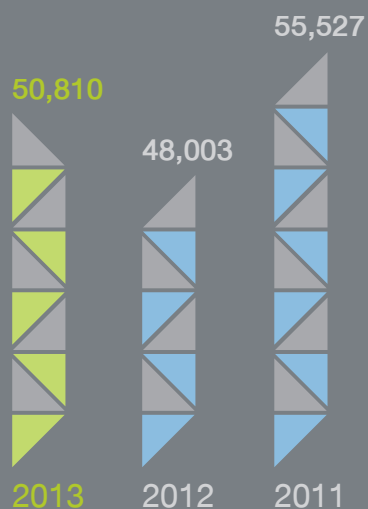
“We are the leading and sustainable value creation asset management company in Telecom, Media, IT and Digital Content”

Mission

- ▶ We strive to deliver sustainable growth and long-term value to shareholders by investing and managing telecom, media, IT and digital content businesses.
 - ▶ We actively explore new business opportunities in telecom, media, IT and digital content.
 - ▶ We commit to good corporate governance practices.
 - ▶ We commit to good corporate citizen that contribute and create shared value (CSV) for organization and society.
 - ▶ We uphold corporate core values that focus on integrity, teamwork, innovation, people excellence and social responsibility (I-TIES).
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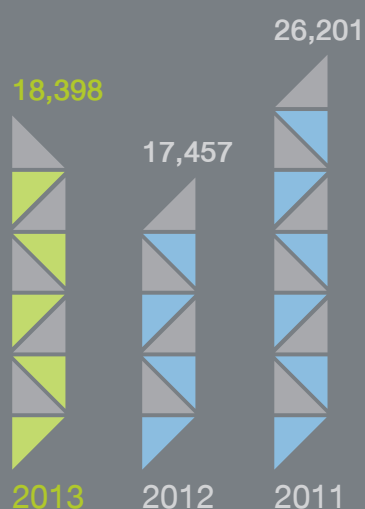
TOTAL ASSETS

(Baht Million)



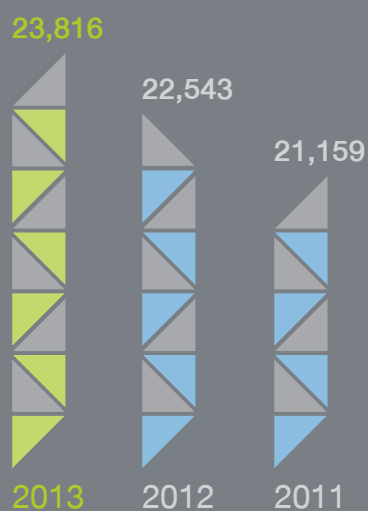
TOTAL LIABILITIES

(Baht Million)



TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(Baht Million)



Shin Corporation Public Company Limited and its Subsidiaries

As at 31 December

Baht Million

2013 2012 2011

OPERATING RESULTS AND FINANCIAL POSITIONS - CONSOLIDATED

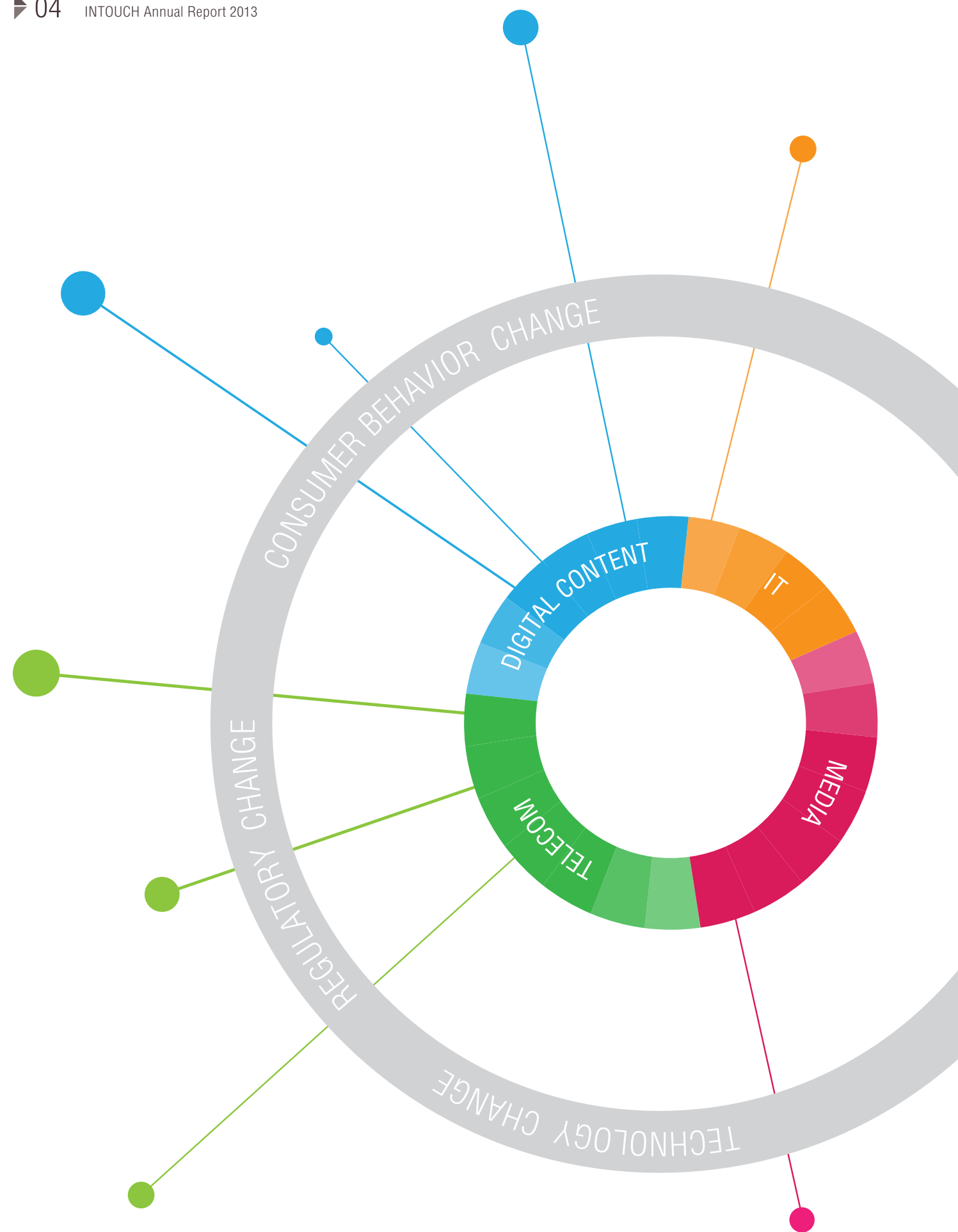
Revenues from sales of goods and rendering of services	9,435	8,545	8,019
Share of profits of associates	14,837	14,337	10,069
Total revenues	24,582	23,134	25,595
Gross profit	3,304	2,879	2,233
Profit for the year attributed to owners of the Company	14,568	13,787	16,559
Total assets	50,810	48,003	55,527
Total liabilities	18,398	17,457	26,201
Total equity attributable to equity holders of the Company	23,816	22,543	21,159

FINANCIAL RATIOS - CONSOLIDATED

Net profit margin	59%	60%	65%
Return on equity	63%	63%	76%
Return on assets	29%	27%	32%
Debt-to-equity ratio (times)	0.77	0.77	1.24
Basic earning per share (Baht)	4.54	4.30	5.17
Book Value per share (Baht)	7.43	7.03	6.60
Dividend per share (Baht)*	4.25	3.78	5.50
Dividend payout ratio*	100%	101%	101%

Number of share (Million)	3,206.42	3,206.42	3,206.42
(at one Baht par value per share)			

*Dividend Policy : The board of director of the Company may recommend annual dividends, subject to the approval of the Company's shareholders, at an annual general meeting. From time to time, the Company's board of directors may declare interim dividends. At present, the dividend payment policy will be considered not less than 40% of the net profit after tax of separated financial statement of the Company, subject to our financial needs or unless the payment of dividends would materially affect our operations.



For more than 30 years, INTOUCH Group has been dedicated to its business operations and creating long-term shareholder value, taking into account the interests of other stakeholders, in compliance with the principles of good corporate governance.

INTOUCH constructively manages to seek new opportunities related to its core businesses by appointing working teams that specialize in technology, marketing, finance, and related laws and regulations, to conduct feasibility studies. Investment decisions are made on a professional and rational basis with the financial risks taken into account.

Furthermore, we never stop developing our human resources to enhance the knowledge and expertise necessary to create new services for customers and make INTOUCH an organization of today for tomorrow.

INTOUCH leverages the driving factors that provide new opportunities in order to build a solid foundation for the group's future business operations. These factors incorporate changes in technology, regulations, and consumer behavior.

INTOUCH focuses on four main business areas

that have experienced sustainable growth, namely Telecom, Media, IT, and Digital Content. These businesses have been driven by changes in the following factors:

Technology Change

The accelerating progress of technology has led to the development of wired broadband, wireless data communication services, high-quality broadcasting, and big improvements in the quality of devices, while prices have tended to drop. We can see that new technology is creating burgeoning opportunities.

Regulatory Change

At present, regulations concerning telecommunications and broadcasting are centrally governed by the National Broadcasting and Telecommunications Commission (NBTC), which is more effective than multiple regulators in the past.

Consumer Behavior Change

Consumer behavior was previously determined by the services provided by wireless and telecom operators. However, better education and easy access to various sources of information have made consumers more aware of services they would like; for example, more convenient applications to buy products.



In the light of these changes, we can see business opportunities and have determined the following 5 Breakthrough objectives to build a strong foundation: 1) AIS was awarded the 3G on 2.1GHz license by the NBTC, which will strengthen and enhance the Company's business continuity for the next 15 years; 2) THAICOM was granted a Telecommunication Service License Type III by the NBTC for 20 years, which will permit the Company to continually launch new satellites; 3) INTOUCH launched "InVent", a venture capital project to invest in SMEs, in order to enhance business competency and create synergy among the group; 4) CSL is extending its IDC business with cloud computing in order to expand its customer base in the retail market; and 5) INTOUCH has explored the new area of digital TV broadcasting in Thailand, which will eventually replace analog TV.

In 2013, we also worked towards achieving another 3 Breakthrough objectives, namely 4G technology, wired broadband, and a digital content service.

<p>INTOUCH Shin Corporation Plc.</p>		<p>1</p>
<p>3</p>	<p>Digital Content Service</p> <p>Content consumption remains steady. INTOUCH, as a major telecom company, will convert analog content to digital for consumers to access through various devices such as mobile phones and tablets.</p>	<p>AIS Advanced Info Service Plc.</p>
<p>5</p>	<p>4G Technology</p> <p>In view of the potential demand for hi-speed data services, AIS will seek to obtain a license for another frequency if an auction is held by the NBTC in order to provide a suitable 4G solution.</p>	<p>6</p>
<p>7</p>	<p>Transponder-Leasing Service under License</p> <p>Due to an ongoing demand for satellite services, especially from the satellite TV business, and a technological shift from standard definition TV to high and ultra-high definition (4K technology), more transponders are required. To cater for this demand effectively, Thaicom 6 was launched at the beginning of 2014, and will be followed by Thaicom 7 around the middle of the year.</p>	<p>CSL CS LoxInfo Plc.</p>

<p>Venture Capital Project “InVent”</p> <p>INTOUCH looks for new business ventures to invest in and advise in order to create professional companies and mutual benefits. In 2013, INTOUCH invested in two companies, namely Meditech Solutions Co., Ltd., which provides communication solutions for paralytics and disabled people, and Computerlogy Co., Ltd., which develops software and social media management tools for corporate online social media.</p>	<p>2</p>	<p>Digital TV Broadcasting</p> <p>INTOUCH was unable to secure a standard definition digital TV license at the auction held by the NBTC in December 2013 as the bidding was higher than estimated. However, we have conducted a professional feasibility study and concluded that this is a good opportunity so we will continue to seek an opening in the digital TV business.</p>
	<p>4</p>	<p>3G on 2.1GHz Frequency Service</p> <p>By the end of 2013, AIS's 3G network had expanded to all 77 provinces in Thailand and covered 80% of the population. Coverage will increase to 97% by 2015. The service on 2.1GHz will spur innovation, and new services and better applications will be created in response to user demand.</p>
<p>Wired Broadband Service</p> <p>The fiber-optic network, which currently supports the wireless business, could create added value for AIS by providing a wired broadband service. Fiber-optic cables could be laid to office buildings, condominiums and private residences, resulting in a convergence technology between wireless and wired broadband.</p>	<p>THAICOM Thaicom Plc.</p>	
	<p>8</p>	<p>Extending the Cloud Computing Service</p> <p>There is a growing demand for cloud computing from companies and individual customers who require data processing and storage. Consequently, CSL plans to extend its cloud computing service from Infrastructure as a Service to Software as a Service in the near future.</p>

Message from the Chairman of the Board and the Chief Executive Officer

To: All shareholders

The year 2013 was another successful one for the Company and the companies in INTOUCH Group as we achieved our business targets for both performance and key investment projects. Advanced Info Service Plc. (AIS) has rolled out the 3G on 2.1GHz cellular network faster than planned, with more than 16 million subscribers, while Thaicom Plc. (THCOM) successfully launched the new *Thaicom 6* satellite. All these achievements will help the Company in providing services to its customers as well as lay solid foundations and create a secure telecommunications system in the country.

As for last year's operating performance, the net profit was 14,568 million baht, representing an increase of 5.7% from the previous year, while the annual dividend was 4.25 baht per share, representing an increase of 12.4%. The Company has continued to invest in new business opportunities, namely media and digital content along with venture capital projects, even though it was unable to secure a digital terrestrial television license.

The Company changed its logo to "INTOUCH" in 2012 and the rebranding has been successful and accepted by the general public. AIS and THCOM now also use the same logo. The Company will propose changing its corporate name to "Intouch Holdings Plc." to align it with the new logo at the Annual General Meeting of Shareholders for 2014.

As for the Company's core investment, AIS remains the market leader in Thailand's wireless telecom business in both revenue and the number of subscribers. Although the subscriber base has reached a mature stage, the development of 3G technology and its applications will result in more data usage (non-voice revenue), which can compensate for declining voice revenue. In addition, AIS plans to bid for a 4G license when the auction is held by the National Broadcasting and Telecommunications Commission in order to provide new services to its customers.

In the satellite business, THCOM has improved its performance and paid a dividend for the second consecutive year. THCOM has successfully expanded its broadband business into China, increasing the utilization of *Thaicom 4* (IPSTAR). *Thaicom 6* will be providing services in February 2014 so both of these satellites can accommodate an increase in demand.



For its corporate social responsibility projects, the Company has focused on the principle of “Creating Shared Value”, sustainable development, and making a contribution to society. The key projects include Camp Sanook Kid with INTOUCH, the Thai Literature Conservation Contest, and the Healthy Rice Growing Project by INTOUCH. These projects follow His Majesty the King’s philosophy of self-sufficiency and will help to develop society and local communities on a sustainable basis.

In 2013, the Company received a lot of recognition and awards, namely Board of the Year Award, Audit Committee of the Year Award, Best Company Performance Award, and the Popular Stock Award. We would like to thank all of our directors, executives and members of staff, as well as our shareholders, business allies, and other stakeholders who always support us. We would also like to assure you that we are truly committed to good corporate governance practices, fair treatment of all our stakeholders, ethical business conduct and transparency, and an effective system of checks and balances. Our business is conducted in accordance with all related laws and regulations, and strives to maximize all stakeholders’ interests whilst ensuring that everyone is treated fairly. Moreover, we are ready to support the government’s policy in moving Thailand’s telecom industry forward. With our proven expertise and experience in the telecom and media industry, along with our policy to focus on these two sectors, we strongly believe that all these components will help deliver sustainable growth at every business unit in the group.

Dr. Virach Aphimeteetamrong
Chairman of the Board

Mr. Somprasong Boonyachai
Chief Executive Officer

Audit Committee Report

To the Shareholders of Shin Corporation Plc.

The Audit Committee (“the Committee”) consists of three independent directors, Mr. Somchai Supphatada (the Chairman), Mr. Vithit Leenutaphong, and Mr. Chalaluck Bunnag. The Secretary to the Committee is Mr. Wichai Kittiwittayakul, who also serves as the Executive Vice President – Company Secretary and Internal Audit. All the Committee’s members meet the qualifications set by the Stock Exchange of Thailand. The Committee discharges its duties as set forth in the Audit Committee Charter approved by the Board of Directors. This charter can be viewed on the website: www.intouchcompany.com

During the fiscal year 2013, the Committee held a total of nine meetings with the Company’s management and both the internal and external auditors. The attendance is shown in the table below.

Name – Surname	Number of meetings attended / Total meetings held
Mr. Somchai Supphatada	9/9
Mr. Vithit Leenutaphong	8/9
Mr. Chalaluck Bunnag	9/9

The Committee reported on its performance to the Board of Directors on a quarterly basis and made recommendations for necessary actions to be taken by the Company. The Committee’s significant activities have been summarized below.

▶ **Financial Statements:** The Committee reviewed the Company’s quarterly and annual financial statements for the year 2013 including disclosure of information in the notes to financial statements, which had already been reviewed and audited by the external auditors. The Committee also discussed significant accounting policies, estimates and judgments applied in preparing these reports with the Company’s management and external auditors. The management is responsible for the preparation and fair presentation of the financial statements along with the necessary internal control over these, while the external auditors are responsible for expressing an opinion on the financial statements.

In addition, the Committee held a private meeting with the external auditors without the presence of the Company’s management to discuss the annual audit plan, the effectiveness of the internal control system, and the problems or difficulties in performing their duties.

▶ **Risk Management:** The Committee agreed to amend the Company’s risk management policy to align it with

ISO 31000: Risk Management Principles and Guidelines and current risk management practices. The Committee also reviewed the risk management system, including the actions taken to mitigate significant risks. The Company has disclosed these risks in the Annual Report for 2013.

▶ **Internal Controls:** The Committee reviewed the evaluation results for the Company’s internal control system, which had been prepared by the management using guidelines from the Capital Market Supervisory Board. The Committee also reviewed the audit results from the internal auditor, external auditor, and external expert regarding the effectiveness of the Company’s internal control system and the security of the information systems, including remedial actions taken by the management.

In addition, the Committee agreed to adopt *COSO – Internal Control Integrated Framework 2013* as the guidelines for evaluating the internal control system in the year 2014, and also emphasize strengthening the Company’s control environment, which is the foundation of an internal control system.

▶ **Internal Audit:** The Committee approved the audit plan for 2013 along with the Internal Audit Department’s independence, annual budget and manpower. In addition, the Committee reviewed the quarterly internal audit results along with the progress made, evaluated the performance

of the Head of Internal Audit, and held a meeting with the internal audit team without the presence of management in order to discuss these matters independently.

► **Regulatory Compliance:** The Committee held a meeting with the Legal and Compliance Departments to review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws pertaining to the Company's business operations. In addition, the external auditor did not report any suspicious circumstances in which a director, executive or other person responsible for the Company's operations might be suspected of committing an offense under Section 89/25 of the Securities and Exchange Act during 2013.

► **Corporate Governance:** The Committee reviewed, and made recommendations to amend, the Company's Corporate Governance Policy in order to align it with best practices and regulatory guidelines. The Committee also reviewed the Company's compliance with this policy.

► **Whistleblowing:** The Committee reviewed the quarterly whistleblowing reports, which had been obtained through reporting channels under the Misconduct and Fraud Reporting Policy. The Committee also recommended that this policy be amended in order to promote more transparency and objectivity. Two cases were reported at the Company during 2013 although neither of them involved fraud. After investigation, remedial and disciplinary actions were taken.

► **External Auditor:** The Committee held a joint meeting with the other audit committees in the group to select the external auditor through a bidding process in accordance with the group policy that all the companies in the group shall use the same audit firm. After considering the independence, performance, experience and qualifications of the auditors, along with the appropriateness of their fees, the Committee consequently recommended that the Board of Directors propose the re-appointment of KPMG Phoomchai Audit Ltd. as the Company's external auditor for 2014 at the annual general meeting of shareholders. In addition, the Committee reviewed the external auditor's independence in providing audit and non-audit services to ensure that it had not been impaired.

► **Connected Transactions:** The Committee reviewed the reasonability and the maximum benefits of connected transactions and transactions that might have led to a conflict of interest, including the accuracy and adequacy of disclosures in compliance with related laws and stock exchange regulations.

► **Anti-Bribery and Corruption:** The Committee agreed with the Company's Anti-Bribery and Corruption Policy and Programme. The Committee also reviewed the self-evaluation form for countering bribery required by the *Private Sector Collective Action Coalition against Corruption (CAC)*. The Company has now been certified as a member of CAC.

► **Audit Committee Self-Assessment:** The Committee conducted a self-assessment to review and evaluate its performance by benchmarking it against the Audit Committee Charter and best practice guidelines. The review concluded that the Committee had been effective in carrying out its duties and had followed the terms of reference in the charter. The Committee also reviewed, and made changes to, the Audit Committee Charter in order to align it with best practice guidelines, and submitted it to the Board of Directors for approval.

In conclusion, the Committee believes that it completely discharged its duties in the year 2013 with the utmost care and independence. The Committee also believes that the Company's financial statements were presented fairly, in all material respects, in accordance with Thai Financial Reporting Standards. The connected transactions were reasonable and beneficial to the Company. The Company's disclosures of information were adequate, complete and reliable. The Company's internal controls and risk management systems are both adequate and effective. In addition, the Company complied with the Corporate Governance Policy and all related laws and regulations without material flaw throughout the year.



Mr. Somchai Supphatada
Chairman of the Audit Committee
13 February 2014

The Board of Directors



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- 1 Dr. Virach Aphimeteetamrong
- 2 Mr. Somchai Supphatada
- 3 Mr. Vithit Leenutaphong
- 4 Mr. Chalaluck Bunnag
- 5 Mr. Prasert Bunsumpun
- 6 Mr. Boon Swan Foo
- 7 Mr. Somprasong Boonyachai

Executive Committee



- 1 Mr. Somprasong Boonyachai
- 2 Mr. Wichian Mektrakarn
- 3 Mrs. Suphajee Suthumpun
- 4 Mrs. Suwimol Kaewkoon

Management Team



- 1 Mrs. Suphajee Suthumpun
- 2 Mr. Anek Pana-apichon
- 3 Mr. Wichai Kittiwittayakul
- 4 Mr. Krittika Mahattanakul

Details of the Directors and Management



Dr. Virach Aphimeteetamrong

Age 70 / Nationality Thai

Title

▶ Chairman of the Board of Directors and Authorized Director

Appointment Date as the Director 7 November 2001

Shareholding^{1/} None

Highest Education

▶ Ph.D. Finance, University of Illinois, USA

Governance Training of IOD

DAP : Directors Accreditation Program Class 2/2003

Experience

- 2013 - Present ▶ Independent Director and Member of the Audit Committee, Thai Agro Energy Plc
- 2007 - Present ▶ Chairman of the Board of Directors, Shin Corporation Plc
- 2004 - Present ▶ Independent Director and Chairman of the Audit Committee, Bangkok Chain Hospital Plc
- ▶ Independent Director and Chairman of the Audit Committee, Asia Plus Securities Plc
- 2003 - Present ▶ Director, TRIS Rating Co., Ltd.
- ▶ Director, TRIS Corporation Co., Ltd.
- 1995 - Present ▶ Independent Director and Member of the Audit Committee, Metro Systems Corporation Plc
- 1993 - Present ▶ Director, Supalai Plc
- 1988 - Present ▶ Chairman, Dr. Virach and Associates Public Accounting Firm
- 2007 - 2011 ▶ Member of the Audit Committee, Thai Agro Energy Plc
- 2001 - 2011 ▶ Independent Director, Shin Corporation Plc
- 2004 - 2010 ▶ Independent Director and Chairman of the Audit Committee, California Wow Xperience Plc
- 2007 - 2009 ▶ Chairman of the Audit Committee, AIG Retail Bank Plc

▶ The current position in listed company

Remark : ^{1/} As at 31 December 2013, the number of ordinary shares includes holding by spouse and children age under 20.



Mr. Somchai Supphatada

Age 54 / Nationality Thai

Title
► Independent Director and Chairman of the Audit Committee

Appointment Date as the Director 30 June 2006

Shareholding^{1/} None

Highest Education

- Master Degree in Professional Accounting, University of Texas at Austin, USA

Governance Training of IOD

DCP : Directors Certification Program Class 100/2008

DAP : Directors Accreditation Program Class 56/2006

Experience

- 2013 - Present ► Associate Dean for Finance and Planning, Faculty of Commerce and Accountancy, Thammasat University
- Present ► Asst. Prof., Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Member of Accounting Standards Setting Committee, South-East Asia University and Huachiew Chalermprakiet University
- 2010 - Present ► Head, Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- 2007 - Present ► Independent Director and Chairman of the Audit Committee, Shin Corporation Plc



Mr. Vithit Leenutaphong

Age 58 / Nationality Thai

Title
► Independent Director, Member of the Audit Committee
► Chairman of the Leadership Development and Compensation Committee
► Member of the Nomination and Governance Committee
► Member of the Strategic and Organizational Review Committee
► Member of the Corporate and Social Responsibility Committee

Appointment Date as the Director 16 October 2000

Shareholding^{1/} None

Highest Education

- Master Degree in Business Administration, University of Southern California, USA

Governance Training of IOD

SFE : Successful Formulation & Execution of Strategy Class 3/2009

RCC : Role of the Compensation Committee Class 7/2008

ACP : Audit Committee Program Class 5/2005


DCP : Directors Certification Program Class 16/2002

Experience

- 2013 - Present ► Director, Advanced Info Service Plc
- 2005 - Present ► President, Thai Yarnyon Co., Ltd.
- Director, Saha Thai Steel Pipe Plc
- Director, The Queen's Gallery
- Director, The Bangkok Bank Foundation
- 2001 - Present ► Independent Director and Member of the Audit Committee, Shin Corporation Plc
- 1995 - Present ► Director, Barcelona Motor Co., Ltd.
- 2002 - 2010 ► Director, German - Thai Chamber of Commerce
- 2005 - 2009 ► Director, Yontrakit Volkswagen Marketing Co., Ltd.
- 2001 - 2008 ► Vice Chairman, Yontrakit Group
- 1999 - 2009 ► Director, Worldclass Rent a Car Co., Ltd.

► The current position in listed company

Remark : ^{1/} As at 31 December 2013, the number of ordinary shares includes holding by spouse and children age under 20.



Mr. Chalaluck Bunnag

Age 66 / Nationality Thai

Title
► Independent Director, Member of the Audit Committee,
Chairman of the Corporate and Social Responsibility Committee

Appointment Date as the Director 14 August 2007

Shareholding^{1/} None

Highest Education

- Master Degree in Industrial Administration, Carnegie-Mellon University, USA
- Master Degree in Civil Engineering, Oklahoma State University, USA

Governance Training of IOD

DAP : Directors Accreditation Program Class 5/2003

Experience

- 2011 - Present ► Director and CEO, Siam Sindhorn Co., Ltd.
- 2009 - Present ► Advisor, Amata City Co., Ltd.
- 2007 - Present ► Independent Director and Member of the Audit Committee, Shin Corporation Plc
- 2005 - Present ► Advisor, CPB Equity Co., Ltd.
- Director, Siam Aisin Co., Ltd.
- Director, Thai Tokai Carbon Product Co., Ltd.
- 2005 - 2011 ► Chairman of the Board of Directors, Siam Lemmerz Co., Ltd.
- 2005 - 2010 ► Advisor, The Siam Cement Plc
- Advisor, Siam Yamato Steel Co., Ltd.
- Director, Michelin Siam Group Co., Ltd.

► The current position in listed company

Remark : ^{1/} As at 31 December 2013, the number of ordinary shares includes holding by spouse and children age under 20.



Mr. Prasert Bunsumpun

Age 61 / Nationality Thai

Title
► Independent Director,
► Chairman of the Nomination and Governance Committee,
► Member of the Leadership Development and Compensation Committee
► Member of the Strategic and Organizational Review Committee

Appointment Date as the Director 26 December 2011

Shareholding^{1/} 0.0006%

Highest Education

- Honorary Doctor of Engineering, Chulalongkorn University
- Honorary Doctor of Management, National Institute of Development Administration (NIDA)
- Honorary Doctor of Management Science, Petchaburi Rajabhat University
- Honorary Doctor of Management, Mahasarakham University
- Honorary Doctor of Public and Local Innovative Management, Suan Sunandha Rajabhat University
- Master Degree in Business Administration, Utah State University, USA

Governance Training of IOD

RCP : Role of the Chairman Program Class 27/2012

DAP : Directors Accreditation Program Class 26/2004

Experience

- 2013 - Present ► Directors, PTT Plc
- 2012 - Present ► Chairman of the Board of Directors, Thoresen Thai Agencies Plc
- Chairman of the Board of Directors, Mermaid Maritime Plc
- 2011 - Present ► Independent Director, Shin Corporation Plc
- Director, Krung Thai Bank Plc
- Chairman of the Board of Director, PTT Global Chemical Plc
- Chairman, Thailand Business Council for Sustainable Development
- 2006 - 2013 ► Chairman of the Board of Directors/Director/ Chairman of the Executive Committee, IRPC Plc
- 2005 - 2012 ► Chairman of the Board of Directors, Thai Lube Base Plc
- 2007 - 2011 ► Director, PTT Aromatics and Refining Plc
- 2005 - 2011 ► Chairman of the Board of Directors/Vice Chairman/ Director, PTT Chemical Plc
- 2003 - 2011 ► Director, Chief Executive Officer and President, PTT Plc
- 2000 - 2011 ► Chairman of the Board of Directors/Director, PTT Exploration and Production Plc
- 2004 - 2010 ► Directors, Thai Oil Plc
- 2006 - 2008 ► Member, The National Legislative Assembly



Mr. Boon Swan Foo

Age 58 / Nationality Singaporean

Title

- ▶ Director and Authorized Director,
- ▶ Chairman of the Strategic and Organizational Review Committee,
- ▶ Member of the Nomination and Governance Committee
- ▶ Member of the Leadership Development and Compensation Committee,

Appointment Date as the Director 26 September 2007

Shareholding^{1/} None

Highest Education

- ▶ Master Degree in Business Administration, NUS

Governance Training of IOD

DCP : Directors Certification Program Class 182/2013

Experience

- 2013 - Present ▶ Director, Jillin Food Zone Pte Ltd.
- 2012 - Present ▶ Director, China National Offshore Oil Corporation
- ▶ Director, Singbridge Holding Pte Ltd.
- 2011 - Present ▶ Director, Allgrace Investment Management Pte Ltd.
- ▶ **Chairman of the Board of Directors, Global Investments Ltd.**
- ▶ Director, Dongfeng Motor Corporation
- ▶ Director, Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd.
- 2009 - Present ▶ Director, Singbridge International Singapore Pte Ltd.
- 2008 - Present ▶ Senior Advisor, Temasek Holdings (Private) Ltd.
- ▶ Adjunct Professor, Nanyang Technological University
- 2007 - Present ▶ **Director, Shin Corporation Plc**
- 2005 - Present ▶ Advisor, Singapore Technologies Engineering Ltd.
- 2011 - 2013 ▶ Advisor, AIG Asia Pacific Insurance Pte Ltd.
- 2010 - 2013 ▶ Director, Ascendos Investments Ltd.
- 2007 - 2012 ▶ Director, Cypress Holdings Ltd.
- ▶ Director, Aspen Holdings Ltd.
- 2008 - 2011 ▶ Director, China-Singapore Suzhou Industrial Park Devt Co., Ltd.
- 2007 - 2009 ▶ Chairman of the Board of Directors, Nothacker Pte Ltd.
- ▶ Director, Motorola Inc.
- 2006 - 2009 ▶ Director, Singapore Utilities International Pte Ltd.
- 2005 - 2009 ▶ Chairman of the Board of Directors, Singapore Computer Systems Ltd.
- 2004 - 2009 ▶ Director, Keppel Amfels Inc.

▶ The current position in listed company

Remark : ^{1/} As at 31 December 2013, the number of ordinary shares includes holding by spouse and children age under 20.



Mr. Somprasong Boonyachai

Age 58 / Nationality Thai

Title

- ▶ Director and Authorized Director,
- ▶ Chairman of the Executive Committee
- ▶ Member of the Nomination and Governance Committee
- ▶ Member of the Leadership Development and Compensation Committee
- ▶ Member of the Strategic and Organizational Review Committee
- ▶ Member of the Corporate and Social Responsibility Committee
- ▶ Acting-President

Appointment Date as the Director 25 April 2007

Shareholding^{1/} 0.0298%

Highest Education

- ▶ Master Degree in Engineering, Asian Institute of Technology (AIT)

Governance Training of IOD

RCP : Role of the Chairman Program Class 21/2009

DCP : Directors Certification Program Class 65/2005

DAP : Directors Accreditation Program Class 30/2004

Experience

- 2010 - Present ▶ **Acting-President, Shin Corporation Plc**
- 2008 - Present ▶ **Chairman of the Executive Committee, Shin Corporation Plc**
- ▶ **Vice Chairman of the Board of Director, Advanced Info Service Plc**
- 2007 - Present ▶ **Director, Shin Corporation Plc**
- 2006 - Present ▶ **Director, Thaicom Plc**
- 2004 - Present ▶ Director, Praram 9 Hospital Co., Ltd.
- 2002 - Present ▶ **Independent Director and Member of the Audit Committee, Power Line Engineering Plc**
- 2009 - 2011 ▶ Chairman of the Executive Committee, Thaicom Plc
- 2000 - 2008 ▶ Member of the Executive Committee, Shin Satellite Plc
- 1999 - 2008 ▶ Chairman of the Executive Committee, Advanced Info Service Plc
- 1994 - 2008 ▶ Director, Advanced Info Service Plc



Mr. Wichian Mektrakarn

Age 59 / Nationality Thai

Title

- ▶ Member of the Executive Committee and Member of the Strategic and Organizational Review Committee

Appointment Date as the Management 17 February 2011

Shareholding^{1/} 0.0009%

Highest Education

- ▶ Bachelor Degree BS EEE - Electrical & Electronics Engineering (Honor), California Polytechnic University, USA

Governance Training of IOD

DCP : Directors Certification Program Class 107/2008

Experience

- 2013 - Present ▶ Member of the Strategic and Organizational Review Committee, Shin Corporation Plc
- 2011 - Present ▶ Member of the Executive Committee, Shin Corporation Plc
- 2009 - Present ▶ Chief Executive Officer, Advanced Info Service Plc
- 2010 - 2012 ▶ Acting Chief Marketing Officer, Advanced Info Service Plc
- 2006 - 2009 ▶ President, Advanced Info Service Plc



Mrs. Suphaje Suthumpun

Age 49 / Nationality Thai

Title

- ▶ Member of the Executive Committee,
- ▶ Member of the Strategic and Organizational Review Committee
- ▶ Chairman of the Media & New Business

Appointment Date as the Management 11 August 2011

Shareholding^{1/} None

Highest Education

- ▶ Master Degree in Business Administration, International Finance and International Accounting, Northrop University, USA

Governance Training of IOD


DCP : Directors Certification Program Class 89/2007

Experience

- 2012 - Present ▶ Chairman of the Executive Committee, Thaicom Plc
- 2011 - Present ▶ Member of the Executive Committee, Member of the Strategic and Organizational Review Committee and Chairman of the Media & New Business, Shin Corporation Plc
- ▶ Director and Chief Executive Officer, Thaicom Plc
- ▶ Director, Chairman of the Executive Committee, Chairman of the Remuneration Committee, and Chairman of the Nomination and CG Committee, CS LoxInfo Plc
- ▶ Member of the Executive Committee, Advanced Info Service Plc
- Aug - Dec 2011 ▶ Member of the Executive Committee, Thaicom Plc
- 2010 - 2011 ▶ General Manager, Global Technology Services, IBM ASEAN
- 2009 - 2010 ▶ Client Advocacy Executive, Chairman's Office, IBM Headquarters
- 2007 - 2009 ▶ Vice President, General Business, IBM ASEAN

▶ The current position in listed company

Remark : ^{1/} As at 31 December 2013, the number of ordinary shares includes holding by spouse and children age under 20.



Mrs. Suwimol Kaewkoon

Age 58 / Nationality Thai

Title
► Member of the Executive Committee

Appointment Date as the Management 1 July 2007

Shareholding^{1/} None

Highest Education

- Master Degree in Business Management, Asian Institute of Management, Philippines

Governance Training of IOD

DCP : Directors Certification Program Class 102/2008

Experience

- 2013 - Present ► Chief Organization Development, Advanced Info Service Plc
- 2007 - Present ► Member of the Executive Committee, Shin Corporation Plc
- 2007 - 2012 ► Chief Customer Officer, Advanced Info Service Plc



Mr. Anek Pana-apichon

Age 48 / Nationality Thai

Title
► Executive Vice President - Finance & Accounting

Appointment Date as the Management 16 November 2000

Shareholding^{1/} 0.0016%

Highest Education

- Master Degree in Business Administration, Chulalongkorn University

Governance Training of IOD

DCP : Directors Certification Program Class 111/2008

Experience

- 2010 - Present ► Executive Vice President - Finance & Accounting, Shin Corporation Plc
- Director and Executive Director, Thaicom Plc
- Feb - Sep 2011 ► Acting Chief Finance Officer, Thaicom Plc
- 2004 - 2010 ► Vice President - Finance & Accounting, Shin Corporation Plc

► The current position in listed company

Remark : ^{1/} As at 31 December 2013, the number of ordinary shares includes holding by spouse and children age under 20.



Mr. Wichai Kittiwittayakul

Age 52 / Nationality Thai

Title
► Company Secretary and Executive Vice President - Company Secretary & Internal Audit

Appointment Date as the Management 1 July 2007

Shareholding^{1/} 0.0003%

Highest Education

- Master Degree in Accounting, Thammasat University

Governance Training of IOD

DCP : Directors Certification Program Class 104/2008
Company Secretary Program - 2005
Board & CEO Assessment Program - 2003
Effective Audit Committee Program - 2002
Board Practices Program - 2002
Board Composition and Relations Program - 2002
Board Policy Program - 2002

Experience

- 2013 - Present ► Executive Vice President - Company Secretary and Internal Audit, Shin Corporation Plc
- 2011 - Present ► Member of the Accounting Educational and Technology Committee, Federation of Accounting Professions
- 2008 - Present ► Company Secretary, Shin Corporation Plc
- 2011 - 2013 ► Senior Vice President - Company Secretary and Internal Audit, Shin Corporation Plc
- 2004 - 2011 ► Vice President - Company Secretary and Internal Audit, Shin Corporation Plc
- 2007 - 2009 ► Chairman of the Board, The Institute of Internal Auditors of Thailand (IIA)
- 2003 - 2008 ► Secretary to the Board of Directors, Shin Corporation Plc



Mr. Krittika Mahattanakul

Age 47 / Nationality Thai

Title
► Executive Vice President - New Business

Appointment Date as the Management 1 September 2013

Shareholding^{1/} None

Highest Education

- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Governance Training of IOD

-

Experience

- 2013 - Present ► Executive Vice President - New Business, Shin Corporation Plc
- 2009 - 2013 ► Head of Chief Marketing Officer Asia North, Nokia Siemens Networks (Thailand) Ltd.
- 2007 - 2009 ► Head of Services Sales, Latin America region, Nokia Siemens Networks (Thailand) Ltd.

► The current position in listed company

Remark : ^{1/} As at 31 December 2013, the number of ordinary shares includes holding by spouse and children age under 20.

Changes in the Ordinary Shares and Debentures held by Directors and Management

Name ^{1/}	Position	Shin Corporation Plc						Advanced Info Service Plc						Thaicom Plc					
		Ordinary Shares (shares)			Ordinary Shares (shares)			Debentures (units)			Ordinary Shares (shares)			Debentures (units)			Ordinary Shares (shares)		
		31 Dec 2012	Changes during 2013		31 Dec 2013	31 Dec 2012	Changes during 2013		31 Dec 2013	31 Dec 2012	31 Dec 2012	Changes during 2013		31 Dec 2013	31 Dec 2012	31 Dec 2012	Changes during 2013		31 Dec 2013
			Increase	Decrease			Increase	Decrease				Increase	Decrease				Increase	Decrease	
1. Dr. Virach Aphimeteetamrong	Chairman of the Board of Directors	-	-	-	-	-	-	-	-	1,000	-	-	-	1,000	-	-	-	-	-
2. Mr. Somchai Supphatada	Independent Director and Chairman of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Mr. Vitthit Leenutaphong	Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Mr. Chalaluck Bunnag	Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Prasert Bunsumpun	Independent Director	20,000	-	-	20,000	-	-	-	-	-	-	-	-	-	50,000	-	-	50,000	-
6. Mr. Boon Swan Foo	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Mr. Somprasong Boonyachai	Director and Chairman of the Executive Committee	1,126,459	-	(170,000)	956,459	-	-	-	-	2,000	-	(2,000) ^{2/}	-	-	-	-	-	-	-
8. Mr. Wichian Mektrakarn	Member of the Executive Committee	6,500	23,500	-	30,000	15,025	2,000	-	17,025	-	-	-	-	-	-	-	-	-	-
9. Mrs. Suphaje Suthumpun	Member of the Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10. Mrs. Suwimol Kaewkoon	Member of the Executive Committee	-	12,000	(12,000)	-	104,357	-	-	104,357	-	-	-	-	-	-	-	-	-	-
11. Mr. Anek Pana-apichon	Executive Vice President - Finance & Accounting	259,375	40,700	(250,075)	50,000	15,000	-	(15,000)	-	-	-	-	-	-	-	-	-	-	-
12. Mr. Wichai Kittiwittayakul	Executive Vice President - Company Secretary & Internal Audit	87	10,000	-	10,087	-	-	-	-	-	-	-	-	-	1,050	(1,000)	50	-	-
13. Mr. Krittika Mahattanakul ^{3/}	Executive Vice President - New Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Remark ^{1/} The number of ordinary shares and debentures includes holdings by spouse and minor children.

^{2/} Maturity date of AIS134A debentures as of 30 April 2013.

^{3/} Mr. Krittika Mahattanakul was appointed as Executive Vice President-New Business as of 1 September 2013.

Changes in the Ordinary Shares and Debentures held by Directors and Management

Name ^{1/}	Position	ITV Plc ^{2/}				Matchbox Co., Ltd.				I.T. Applications and Services Co., Ltd.				Intouch Media Co., Ltd. ^{3/}			
		Ordinary Shares (shares)				Ordinary Shares (shares)				Ordinary Shares (shares)				Ordinary Shares (shares)			
		31 Dec 2012	Changes during 2013		31 Dec 2013	31 Dec 2012	Changes during 2013		31 Dec 2013	31 Dec 2012	Changes during 2013		31 Dec 2013	31 Dec 2012	Changes during 2013		31 Dec 2013
			Increase	Decrease			Increase	Decrease			Increase	Decrease			Increase	Decrease	
1. Dr. Virach Aphimeteetamrong	Chairman of the Board of Directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Mr. Somchai Supphatada	Independent Director and Chairman of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Mr. Vithit Leenutaphong	Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Mr. Chalaluck Bunnag	Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Prasert Bunsumpun	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Mr. Boon Swan Foo	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Mr. Somprasong Boonyachai	Director and Chairman of the Executive Committee	-	-	-	-	260	-	-	260	4	-	-	4	-	-	-	-
8. Mr. Wichian Mektrakarn	Member of the Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Mrs. Suphatee Suthumpun	Member of the Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
10. Mrs. Suwimol Kaewkoon	Member of the Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11. Mr. Anek Pana-apichon	Executive Vice President - Finance & Accounting	20	-	-	20	10	-	-	10	2	-	-	2	-	-	-	-
12. Mr. Wichai Kittiwittayakul	Executive Vice President - Company Secretary & Internal Audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13. Mr. Krittika Mahattanakul ^{4/}	Executive Vice President - New Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Remark ^{1/} The number of ordinary shares and debentures includes holdings by spouse and minor children.

^{2/} On 8 March 2007, ITV has to cease its operation under ITV Television Station due to the revocation of the Concession Agreement.

^{3/} Intouch Media Company Limited was registered as limited company on 28 August 2013.

^{4/} Mr. Krittika Mahattanakul was appointed as Executive Vice President-New Business as of 1 September 2013.

Awards and Recognition

In 2013, the Company was very proud to receive the following rewards for the dedication and commitment of its directors, management and employees.

Board of the Year Awards 2013: The Company was awarded both “Board of the Year for Distinctive Practices” and “Audit Committee of the Year” for upholding good corporate governance. These awards were organized by the Thai Institute of Directors in collaboration with six other organizations, namely the Stock Exchange of Thailand, Thai Chamber of Commerce, Federation of Thai Industries, Thai Bankers Association, Thai Listed Companies Association, and the Federation of Thai Capital Market Organizations.

The SET Awards 2013: The Company was honored to receive the “Best Company Performance Award” for companies with a market capitalization of over 50 billion baht. These awards were organized by the Stock Exchange of Thailand and Money and Banking magazine in the categories of “Best Listed Company”, “Best Securities Company” and “Best Fund Management Company”.

Popular Stock Awards 2012: The investment community voted to select the Company for the “Best Popular Stock Award” and “Best Popular Technology Stock Award” for its sound fundamentals. These awards were organized by the Securities Exchange of Thailand and Khao Hoon Thurakit newspaper, which polls investors in the Thai stock market.



1



2



3

- 1 Board of the Year Awards 2013
- 2 SET Awards 2013
- 3 Popular Stock Awards 2012

Corporate Social Responsibility

CORPORATE SOCIAL RESPONSIBILITY POLICY

As a Thai company conducting business in Thailand, the Company recognizes the importance of being a good corporate citizen and regards social responsibility programs as one of its major missions. These programs focus on sustainable economic development and environmental conservation in order to create mutual benefits and stable growth for both the Company and society.

The Board of Directors has appointed the Corporate Social Responsibility Committee to support it in performing CSR functions such as drawing up strategic and operational plans, allocating budgets, reviewing policies, and reporting the progress of CSR projects to the board. This committee has drawn up the Corporate Social Responsibility Policy, which covers the following eight areas: Business Ethics and Transparency; Corporate Governance; Business Conduct; The Community and Social Responsibility; Employee Relations; Human Rights; The Environment; and Development of Innovation. (Please refer to the Company's website at www.intouchcompany.com for more information.)

CORPORATE SOCIAL RESPONSIBILITY REPORT

The Company's compliance with its Corporate Social Responsibility Policy is reported below.

Business Ethics and Transparency

The Company promotes free trade and supports fair competition, and does not require its business partners to sign exclusionary contracts. The Company does not condone illegal or unethical access to its competitors' confidential information. Moreover, the Company respects all intellectual property rights and does not purchase any goods that violate these. (This is strictly prohibited in the Code of Conduct, which can be found on the Company's website at www.intouchcompany.com)

The Company has drawn up and implemented a purchasing policy and guidelines for procuring goods and services in order to select vendors in a fair and transparent manner. This policy covers four methods of procurement: 1) Price negotiation, 2) Price comparison, 3) Bidding, and 4) Procurement for special purposes.

Corporate Governance

The Company has reported its compliance with good corporate governance practices on page 47 of this report.

Business Conduct

The Company has drawn up and implemented an anti-bribery and corruption policy, which has been communicated to, and acknowledged by, all the Company's employees, business partners and vendors. This policy has been posted on the Company's website and intranet. The Company has joined the Private Sector Collective Action Coalition against Corruption established by the Corruption Protection Organization (Thailand) in order to publically declare its opposition to corrupt practices. Employees who witness acts of corruption may report these through the Company's whistleblower channels.

Community and Social Responsibility

The Company continues to support projects that benefit local communities and society in general by increasing knowledge and encouraging sustainable development. (Details of these projects can be found in this report on page 29-33 under "Corporate Social Responsibility Activities".)

Employee Relations

The Company places a very high value on its human resources and has drawn up and implemented a clear policy to take care of and develop its employees in a systematic and continual fashion in order to enhance individual skills and improve overall quality. This will increase staff morale and create a competitive workforce at all levels of the organization. Employee Relations covers the areas below.

Welfare, Health, the Environment and Safety Besides strictly abiding by the laws concerning labor, welfare, occupational health, the environment and safety in the workplace, the Company encourages its employees at every job level to improve their health and the quality of their lives by providing additional welfare and healthcare. The Company has a well-equipped fitness center and a modern clinic with visiting physicians and a full-time nurse, who provide advice on both physical and mental health as well as support for employees who need medical attention. The Company also provides an annual medical examination along with life and health insurance. The Workplace Welfare Committee considers feedback from the employees along with suggestions for improving the Company's welfare provision. To date, none of the Company's employees has suffered a severe injury or illness.

Employee Development The Company supports and invests in the development of individual knowledge to enhance operational, managerial, leadership and professional skills. This includes the sharing of knowledge through seminars, in which all the participants have an opportunity to speak and motivational coaching by superiors in order to develop the employees in a way that can really match the requirements of the organization. The employee development plan is aligned with the succession plan and talent development program that the Company has implemented to provide business continuity and fulfill its commitments to the shareholders, customers and society, under the principles of good corporate governance and business transparency. In addition, the Company has established a corporate library (called the Knowledge Station) and arranged Dhamma sessions in the office to look after its employees' spiritual health. On average, each employee receives six days a year of training and development, and the participation rate has been 90%.

Fairness of Recruitment and Selection The Company recruits and hires people for each level of the organization in a fair manner, taking into account the qualifications and capabilities required along with the candidates' potential to develop themselves for future advancement. The Selection Committee utilizes various assessment tools and procedures to ensure that the Company hires the most suitable people who can easily adapt to the organizational culture.

Number of Employees in 2013

Level	Total Number	New Employees	Left the Company
Executive	19	3	
Management	39	5	2
Operation	20	1	
Total	78	9	2

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

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

Moreover, the Company encourages long-term commitment and saving for the future by providing a Savings & Credit Cooperative and a Provident Fund for its employees, who can select an investment package based on individual risk preference. Employees are regularly updated on the progress of the Provident Fund by the fund manager.

Human Rights

Freedom of Association The Company respects the rights of its employees to associate freely, and/or join workers' associations or any organizations established in accordance with applicable laws and regulations in order to benefit people, society, and/or the nation, as long as this does not involve any outside personal interests or additional sources of remuneration which may impair their independence towards performing their duties, and/or using the Company's intellectual property and time without prior permission.

Employee Privacy

The Company respects the privacy of all its employees and will not disclose any personal information such as salaries, medical records or family data to anyone who does not have a right to that information unless it is required to do so by law.

Environmental Practices

The Company promotes the optimum utilization of resources and encourages its employees to reuse paper and not waste water in order to reduce costs and the impact on the environment. A Board Portal system has been implemented to save paper and hence costs. The office air-conditioning is turned off 15 minutes before the end of the working day, and the Company has a policy to use only environmentally-friendly materials.

The Company supports Corporate Social Responsibility projects that protect the environment, following His Majesty the King's Philosophy of Sufficiency Economy, such as the "Healthy Rice Growing Project" to cultivate organic rice without the use of chemical fertilizers or pesticides. This will improve both the ecosystem and the quality of life for Thai farmers as well as increase the abundance of natural resources.

Development of Innovation

The Company supports innovation and has developed a Board Portal system for the directors to access meeting documents and related information quickly and easily through mobile devices. The Board of Directors approved this system on June 25, 2013 and it was implemented in August. The Board Portal system is environmentally-friendly and has reduced the paperwork and related costs. Access to information requires a password for security.

Moreover, the Company sponsors show-case events for sharing knowledge and developing skills, and participates in advanced technology exhibitions such as the ITU Telecom World 2013. The Company also organizes innovation and technology seminars for entrepreneurs, and applies its expertise to material projects in local communities, creating long-term added value and benefits.



CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Company emphasizes continual social development by creating mutual benefits between the business sector and society (Creating Shared Value), applying its knowledge and expertise to executing projects in conjunction with local communities in order to generate sustainable growth. The Company's motto is "Strong Thais, Strong Thailand". In 2013, the Company's social activities focused on developing the skills and creativity of children and teenagers, following His Majesty the King's Philosophy of Sufficiency Economy. The employees were encouraged to participate in these projects.

The Healthy Rice Growing Project by INTOUCH

The Company is supporting a project to grow organic rice without the use of chemical fertilizers or pesticides in order to improve the quality of life for Thai farmers. Following the success of the project in Chainat in 2012, the Company extended it to a 100-rai area of farmland at Kok Taban Correctional Center, Amphoe Mueang, Surin, which is worked by 50 prisoners who have shown good behavior and will soon be released. Riceberry seeds and information on growing organic rice are provided, while the experience gained from the project in Chainat has been applied to the knowledge-sharing process in an effort to increase productivity. This project serves as a knowledge center for interested farmers and agriculturalists, and offers the inmates a practical opportunity to learn about farming as an occupation after they are released.



Growing nutritious rice without chemicals provides a higher income for farmers and improves their health and wellbeing. This also helps to conserve the environment and protect the local ecology. The consumers are happy and the local community is stronger and more self-dependent. The inmates are learning useful skills to support themselves in the future so the project will eventually create reformed people who can return to society.

The Camp Sanook Kid with INTOUCH, “Self-Sufficiency of Youths and Schools”

The Camp Sanook Kid with INTOUCH project follows His Majesty the King’s Philosophy of Sufficiency Economy to grant opportunities to young people, students, schools and their communities by developing learning centers together. The analysis and application integrates the Company’s knowledge with a community’s human and material resources to maximize the benefits. Employees are invited to volunteer in these projects, and the following learning centers were established in 2013:

“The Learning Center for Bio Fertilizer at Ban Kae Hua Had Som Hong,” located in Ban Kae Hua Had Som Hong School, Amphoe Kamalasai, Kalasin, houses knowledge on the making of bio-fertilizer from leftovers in the community to help reduce waste, save costs and conserve the environment. The project also encourages the community to be self-dependent, following the Philosophy of Sufficiency Economy.

“The Learning Center for Leuang Pa Tew Rice for Conservation and Processing,” located in Pa Tew Withaya School, Amphoe Pa Tew, Chumporn, promotes local knowledge of growing “Leuang Pa Tew,” a rare strain of rice. The project encourages the villagers of all ages to consume their local



rice, which is very nutritious and suitable for processed foods such as rice-crackers and noodles. This, in turn, will make them feel proud and protective of their local resources, and preserve this strain of rice for future generations.

“The Learning Center for Self-sufficient Brown Rice at Ban Huaykrai,” located in Ban Huaykrai School, Amphoe Ban Dan Lan Hoi, Sukhothai, is a collaboration between the local school, community and rice mill. Rice husks from milling are used for making fertilizer, which is distributed to rice and vegetable farms in the local area. Rice from the community farm is shared for school lunches, reducing the cost and strengthening the community in the long run.

“The Learning Center for Integrated Farming at Hua Pai Community,” located in Hua Pai Withayakom School, Amphoe Muang, Singburi, provides integrated farming knowledge. Local wisdom on fishing, raising livestock and processing herbs has led to products that generate income for the community and create pride in its natural heritage.

- 2-4 The Healthy Rice Growing Project by INTOUCH
- 5-6 The Learning Center for Bio Fertilizer at Ban Kae Hua Had Som Hong
- 7-8 The Learning Center for Leuang Pa Tew Rice for Conservation and Processing
- 9-10 The Learning Center for Self-sufficient Brown Rice at Ban Huaykrai
- 11-12 The Learning Center for Integrated Farming at Hua Pai Community



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12



- 1 Present money for the Princess Maha Chakri Sirindhorn Foundation
- 2 Merit-making and alms-giving
- 3 Donate to Wat Prabat Nampu for HIV patients
- 4 Donate fund and things to 10 foster homes in the Pak Kret district and the Education for Development Foundation (EDF)
- 5-6 The Project Thai Literature Conservation Contest with INTOUCH
- 7 ITU Telecom World 2013 at IMPACT Exhibition Center, Muang Thong Thani

Thai Literature Conservation Contest with INTOUCH

Throughout the past seven years the Thai Literature Conservation Contest has inspired young people to love the Thai language and its literature, and read more books. The participants have read over 350 Thai folk tales between them, which have inspired more than 10,000 paintings and drawings. The 34 winning pieces have been sold to raise money for the Princess Maha Chakri Sirindhorn Foundation, which provides scholarships to poor students. No expenses have been deducted from the proceeds of these sales.

Other Activities

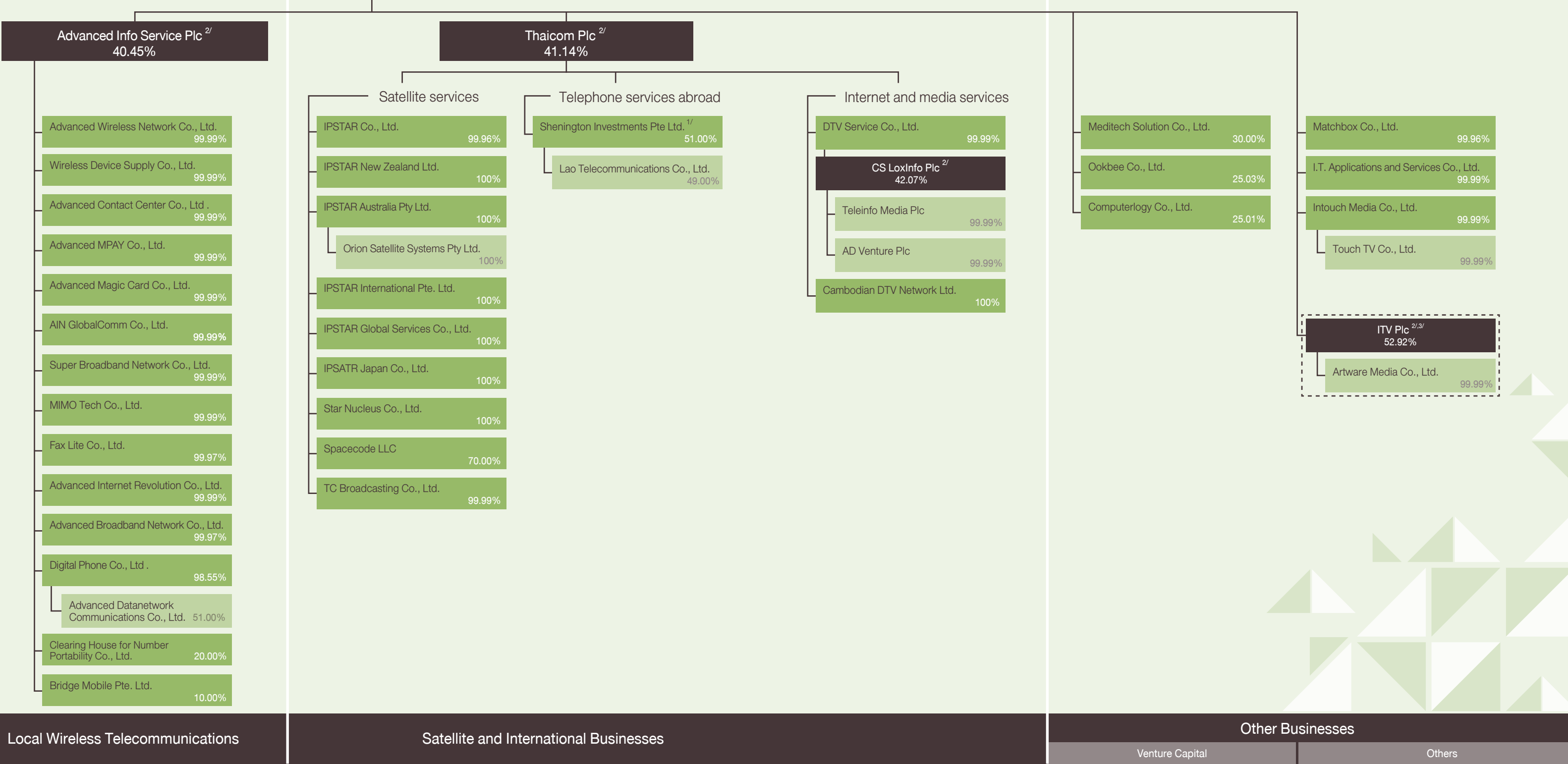
In addition to the above mentioned projects, the Company has taken an interest in helping the community where it is located, and provided financial assistance to disadvantaged people through the following donations:

- ▶ The Company and its employees have donated both funds and useful items to 10 foster homes in the Pak Kret district of Nonthaburi and the Education for Development Foundation (EDF) that helps to support orphans in the three southern border provinces.
- ▶ The companies in the group donated 10 million baht to help victims of Typhoon Hai Yian during the disaster relief campaign “Thai People Console With and Help the Philippines”.
- ▶ The Company organizes events every year to celebrate the birthdays of His Majesty the King and Her Majesty the Queen. These events include merit-making, alms-giving, and donations to Prabat Nampu Temple to help support people suffering from HIV.
- ▶ The Company donates funds to the Princess Maha Chakri Sirindhorn Foundation, which provides scholarships to disadvantaged students.
- ▶ The Company donates funds to the Thairath Foundation, which provides scholarships to primary school children.
- ▶ The Company donates funds to schools and communities to develop projects that follow His Majesty the King’s Philosophy of Sufficiency Economy and conserve the environment, and regularly monitors their progress.
- ▶ The Company encourages its employees to donate blood to the Thai Red Cross Society every year and become registered organ donors.
- ▶ On National Children’s Day, the Company donates useful items to children’s agencies and organizations.

INTOUCH Group’s Investment Structure

as of 7 February 2014

Shin Corporation Plc^{1/, 2/}



^{1/} Holding Company
^{2/} Listed Company on the Stock Exchange of Thailand
^{3/} On 4 June 2009, the securities transferred to Non-Performing Group-NPG and SET announced that ITV was in NPG-stage 1 on 10 March 2011, NPG-stage 2 on 12 March 2012 and NPG-stage 3 on 12 March 2013.

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Nature of Business

INTOUCH is a holding company, its operation is investment in local wireless telecommunication business, satellite and international business, and other businesses.

Local wireless telecommunication business is operated by Advanced Info Service Public Company Limited or AIS. With the experience more than 20 years, AIS is the leading Thai mobile operator with the number one revenue and subscriber market shares. AIS was awarded the 3G on 2.1GHz license by the NBTC to enhance the Company's business continuity following the technology and consumer behavior changes.

Satellite and international business is operated by Thaicom Public Company Limited or THAICOM. THAICOM is the only one transponder leasing provider in Thailand and also the only broadband service provider in Asia Pacific region. It was granted a Telecommunication Service License Type III by the NBTC, which will permit the Company to continually launch new satellites to serve a high demand in a market.

Other business is including Matchbox Company Limited or Matchbox, operating in advertising and production services, and other businesses under venture capital project "InVent". The details of businesses are as follow:

Local Wireless Telecommunication Business

AIS is the leading Thai mobile telecommunication service company with 52% of revenue market share and serving 43% of subscriber market share (more than 40 million subscribers) on 900 1800 and 2100MHz spectrums as of December 2013.

In 2013, AIS successfully moved from 2G technology to the 3G platform that offers download speeds of 42 Mbps, enabling customers to experience faster speed of mobile internet. With the popularity of smartphones and social networking applications continuing to rise, AIS focuses on insight to customer behavior to deliver services that meet their various demands. From this, AIS has promoted 3G services throughout the year, providing different price

options according to volume of usage. In addition, there are also packages tailored to suit customers who especially enjoy social networking applications or recently began using the internet via their smartphones. Meanwhile, the 2G service is still available, although it is expected to decline.

Thanks to the faster data speed of 3G technology, AIS can support rich and various new applications such as video streaming. AIS has launched "AIS Mobile Barclays Premier League" which allows customers to enjoy live broadcasts of Premier League matches through their smart devices, while "AIS mPay Rabbit" makes it easy and convenient for customers to pay their BTS and BRT fares and purchase food items at multiple well-known shops simply by using smart devices that feature the NFC technology (Near Field Communication). In response to the growing popularity of mobile internet usage among customers who frequently travel abroad, AIS has designed unlimited data roaming packages. We also developed "AIS Data Roaming" application from which customers can easily check the volume of data roaming.

To reach a wider range of customer groups, AIS has also launched a marketing campaign to provide quality smart devices that support 3G technology at multiple pricing options. The world leading branded smartphones offered include Apple, Samsung and Sony, as well as co-branded mobile phones through cooperation between AIS and such manufacturers as Huawei, Acer and ZTE.

In 2013, AIS opened "AIS Service Point" as a channel through which customers could upgrade from 2G to the 3G platform. To achieve this, AIS worked with 500 dealers across the country to upgrade their service. At the same time, over 40 Telewiz outlets were upgraded to Telewiz Plus. The upgraded outlets are able to deliver an even better customer experience, by allowing customers to test and try popular mobile devices before making a purchase decision, and by helping transfer data such as numbers, photos, messages, and music from the customers' old devices to the new ones through the innovative "Cellebrite". For improved convenience, Telewiz Plus

shops have also been equipped with an effective queuing system and payment kiosks. Over 200 AIS Promoters have been trained and assigned to provide advice on products through multiple distribution channels around the country, including such key account and modern trade locations as JMart and GT; modern trade outlets such as Tesco Lotus, Power Buy and 7-11; and computer shops such as iStudio, Banana IT, and IT City.

In response to the growing numbers of smart device users, AIS has increasingly focused on a proactive approach to managing customer relations in order to ensure best customer experience. Early in the year, AIS introduced 3G on the 2.1GHz spectrum to the market. When encountering connection problems, customers will receive a message with step-by-step instructions and settings to help the customers solve the problems by themselves. For customers who are beginners using mobile internet, AIS has provided Usage & Package Notification to facilitate customer use of the service. AIS has also opened new shops and renovated its service offices under the concept of “Experience Shop”, allowing customers to try and test smart devices before making a decision to buy. Smart Table has also been introduced in 19 shops to provide customers with the opportunity to learn about new applications, compare promotion options, and check the specification of smart devices in a multimedia format. Additionally, AIS has trained over 705 staff to be experts in 3G technology and mobile phone accessories. At the same time, AIS continues to offer “AIS Privileges” to satisfy customers’ lifestyles through a range of programs such as the “AIS Privilege App”, which helps customers locate nearby shops that participate in the program, and “AIS Dining Cuisine”, which allows customers to enjoy delicious dishes prepared by Michelin Star Chefs, and “AIS Trip”, which can arrange wonderful trips for customers.

Industry and Competition

In 2013, the telecommunication business was mainly driven by non-voice services, which grew by 24% while voice services shrank constantly as the penetration rate reached 137% (number of subscriber per population). The official launch of the 3G network on 2.1GHz spectrum during mid-2013 was the turning point in the telecommunication business in term of technological and structural changes.

It resulted in a better network quality for the growing demand of the data usage. It also paves the way toward transformation of business based on concession to licensing. This encouraged the competition to be fair (revenue shared 25-30% on the contract compare to regulatory fee 5.25% on license). The operators also encouraged 2G subscribers to upgrade to 3G service for continuity in service as the contract are about to expire.

The 3G licensing has brought to Thai market acceleration of network expansion, as well as increasing advertising, marketing activities, and dealer incentives to promote 3G service. The overall industry spending on marketing has been increased during the past year. Operators offered 3G package with more value by increasing the voice minutes and data usage which make an average price per unit lower than 2G by 15% according to NTBC guideline. However, pricing remained fairly rational and focused on bringing variety of packages designed to meet customers from the upper level to the lower segment. The price of starter package was lowered to attract new smartphone beginners and push for mass adoption. Meanwhile, operators had to address 3G handset penetration and have offered several campaigns to attract customers to change devices from 2G to 3G. In 2013, 3G handset is up to 50% of total market sales. To bring affordable price of handset to customers in middle to lower tier, operators partnered with mobile device manufacturers to build their house-brand.

In 2014, the expansion of 3G network coverage is expected to reach nationwide in response to the customers’ demand on mobile internet. By middle of 2014 when network coverage is more extensive, we may expect higher competition for market share through variety of campaigns to attract both new and existing customers. Comparing to last year, there will be more marketing campaigns to attract 2G subscribers to upgrade to 3G on 2.1GHz as the 2G contract will expire in 2014-15. Meanwhile, price of smartphones and tablets will continue to decline and help expanding market in mid to low tier. The operators will continue to focus on strategic marketing campaigns with leading vendors offering customers more convenient in accessing to affordable 3G devices.

Data service is also a major factor in driving growth on telecom market in 2014. The demand for mobile internet continues to grow and post-paid market will play more important role as customers can connect to the internet constantly. Apart from the use of mobile internet and social apps with it, the development on 3G technology can create new business opportunities supporting life in a digital information age such as m-commerce, mobile marketing, and cloud services for SMEs, etc. In addition, NBTC plans to have license auction on 1800MHz and potentially 900MHz for LTE and 3G which will help strengthening mobile data network and support further variety of services to customers.

Satellite and International Businesses

THAICOM is the leader in satellite business in Thailand. It uphold the customers' demand via three satellites, which are Thaicom 4 (IPSTAR), Thaicom 5, and Thaicom 6 (conventional satellites). THAICOM also enhances to related businesses, which are telephone services abroad and internet and media services.

Satellite services and related businesses

THAICOM, founded in 1991, has a 30-year agreement for the operation of domestic communication satellite with the Ministry of Information and Communication Technology (MICT), expiring in 2021, to operate the national satellite communications project. THAICOM launched six satellites into the orbit; however, THAICOM operated three satellites currently, which are

► **Thaicom 4** (IPSTAR), a broadband satellite, offers a network throughout 14 countries of Asia Pacific Region. THAICOM began the marketing of the IPSTAR service in 2001, using beehive wave distribution technology, thus enabling efficient frequency reuse with massive bandwidth capacity of up to 45 Gbps - 20 times that of conventional satellites. The technology has enabled THAICOM to cater millions of high speed internet users, from individual subscribers to corporate users, including internet and telecommunication service providers.

► **Thaicom 5**, a conventional satellite, receiving the signal from an earth station (transmitting station), amplifies, and retransmits the signal on a different frequency to another earth station (receiving station) anywhere under the satellite's footprint. This allows telecommunication operators, service providers and broadcasters to benefit from the satellite's nationwide and cross-regional coverage.

► **Thaicom 6**, a conventional satellite, was launched in the beginning of 2014. It has 18 C-band and 8 Ku-band transponders. Thaicom 6 is co-located with Thaicom 5 at 78.5 degrees East, THAICOM's prime orbital slot for broadcast services. In addition to Asia, Thaicom 6 will provide broadcasters and telecom operators in Africa with a full range of end-to-end satellite communication services via its high-power C-band beam dedicated to Africa under the name AFRICOM 1.

► **New satellites, Thaicom 7**, will be placed at 120 degrees East orbital slot in 2014 and will have maximum 14 high-power C-band transponders serving Asia and Australia. It will be the first satellite that THAICOM operates under the 20-year license from the National Broadcasting and Telecommunications Commission (NBTC), which will enhance THAICOM's ability to compete in the market as the cost structure reduces.

Telephone services abroad by Shenington Investments Pte Limited (SHEN)

THAICOM is a provider of telephone services abroad through an investment in SHEN, which is a holding company. Its main objective is to invest in international telecommunications in **Lao Telecommunications Company Limited (LTC)**. LTC is a joint venture between the Government of Lao PDR and SHEN. LTC has a 25-year license, expiring in 2021, to provide comprehensive telecommunication services for Laos using the latest digital technology including fixed-line (PSTN and CDMA 450) and mobile (GSM 900/1800MHz and 3G networks), international calling and internet.

Internet and media services by DTV Service Company Limited (DTV)

DTV attaches importance on producing satellite dish of small size to receive signals from Ku-band Thaicom 5 satellite. The dish will enable clear viewing of every TV channel with targets at various buildings in town and out of town. This is because DTV has many more interesting and outstanding programs; for example, news, documentary, movies, cartoons, music, and a lot of more education channels. In addition, DTV will adjust price of the product to be suitable for the market and continue to develop new equipment with capability for appropriate application which, in turn, gives rise to more convenience to expand customers group and creating customer satisfaction. The mentioned equipment includes HDTV Box to support viewing program with High Definition TV system and Hybrid Box which offers an alternative for customer to view TV program via Satellite and Internet with the same box.

Another key investment of DTV is **CS LoxInfo Public Company Limited (CSL)**, which provides Internet-related businesses under the satellite agreement for the operation of domestic communication satellite from CAT, granting it the exclusive license to provide television transponder services via satellite and internet for 22 years, expiring in 2016. CSL has major services including internet services via leased circuit/leased line, high-speed internet services via telephone line (ADSL), high-speed internet services via satellite network (IPSTAR), internet services via telephone line (Dial-up), Internet Data Center (IDC), internet value added services, VoIP service, and Uplink/Downlink services.

Industry and Competition of Conventional Satellite

THAICOM plans to make its satellites, which are located at 78.5 degree East, to be “Hotbird” or demanded satellites based on: the number of subscribers, number of channels in the platform, and being a leader of broadcasting satellite TV services throughout Asia continent. Thailand in present, there are approximately 14 million households having satellite TV and cable TV, and more than 11 million households are pointing at Thaicom 5. Others are cable television’s consumers.

In the Asia Pacific region, THAICOM’s major competitors include the satellites from Hong Kong, Malaysia, Luxembourg, and Vietnam. However, as one of the established satellite operators in this region, THAICOM believes that the effect from the competitions will be minimized due to its long-term reputation, relationship with the customers, and the selective neighborhood channels on THAICOM satellites.

In African market, some of the major players in this market include the satellites from United States of America, Luxembourg, Saudi Arabia, and France. However, as the second largest continent in the world that has high density of population but low percent penetration rate of telecommunication technology, Africa is full of potential demands. THAICOM believes that the effect from competitions will be minimized by the cooperation with strategic partners and expansion of the existing customers’ networks. THAICOM will focus on interesting markets and provide selective solutions such as mobile backhaul, VSAT, internet trunking and video distribution. In addition, THAICOM will apply its experience in the Asian market in an African context.

In 2013, THAICOM strongly focused on satellite TV marketing both domestic and international markets. As a result, the business of satellite TV has greatly soared as an increase of 465 channels in 2012 to more than 600 channels in 2013 (as of 30 September). Growth of video distribution for C-band and Direct-to-Home (DTH) services for Ku-band are the key drivers for upcoming year.

In 2014, THAICOM main strategy is to develop strong neighborhood by broadcasting premium channels. THAICOM has also deployed new technology i.e. MPEG-4/ DVB-S2 and HDTV to facilitate future demands.

Industry and Competition of Broadband Satellite

At the end of June 2013, there were 656 million fixed broadband lines worldwide. This represents a growth of 6% YoY in 2Q13 (source: www.point-topic.com). Even though the number of global fixed broadband subscribers continue to show growth, rural and underserved areas where access to cable or DSL internet is still not available, continues to be a challenge for nationwide coverage. With such conditions,

satellite broadband is still the best available option to provide connectivity in these areas. With gradual decreases in costs in recent years, satellite broadband equipment and associated services is becoming more competitive with other broadband technologies. As newer generation applications are coming online, more and more applications through satellites are being served, such as internet access, virtual private networks, mobile backhaul, and personal access.

The consumer behavior is changing to more data dependent, watching movies, making VoIP phone calls, and browse the web. With these changes, the demand of bandwidth for mobile backhaul services is expected to increase dramatically in the near future. This increase in mobile backhaul services will continue to drive high throughputs satellites (HTS) capacity demand in Asia Pacific in the coming years.

Even though Thaicom 4 (IPSTAR) is still the only HTS in the Asia Pacific region, there will be future launches of Global HTS players with coverage over Asia Pacific. With this in mind, THAICOM has continually ensuring that it is differentiating itself from these potential competitors. In addition maintaining good relationships with customers and business partners to ensure customer satisfaction and a win-win cooperation framework.

Currently, Thaicom 4 (IPSTAR) also enables new applications that is “Mobility”, which provides services to mobile sites; for example, ships, planes and vehicles to support varies demand of customers.

Other Businesses

Matchbox’s operating businesses are advertising and production services, producing advertising materials, and coordinating media, such as television, newspapers, radio, advertising signs and websites. Matchbox also organizes event marketing for customers to build up end-user feelings toward products and impress them with the product quality.

According to Nielsen Media Research, the total advertising expenditures in 2013 was at 115,029 million baht, slightly increased by 0.95% from 2012. The nearly flat growth advertising expenditure was from advertising budget-cutting among major consumer product brands, such as Unilever, Beierdorf, and Coca Cola, due to weak economy and political chaos.

Venture Capital Project under “InVent”

InVent was launched in 2012 by INTOUCH to support high potential startups and SMEs in telecom, media, IT, digital content, and also other INTOUCH related businesses. It was a new paradigm shift for Thai industry to have corporate venture capital injecting funds into SMEs who have great potential and performance in telecom, media, IT, and digital content. Therefore, this will support Thai SMEs to gain their competitiveness for the coming AEC in 2015 and also expanding INTOUCH investment portfolio.

After successful project launched and business network establishment in the related ecosystem, great success outcome can be acknowledged after many interested SMEs came to applied. After careful consideration by InVent Committee, INTOUCH invested in three companies so far; Ookbee Co., Ltd., Meditech Solution Co., Ltd., and Computerlogy Co., Ltd.

“Ookbee” is the largest application platform provider for e-publication in Thailand, and expanding into Vietnam, Singapore, and Malaysia. INTOUCH invested 33,400 newly-issued shares or equivalent to 25.03% of the paid-up capital, amounted to 57.48 million baht.

Later, INTOUCH invested 4.99 million baht for 30% shares of “Meditech Solution” who is manufacturing and providing communication solution for paralytics and disabled persons by eye blinking method. Currently, the communication solution from the Company is now providing assistance to paralytics and disabled persons to communicate to doctors, nurses, and their relatives nationwide.

“Computerlogy” is one of the leading social media management tool providers who currently providing the solution to many large corporates and enterprises in Thailand. INTOUCH invested 3,334 newly-issued shares or equivalent to 25.00% of the paid-up capital, amounted to 29.01 million baht.

InVent is valuable not only in facilitating investment capital but also provide business opportunity and networking with INTOUCH Group which would be very beneficial to SMEs and innovative to the industry. Therefore, it is a good opportunity for other SMEs to gain their long term competitiveness from InVent and this will be beneficial to the economy of the country.

New Business

In 2013, INTOUCH had expanded and strengthened its new business unit to support the eight Breakthroughs initiatives. For any new investment, INTOUCH will go through well-established assessment processes professionally and make prudent decision to ensure that the new business align with INTOUCH overall strategic direction and enhance shareholder value in the longer term.

For 2014, we will continue exploring new business opportunities around INTOUCH's defined industry namely: Telecom, Media, IT, and Digital Content. Specifically, we will focus at the media arena and gear toward the digital world with big data.

Milestones

2011

- ▶ The Company changed corporate name and logo of more than 20 years from “SHIN” to “INTOUCH” which reflect a more friendly and optimistic image.
- ▶ THAICOM was granted an approval from The Ministry of Information and Communication Technology to build Thaicom 6 satellite.
- ▶ THAICOM and Asia Satellite Telecommunications Co., Ltd. signed a cooperation agreement to place an interim satellite at the 120 degrees East orbital slot, while a new satellite will be launched in 2014. This cooperation will preserve the 120 degrees East orbital slot for Thailand and will provide additional broadcast, telecommunications and broadband services across the Asia Pacific region.
- ▶ The Company sold part of its investment in AIS, comprising 61 million shares or 2.05% of AIS’s paid-up capital, to Singtel Strategic Investments Pte. Ltd., who has been one of AIS existing shareholders, at 130 baht per share, amounting to 7,930 million baht. After the transaction, the Company is still the major shareholder of AIS with 40.45% shareholding. Therefore it will not affect the Company’s control in AIS or the business operations of AIS.

2012

- ▶ The Company launched a corporate venture capital project under the name “InVent”, which is a new paradigm shift for Thai industry to have corporate venture capital injecting funds into SMEs who have great potential and performance in telecommunications, media, IT, and digital content. This will support Thai SMEs to gain competitiveness for the coming ASEAN Economic Community (AEC) in 2015 and also expanding the Company’s investment portfolio.
- ▶ The Company invested in the first InVent investment, Ookbee Co., Ltd., who is a market leader in providing e-publication platform, by taking 25.03% stake with total investment of 57.48 million baht.
- ▶ Advanced Wireless Network Co., Ltd., a wholly owned subsidiary of AIS, was officially awarded the 2.1GHz license from the National Broadcasting and Telecommunications Commission (NBTC)
- ▶ The NBTC awarded the 20-year period for license Type III of Telecom services to THAICOM for Thaicom 7 operations. This is the first satellite under a license system.

2013

- ▶ The Company made new investments in InVent project which are Meditech Solution Co., Ltd. who is a manufacturer and vendor of eye blink communication aids for paralytics and other disabled people, by taking 30% stake with total investment of 4.99 million baht, and Computerlogy Co., Ltd. who is a software development company specialized in social media management tool, by taking 25% stake with total investment of 29.01 million baht.
- ▶ AWN officially launched the 3G mobile telephone services on 2.1GHz band.

Risk Factors

Shin Corporation Plc (the Company or INTOUCH) is a holding company with investments in the following areas: wireless telecommunications; satellite & international business; and other businesses. There are both internal and external factors in all these areas that may affect the Company's finances and operations.

The Company has established a risk management process and appointed a Risk Management Committee composed of management from relevant departments, which is responsible for setting out policy and undertaking risk assessments by identifying factors that may affect the Company's objectives and estimating their likelihood and impact in order to develop effective mitigation plans to reduce the risks to acceptable levels. The Risk Management Committee submits the result of risk assessments to the Executive Committee, Audit Committee and Board of Directors for consideration and review at least once a year.

The risk factors set out in the following list are those which the Company presently considers may have a significant negative impact on its business earnings, financial position or future performance.

However, there may be other risks of which the Company is currently unaware or deemed immaterial to its operations.

1. The Company is a holding company with investments in other businesses

Risk: As a holding company, the Company's cash flow and performance are dependent on the receipt of dividends from its subsidiaries and associated companies, of which 99.99% are paid by Advanced Info Service Plc. These subsidiaries and associated companies face business risks that might have an adverse impact on their financial position, and result in lower-than-expected dividends, which will subsequently have the same impact on the Company.

In addition, the ability of the subsidiaries and associated companies to pay dividends to their shareholders, including the Company, is subject to applicable laws and any

restrictions or covenants contained in each company's debt instruments and credit agreements.

(Investors should study the risk factors for Advanced Info Service Plc. (AIS), Thaicom Plc. (THAICOM) and ITV Plc. (ITV) in each company's annual report.)

Risk mitigation: To mitigate the risks involved, each business unit is required to draw up an annual business plan before the beginning of every year, determine its strategic direction and prepare a budget. Each plan must be reviewed and approved by the business unit's executive committee and board of directors prior to implementation. The Company's risk management committee closely monitors and reviews the risks faced by each unit. In general, the Company's executive committee meetings are held on a monthly basis to consider and review the business plans of each unit, and evaluate business performance, financial management and marketing strategies in order to ensure that the appropriate risk mitigations is implemented on a timely basis.

2. Business expansion

Risk: The Company's subsidiaries and associated companies continue to expand their businesses. Should these companies be unable to obtain the necessary investment capital by themselves, the Company, as the major shareholder, would incur the risk of having to inject more capital or secure the necessary funding. Moreover, if the Company were to expand its own business, it would also be exposed to this risk along with lower-than-expected returns on investment.

Risk mitigation: The Company has a strong financial status and sustainable cash inflow from dividend income, which should maintain its liquidity. Moreover, to reduce the risk involved in new investment, any proposal for business expansion will be carefully studied before approval is granted in order to determine the potential return. The Company also places a strong emphasis on maintaining good relationships with its investors and the financial community, both local and foreign, in order to facilitate future financing requirements.

3. Risk of losing members of the management and other key persons

Risk: The expertise of the management and other key persons in the telecom and satellite businesses is becoming even more important in our drive towards growth and sustainable success. Any loss of key personnel, from retirement, accident, or head-hunting by competitors in the telecom sector or other leading companies, will have an impact on the Company's operations.

Risk mitigation: The Company has drawn up a HR Policy which supports the retention of valuable people in the organization under current business strategy and both short- and long-term goals. The Company is an equal opportunities employer and has implemented Fair Compensation Management. Regular salary and benefit surveys are conducted to benchmark the Company against the market while the cost-of-living index is taken into account to ensure that compensation packages and rewards are fair and competitive.

The Company continuously supports many employees' projects to strengthen engagement. The Company also supports and invests in continuous employee development in the areas of Managerial Knowledge and Skills, Leadership, Professional/Functional Knowledge & Skills, and Perspective Development. Most of all, the Company has implemented a systematic succession plan, and has appointed a committee to oversee the plan in order to ensure that the plan is effective and transparent, providing career advancement on both the professional and management tracks. This plan covers all senior management and other key positions across the group, and aims to mitigate the inherent risk associated with business continuity as well as retain and foster leaders within the organization in order to ensure the Company's long-term growth and success.

4. Foreign exchange and Interest rate

Risk: Because investment in telecommunication and satellite technology involves foreign currency, both in terms of trade and funding, INTOUCH Group is by necessity exposed to foreign exchange risk and interest rate risk. On 31 December 2013, the Company and its subsidiaries

had outstanding foreign currency assets and liabilities of 1,448 million baht and 5,619 million baht, respectively, after entering into foreign currency forward contracts, cross-currency interest rate swaps, and foreign currency options. (The details are shown in the notes to the financial statement, Item 33.)

Risk mitigation: INTOUCH Group manages foreign exchange risk through hedging instruments such as entering into forward contracts in foreign currency in order to soften the risk from fluctuations in the exchange rate. INTOUCH Group has consistently been very conservative in its financial policies while the management of foreign currency risk is based on net foreign-currency-dominated transactions, revenue and cash flow structures. After careful and detailed analysis, the most appropriate financial instrument is selected.

For interest rate risk, the Company monitors the different factors that influence interest rates, and implements the appropriate risk mitigation measures that correspond to different situations.

5. Global economic recession

Risk: In the year 2013, Thailand's economy was affected by a slowdown in the export sector due to the economic downturn in major economies such as the US, Europe and Japan. Although many analysts have predicted that this recession has reached the bottom of the current cycle and there will be a gradual upswing in 2014, there is still a downside risk from fiscal policy uncertainty in each country. The fiscal stimulus measures in these countries are still unclear, which makes it possible for sudden capital outflows resulting in big fluctuations in the foreign exchange rate. Financial institutions may become more selective in providing credit, which could have an impact on INTOUCH Group's liquidity as well as the cost and availability of funds for its future investment needs.

Risk mitigation: INTOUCH Group has prudently managed its own liquidity by diversifying its source of funding in the form of short-term working capital from many banks, as well as signing loan agreements in advance for the forecasted investment projects in the coming year.

6. Risk arising from an investigation by the Ministry of Information and Communication Technology over compliance with the Agreement on the Operation of Domestic Communication Satellites

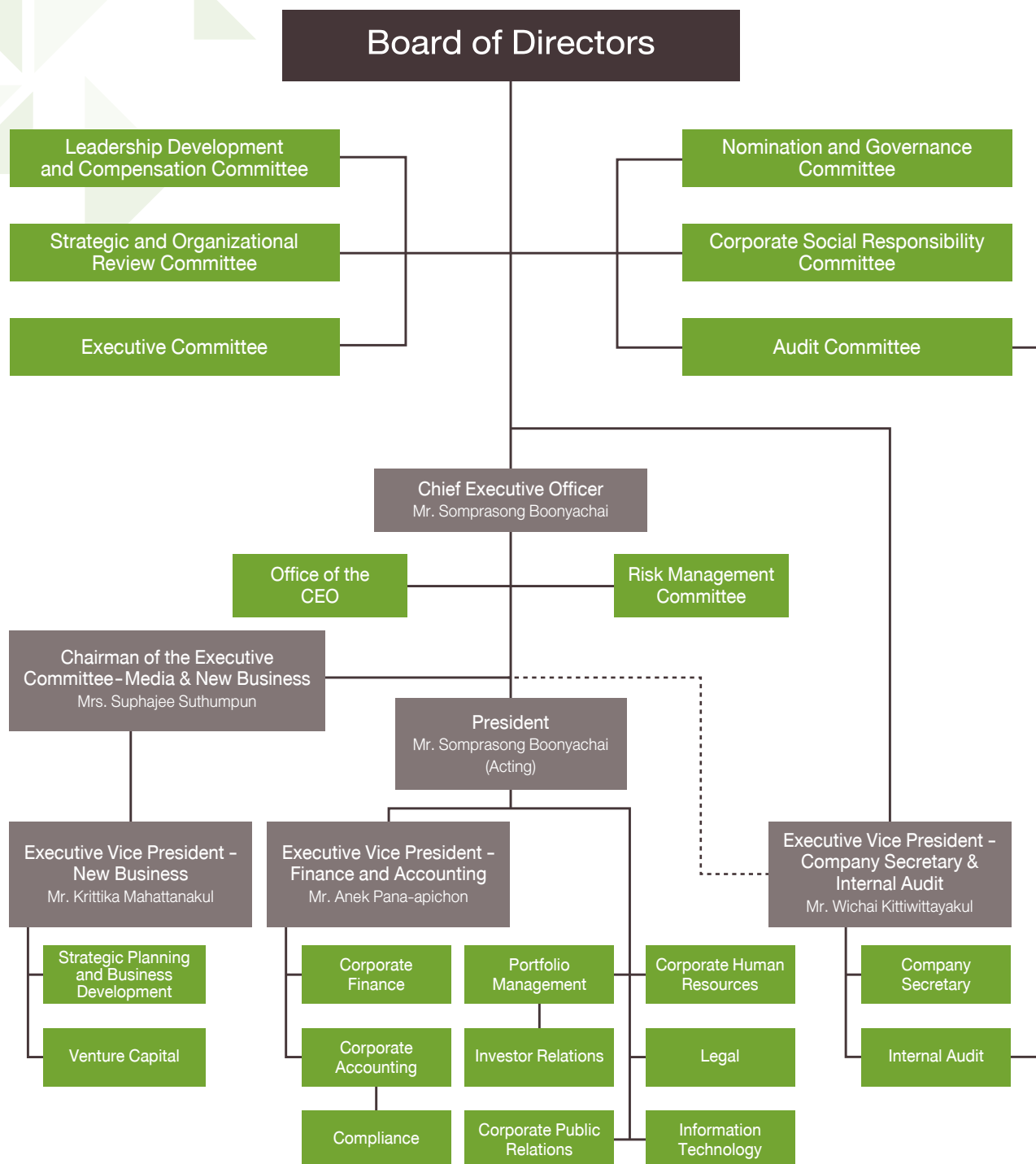
Risk: In year 2011, the Ministry of Information and Communication Technology (MICT) sent a letter to the Company demanding compliance with three provisions in the Agreement on the Operation of Domestic Communication Satellites: 1) Thaicom 3's back-up satellite be launched; 2) the insurance proceeds used for leasing transponders on a foreign satellite in the amount of 6,765,299 US dollars, be returned to the MICT; and 3) the Company's shareholding in THAICOM be increased to not less than 51 percent.

Risk mitigation: With regard to the back-up satellite and insurance proceeds, the Company and THAICOM both replied to the MICT and stated clearly that the matters had been handled under the provisions of the agreement. All of the Company's and THAICOM's actions pertaining to these issues had been approved by the MICT, and the Company had provided the necessary facts and background information to find a solution that was mutually beneficial. Therefore, any dispute should be resolved under the dispute resolution clauses in the agreement.

As for the reduction in the Company's shareholding in THAICOM permitted by Amendment No. 5, the Company replied that the agreement had been amended lawfully under the related provisions. Each procedure had been approved by the relevant state agencies and officials. Therefore, the amendment was legally binding. The agreement can be amended or even revoked by mutual consent, subject to the approval of the Cabinet.

Corporate Governance Report

ORGANIZATION CHART



INTRODUCTION

The Board of Directors (the “Board”) of Shin Corporation Plc. (the “Company” or INTOUCH) believes that a good corporate governance system, which consists of competent management, qualified and accountable directors, a mechanism of checks and balances for transparent and auditable operations, respect for the rights of all shareholders, and equitable treatment for all stakeholders is the key factor in maximizing the economic value of the Company and increasing the sustainable long-term return on investment for its shareholders.

This section of the Annual Report outlines the governance framework that the Board has adopted for the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE POLICY

The Board has adopted the Corporate Governance Policy to assist it in the proper exercise of its duties. The policy has been drawn up in accordance with *the Principles of Good Corporate Governance for Listed Companies 2012* published by the Stock Exchange of Thailand (the “SET”), along with the best practice recommendations. The policy is reviewed periodically and revised as appropriate to ensure the effective functioning of the Board and high-quality corporate governance. Any changes to the policy are communicated to the Board, management and all members of staff. The last revision was undertaken on 13 August 2013.

The Board has reviewed its compliance with the Company’s Corporate Governance Policy in the year 2013, and concluded that it had complied with the policy and all related processes. However the policy deviates from certain recommendations of *the Principles of Good Corporate Governance for Listed Companies 2012* as set out below.

SET Recommendation	The Company’s explanation
The chairman of the board should be an independent director.	The board meeting held on 26 December 2011 resolved to appoint Dr. Virach Aphimeteetamrong, the Chairman of the Board, as an authorized director. As a result, he was disqualified from being an independent director.
The board should set a limit of five directorships in listed companies an individual director can hold simultaneously.	The Company does not limit the number of outside directorships because the Nomination and Governance Committee carefully selects qualified people who are able to devote sufficient time and attention to the Company’s affairs.
The nomination committee should be comprised entirely of independent directors.	As at 31 December 2013, independent directors made up 50% of the Nomination and Governance Committee. The Board considers the committee’s composition suitable for the current business environment and ownership structure.
The majority of the compensation committee should be independent directors.	As at 31 December 2013, independent directors made up 50% of the Leadership Development and Compensation Committee. The Board considers the committee’s composition suitable for the current business environment and ownership structure.
The board should appoint an external consultant to facilitate a board assessment at least once every three years.	The Board conducts ongoing self-assessment and reviews of its performance, and has established an effective process for evaluation that is facilitated by the Company Secretary. The Board concluded that it was operating in an effective manner. However, the Board will consider the suitability of engaging a consultant to facilitate its annual assessment.

THE BOARD OF DIRECTORS

1. Role and Responsibilities of the Board

1.1 Function of the Board and Management

The Board governs the operations of the Company in accordance with the provisions of the law, the Articles of Association, resolutions of the meeting of shareholders and the Corporate Governance Policy. In governing the Company, the directors must exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its shareholders.

Management is responsible for implementing the Company's strategy and objectives, and carrying out the day-to-day management and affairs of the Company.

The Board has delegated specific powers to appointed sub-committees, the CEO and the senior management, which are clearly determined by the Company's approval authority limits.

Key matters reserved for the Board's approval include:

- ▶ Strategy, business plan and budget
- ▶ Capital expenditures and expenses exceeding certain material limits
- ▶ Strategic investments in new businesses and divestments
- ▶ Organization structure and the appointment of executives
- ▶ Significant policies
- ▶ Material contracts
- ▶ Material litigation
- ▶ Dividend policy

1.2 Role and Responsibilities

The role and responsibilities of the Board are set out as follows:

- ▶ Perform its duties with honesty, integrity and prudence, in accordance with the law, the Company's objectives and Articles of Association, and resolutions passed at shareholders' meetings in order to carefully protect the Company's interests.
- ▶ Formulate the Company's strategic vision, direction and policy, and supervise the management team to ensure that they operate efficiently and effectively in order to maximize the wealth and economic value of the Company for its shareholders.
- ▶ Consider and approve major issues such as large investments, policy, management authority, and any transactions as prescribed by law.
- ▶ Approve or agree to all major related transactions between the Company and its subsidiaries in compliance with the relevant notifications, regulations and guidelines of the Stock Exchange of Thailand.
- ▶ Assess the performance of the Executive Chairman and the executive directors, and fix appropriate remuneration on a regular basis.
- ▶ Be responsible for overseeing operational results and performance of the management team in order to ensure due attentiveness and care.
- ▶ Arrange appropriate accounting systems, including the preparation of financial reports and a reliable auditing system; oversee processes and evaluate the internal control system, the internal audit system and the risk management system to ensure their effectiveness and efficiency, as well as follow up on results.
- ▶ Ensure avoidance of conflicts of interest amongst the Company's stakeholders.

- ▶ Supervise business operations to enforce ethical work standards.
- ▶ Annually review the Company's corporate governance policy and assess due compliance.
- ▶ Report on the execution of its responsibility to prepare financial reports, along with the external auditor's report in the Company's annual report covering key issues according to the Policy Statement and the Stock Exchange of Thailand's *Code of Best Practices for Directors of a Listed Company*.

2. Authorized Signatories

The following directors have been designated as the Company's authorized signatories: Mr. Virach Aphimeteetamrong, Mr. Boon Swan Foo, and Mr. Somprasong Boonyachai. Validation of all documents requires the signatures of any two of these three directors along with the Company's seal.

3. Composition of the Board

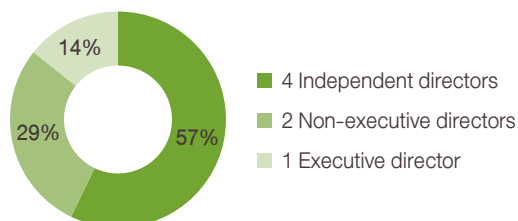
The Board comprises members who have a broad knowledge and experience of many business areas. As at 31 December 2013, the Board comprised seven (7) members and one more was in the process of being recruited.

As at 31 December 2013, the Board comprised the following members:

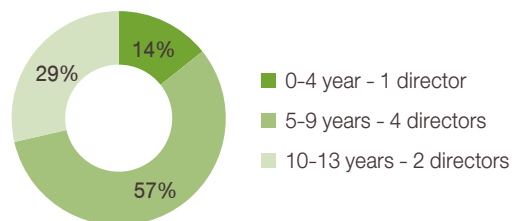
Name of Director	Nationality	Position	Date First Appointed
1. Dr. Virach Aphimeteetamrong	Thai	Chairman of the Board of Directors	7 November 2001
2. Mr. Vithit Leenutaphong	Thai	Independent Director	16 October 2000
3. Mr. Somchai Supphatada	Thai	Independent Director	30 June 2006
4. Mr. Chalaluck Bunnag	Thai	Independent Director	14 August 2007
5. Mr. Prasert Bunsumpun	Thai	Independent Director	26 December 2011
6. Mr. Boon Swan Foo	Singaporean	Non-Executive Director	26 September 2007
7. Mr. Somprasong Boonyachai	Thai	Executive Director	25 April 2007

The Company Secretary is Mr. Wichai Kittiwittayakul.

Proportion of Independent Directors on the Board



Length of Directors' Tenure



The Board annually reviews its size, composition and expertise to align it with the Company's business direction, as recommended by the Nomination and Governance Committee. This ensures that the Board performs its duties effectively with careful decision-making in the best interests of the Company.

The Board firmly believes that its current size and qualifications enable effective and efficient supervision and monitoring of the Company's business operations and performance.

4. Board Tenure

In accordance with the Company's Articles of Association, one-third of the board members, namely the directors who have served the longest, shall retire at each annual general meeting of shareholders. If the total number of board members is not a multiple of three, the number of persons nearest to one-third shall retire. All directors who retire from office are eligible for re-election.

If a vacancy arises on the Board for reasons other than the expiration of a director's term of office, the Board will, at the next scheduled meeting, select a temporary replacement, choosing a person with the appropriate qualifications in accordance with Section 68 of the Public Limited Companies Act B.E. 2535 and related laws. The temporary replacement must be approved by a vote of not less than three-quarters of the remaining directors, and will hold the position only until the normal expiration of the departed director's term of office. If this is less than two months, no temporary replacement will be appointed.

(The Articles of Association can be found on the Company's website at www.intouchcompany.com)

5. Board Diversity Policy

The Board recognizes the benefits of diversity and considers it an important element in effective decision-making and management. Board diversity has been considered from a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge.

The search for board candidates is conducted, and appointments made, on merit, using objective selection criteria that recognizes, among other things, the benefits of diversity. This includes gender diversity so the Company would like to appoint women to the Board when suitable candidates can be found.

6. Selection Criteria and Nomination Process

The Nomination and Governance Committee is responsible for reviewing, on an annual basis, the skills and characteristics required of directors in the light of the Board's composition and the Company's current and future business directions. The selection criteria and nomination process are shown below.



Process	Details
Selection Criteria	The Nomination and Governance Committee develops a skills matrix to identify gaps in the Board's current profile. In conducting this review, the committee will also consider diversity in terms of skills experience, knowledge, independence, age and gender.
Search Process	The Nomination and Governance Committee identifies suitable candidates from the following sources: 1) Recommendations from current Board members. 2) Proposals by the Company's shareholders who hold voting rights, as individuals or a group, equivalent to not less than five (5) percent of the total. 3) Professional search firms. 4) The IOD director pool.
Selection Process	The Nomination and Governance Committee conducts an initial assessment of candidates' qualifications, and then interviews people it has short-listed.
Appointment	The Nomination and Governance Committee submits nominations to the Board, which will propose these at the shareholders' meeting or approve a temporary replacement if a director resigns during his or her term of office.
Re-election	The Nomination and Governance Committee will consider relevant factors such as performance, attendance at and participation in meetings, and other contributions to the activities undertaken by the Board.

In 2013, this process was followed when Mr. Somchai Supphatada was re-appointed as an independent director while Mr. Boon Swan Foo and Mr. Bodin Asavanich were re-appointed as non-executive directors. The Company is in the process of engaging an executive search firm to find a replacement for Mr. Bodin Asavanich, who resigned from the Company in October.

7. Age and Term Limit

The Board believes that directors with experience of the Company provide both continuity and long-term value. Accordingly, there are no limits on a director's age or the number of terms he or she may hold office.

It is the Board's policy that an independent director may not be considered to remain "independent" after he or she has completed three (3) consecutive terms or a total of nine (9) years. However, the Board may still approve extensions for a period of one (1) year each time. In 2013, the Board approved a one-year extension for Mr. Vithit Leenutaphong.

8. Independent Director

Under the Corporate Governance Policy, at least one-third of the board members (and not less than three persons) must be independent directors. These directors must meet all the qualifications stipulated by the Capital Market Supervisory Board along with the following requirements:

- 1) Not hold shares exceeding one-half (0.5) percent of the total number of voting shares of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person including shares held by related persons of the independent director.

- 2) Not be nor have been an executive director, officer, employee, controlling person or advisor who receives a salary, of the Company, its parent company, subsidiary, same-level subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two (2) years prior to the date of appointment. This restriction shall not apply to an independent director who has been a government officer or an advisor to a government authority that is a major shareholder or controlling person of the Company.
- 3) Not be a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children, executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries.
- 4) Not have nor have had a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in a manner which may interfere with his or her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person who may have a conflict of interest unless the foregoing status ended not less than two (2) years prior to the date of appointment.

The term “business relationship” mentioned above includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three (3) percent or more of the net tangible assets of the Company or twenty (20) million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for the value of connected transactions under the Notification of the Capital Market Supervising Committee Re: Rules on Connected Transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness occurring during the course of one (1) year prior to the date on which the business relationship with the person commences.

- 5) Neither be nor have been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person nor be a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing relationship ended not less than two (2) years from the date of appointment.
- 6) Neither be nor have been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding two (2) million baht from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and neither be nor have been a substantial shareholder, controlling person or partner of the professional advisor unless the foregoing relationship ended not less than two (2) years from the date of appointment.
- 7) Not be appointed as a representative of the Company’s directors, the major shareholder or any other shareholder who is a related person to the major shareholder.
- 8) Not conduct any business which of the same nature as the Company’s or its subsidiaries’ businesses and is in competition with them in any material respect, nor be a substantial partner, shareholder holding more than one (1) percent of the voting shares, director (having management role), employee, officer or advisor (obtaining a regular salary) of any company whose business is of the same nature as the Company’s or its subsidiaries’ businesses, and is in competition with them in any material respect.
- 9) Not have any characteristics which make him or her incapable of expressing independent opinions with regard to the Company’s business affairs.

After having been appointed as an independent director with qualifications complying with the criteria under 1 to 9, the independent director may be assigned by the Board to take part in the business decisions of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or legal entity who may have a conflict of interest, on condition that these decisions must be collective ones.

9. Separation of Positions: Chairman of the Board and Chief Executive Officer

The Company has a policy to separate the positions of Chairman of the Board and Chief Executive Officer.

The Chairman of the Board, Dr. Virach Aphimeteetamrong, is a non-executive director, and has duties as the chairman of both board and shareholders' meetings. The Chairman's duties include the following:

- 1) Leading the Board to ensure its effective functions.
- 2) Consulting with the CEO and Company Secretary to draw up meeting agendas.
- 3) Ensuring that all directors receive the information needed for deliberations on agenda items in due time.
- 4) Encouraging all board members to debate issues vigorously during meetings, ask questions and express opinions.
- 5) Encouraging constructive relations within the Board and between the Board and management.
- 6) Ensuring effective communication with the shareholders.

The Chief Executive Officer, Mr. Somprasong Boonyachai, is the head and leader of the Company's executives, and be responsible to the Board for managing the Company in accordance with the directions of the Board and the strategy and budget approved by the Board to achieve agreed goals.

10. Board Committees

As of 31 December 2013, the Board had established the following six (6) standing sub-committees to assist it in discharging its responsibilities:

- 1) The Audit Committee
- 2) The Nomination and Governance Committee
- 3) The Leadership Development and Compensation Committee
- 4) The Corporate Social Responsibility Committee
- 5) The Strategic and Organizational Review Committee
- 6) The Executive Committee

Each standing committee has a written charter, approved by the Board, which describes the committee's role and responsibilities. For more details of these sub-committees, please see the documents posted on our website at www.intouchcompany.com.

10.1 The Audit Committee

Membership and meeting attendance 2013

Name	Position	Status	Meetings attended
1. Mr. Somchai Supphatada	Chairman	Independent Director	9/9
2. Mr. Vithit Leenutaphong	Member	Independent Director	8/9
3. Mr. Chalaluck Bunnag	Member	Independent Director	9/9

The Audit Committee was established on 5 May 1998 and comprises three (3) independent directors with the full qualifications required under the guidelines of the Capital Market Supervisory Board and the Stock Exchange of Thailand.

Mr. Somchai Supphatada holds the position of Assistant Professor and Head of the Department of Accounting, Thammasat University. He has extensive knowledge and experience as a consultant on accounting standards for more than 15 years along with the competence to review the reliability of financial statements. Both Mr. Vithit Leenutaphong and Mr. Chalaluck Bunnag are experienced in the field of management, finance and investment.

Role and responsibilities

The Audit Committee has the following role and responsibilities:

- Review the accuracy of the Company's financial reports in accordance with generally accepted accounting principles, and ensure there is adequate disclosure.
- Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient.
- Review the Company's compliance with the laws on securities and exchange, the regulations of the Stock Exchange of Thailand (the "SET"), and the laws relating to the Company's business.
- Consider, select and nominate an independent person to be the Company's auditor, propose the auditor's remuneration, and attend a non-management meeting with him or her at least once a year.
- Review the external auditor's independence, and establish a policy on the engagement of audit firms to provide non-audit services to the Company.
- Review the Company's Corporate Governance Policy and propose any changes to the Board for approval.
- Review all connected transactions or transactions that may lead to conflicts of interest, to ensure that they are in compliance with related laws and the regulations of the SET, are reasonable and bring the highest benefit to the Company.
- Review the risk management system to ensure it is appropriate and effective.
- Determine the internal audit unit's independence, as well as approve the appointment, rotation, termination, performance appraisal and remuneration of the head of this unit.
- Review and comment on the internal audit plan and the performance of the internal audit department, and cooperate with the external auditors.
- Prepare reports to be signed by the Chairman of the Committee and disclosed in the Company's annual report. These must contain the following information:
 - ▷ An opinion on the accuracy, completeness and reliability of the Company's financial report.
 - ▷ An opinion on the adequacy of the Company's internal control system.
 - ▷ An opinion on the compliance with the law on securities and exchange, the regulations of the SET and the laws relating to the Company's business.
 - ▷ An opinion on the suitability of the external auditor.
 - ▷ An opinion on transactions that may lead to conflicts of interest.
 - ▷ The number of committee meetings held and the members' attendance.
 - ▷ Any comments or opinions received by the committee regarding its performance in accordance with the charter.
 - ▷ Any other transaction which, according to the committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board.
- Investigate any circumstances reported by the external auditor where a director, executive or other person responsible for the Company's operations, is suspected of committing an offense under *the Securities and Exchange Act (No.4) B.E. 2551*. The committee shall report the results of the preliminary investigation to the Board, the Office of the Securities and Exchange Commission, and the external auditor within thirty (30) days from the date reported

by the external auditor. The type of suspicious circumstances that must be reported and the procedures for obtaining information pertinent to these are listed in and must comply with the notifications of the Capital Market Supervisory Board.

- ▶ If, during the performance of its duties, the committee finds or suspects any of the following situations which may have a material impact on the Company's financial condition or operating results, it must report these to the Board for rectification within a period of time the committee deems appropriate:
 - ▷ A transaction which causes a conflict of interest.
 - ▷ Any act of fraud, irregularity, or material defect in an internal control system.
 - ▷ An infringement of the law on securities and exchange, the regulations of the SET, or any law relating to the Company's business.

If the Board or management fails to rectify the situation within the period of time stipulated by the committee, any member of the committee may report this situation to the Office of the Securities & Exchange Commission or the SET.

- ▶ Report the committee's performance to the Board at least four (4) times a year.
- ▶ Summon members of the management team, executives or employees to make comments, attend meetings, or provide any documents deemed relevant and necessary.
- ▶ Hire advisors or external personnel in line with the Company's regulations to make comments or give advice as necessary.
- ▶ Annually undertake a self-assessment program to evaluate the committee's scope of work and performance.
- ▶ Annually review and reassess the adequacy of the Audit Committee Charter and submit any proposed changes to the Board for approval.
- ▶ Perform other tasks requested by the Board, which the committee agrees to.

Details of the Audit Committee's performance in 2013 can be found in the Audit Committee Report on page 12 of this report.

10.2 The Nomination and Governance Committee

Membership and meeting attendance in 2013

Name	Position	Status	Meetings attended
1. Mr. Prasert Bunsumpun *	Chairman	Independent Director	2/2
2. Mr. Vithit Leenutaphong	Member	Independent Director	3/3
3. Mr. Boon Swan Foo	Member	Non-Executive Director	3/3
4. Mr. Bodin Asavanich **	Member	Non-Executive Director	1/2
5. Mr. Somprasong Boonyachai	Member	Executive Director	3/3

* Mr. Prasert Bunsumpun was appointed to the Nomination and Governance Committee on 29 March 2013.

**Mr. Bodin Asavanich resigned from the Nomination and Governance Committee on 7 October 2013.

Role and responsibilities

The Nomination and Governance Committee has the following role and responsibilities:

- ▶ Annually review with the Board the criteria for board membership, including any minimum qualifications and any necessary qualities or skills, which are set forth in the Company's Corporate Governance Policy.
- ▶ Review and make recommendations to the Board with respect to the size, structure, composition, term, processes and practices of the Board and its committees.

- ▶ Identify, evaluate and recruit individuals qualified for board membership.
- ▶ Consider nominees for directorships proposed by the Company's shareholders.
- ▶ Recommend to the Board nominees to be proposed for election at the shareholders' meetings or to be elected by the Board to fill vacancies or newly-created directorships.
- ▶ Recommend to the Board nominees (including Chairpersons) for appointment to the Executive Committee and other board committees.
- ▶ Consider and nominate the Company's representatives to sit on the boards of the Company's subsidiaries, associates and joint ventures.
- ▶ Periodically review the Company's standards of director independence and recommend any proposed changes to the Board for approval.
- ▶ Oversee the orientation program for new board members.
- ▶ Review and make recommendations to the Board with respect to the Company's process for the continuing education of board members.
- ▶ Engage consultants or independent persons to provide opinions or advice if necessary, in accordance with the Company's regulations.
- ▶ Implement and oversee the annual performance evaluations of the Board, board committees (including a review of its own performance) and each board member; review the results of each board committee's evaluation and report the results of all the evaluations to the Board.
- ▶ Assist the Audit Committee to periodically review the Company's Corporate Governance Policy and recommend any proposed changes to the Board for approval.
- ▶ Review potential waivers of the Code of Conduct involving members of the Board or executive management and make recommendations to the Board as necessary.
- ▶ In consultation with the Chairman of the Board and CEO, evaluate potential successors for the Chairman of the Board position and other directorships, and report annually to the Board on succession planning.
- ▶ Annually review and reassess the adequacy of the committee's charter and submit any proposed changes to the Board for approval.
- ▶ Report regularly to the Board on matters within the scope of the committee, as well as any special issues that merit the attention of the Board.
- ▶ Perform such other duties required by law or are otherwise necessary or appropriate to ensure the effective functioning of the Board, high quality corporate governance, effective compliance and ethics programs, or as the Board may from time to time assign to the committee.

The Nomination and Governance Committee reviewed and evaluated its performance in 2013, and concluded that it had completely discharged its duties as set forth in its charter.

10.3 The Leadership Development and Compensation Committee

Membership and meeting attendance in 2013

Name	Position	Status	Meetings attended
1. Mr. Vithit Leenutaphong	Chairman	Independent Director	12/12
2. Mr. Prasert Bunsumpun*	Member	Independent Director	9/10
3. Mr. Boon Swan Foo	Member	Non-Executive Director	12/12
4. Mr. Somprasong Boonyachai	Member	Executive Director	12/12

* Mr. Prasert Bunsumpun was appointed to the Leadership Development and Compensation Committee on 25 January 2013.

Role and responsibilities

The Leadership Development and Compensation Committee has the following role and responsibilities:

- ▶ Fix appropriate annual remuneration in monetary and/or non-monetary form as a motivation and retention measure for the Board, committee members and top executives.
- ▶ Draw up guidelines to provide appropriate remuneration for the Board and top executives to be submitted to the Board and/or the shareholders' meetings for approval.
- ▶ Review and approve the Company's performance in order to determine the annual KPI bonus and merit-based increase in salary across the Company.
- ▶ Consider and approve the long-term compensation plan and related guidelines.
- ▶ Consider and approve the performance evaluation of the Company's and its subsidiaries' CEOs and those who report directly to them in order to determine their annual bonus and merit-based increase in salary.
- ▶ Consider and approve the annual bonus allocation for the Board.
- ▶ Disclose policies governing the directors' remuneration in the annual report.
- ▶ In consultation with the Company's Chief Executive Officer (CEO), identify and evaluate potential successors for the Company's and its subsidiaries' chief executive officers and those who report directly to them, and report annually to the Board on executive succession planning.
- ▶ In consultation with the Company's CEO, introduce succession planning policies for the Company's and its subsidiaries' CEO positions and those who report directly to them.
- ▶ Oversee the processes by which the CEO and members of executive management are evaluated.
- ▶ Engage consultants or independent persons to provide opinions or advice if necessary, especially on leadership development.
- ▶ The committee is accountable to the Board and under obligation to explain its decisions at the shareholders' meetings, and answer questions that may arise.
- ▶ Annually review and reassess the adequacy of its charter and recommend any proposed changes to the Board for approval.
- ▶ Report regularly to the Board on matters within the scope of the committee, as well as any special issues that merit the Board's attention.
- ▶ Request members of the management or staff to attend the committee meetings or provide pertinent information on the matters under discussion.
- ▶ Perform other tasks as designated by the Board.

The Leadership Development and Compensation Committee reviewed and evaluated its performance in 2013, and concluded that it had completely discharged its duties as set forth in its charter.

10.4 The Corporate Social Responsibility Committee

Membership and meeting attendance in 2013

Name	Position	Status	Meetings attended
1. Mr. Chalaluck Bunnag	Chairman	Independent Director	2/2
2. Mr. Vithit Leenutaphong	Member	Independent Director	2/2
3. Mr. Somprasong Boonyachai	Member	Executive Director	2/2

Role and responsibilities

The Corporate Social Responsibility Committee has the following role and responsibilities:

- ▶ Review the Company's corporate social responsibility policy, strategy, programs and budget along with related policies.
- ▶ Review the results of the Company's corporate social responsibility programs, and report to the Board.
- ▶ Identify current and emerging issues and trends in the field of corporate social responsibility, evaluate their potential impact on the Company, and bring these matters to the attention of the Board.
- ▶ Review and approve the Company's annual corporate social responsibility report.
- ▶ Annually review the Committee's performance and reassess the adequacy of its charter, and submit any proposed changes to the Board for approval.
- ▶ Report regularly to the Board on matters within the scope of the Committee, as well as any special issues that merit the Board's attention.
- ▶ Summon members of the management or staff to attend meetings or provide pertinent information on the matters under discussion.
- ▶ Perform other tasks as designated by the Board.

The Corporate Social Responsibility Committee reviewed and evaluated its performance in 2013, and concluded that it had completely discharged its duties as set forth in its charter.

10.5 The Strategic and Organizational Review Committee

Membership and meeting attendance in 2013

Name	Position	Status	Meetings attended
1. Mr. Boon Swan Foo	Chairman	Non-Executive Director	9/9
2. Mr. Vithit Leenutaphong	Member	Independent Director	8/9
3. Mr. Prasert Bunsumpun	Member	Independent Director	7/9
4. Mr. Somprasong Boonyachai	Member	Executive Director	9/9
5. Mr. Yong Lum Sung	Member	Thaicom's Director	9/9
6. Mrs. Suphajee Suthumpun	Member	Executive Director	9/9
7. Mr. Wichian Mektrakarn *	Member	Executive Director	8/8

* Mr. Wichian Mektrakarn was appointed to the Strategic and Organizational Review Committee on 25 January 2013.

Role and responsibilities

The Strategic and Organizational Review Committee has the following role and responsibilities:

- ▶ Establish and guide the strategic direction of Intouch Group (the "Group") in conjunction with the management.
- ▶ Review the strategic direction of each company in the Group on an annual basis in order to develop the annual business plans for submission to the Board.
- ▶ Review the half-yearly performance of each company in the Group and propose any necessary changes in strategic direction to the Board.
- ▶ Study major strategic moves or new business ideas proposed by the executive committees of the companies in the Group.
- ▶ Establish a sustainable organizational structure and define resource requirements in support of the Group's strategic direction.

- ▶ Coordinate with the Leadership Development and Compensation Committee to ensure alignment between its scope of work and the Group's strategic direction.
- ▶ Establish and oversee all the Group's new business policies.
- ▶ Identify and evaluate new opportunities for business and synergy within the Group.
- ▶ Engage consultants or independent persons to provide opinions or advice if necessary.
- ▶ Regularly participate in technology- and business-related conferences, exhibitions or overseas company visits in order to learn about and keep abreast of new technology, products and services.
- ▶ Annually review and reassess the adequacy of the committee's charter, and recommend any proposed changes to the Board for approval.
- ▶ Report regularly to the Board on matters within the scope of the committee, as well as any special issues that merit the Board's attention.
- ▶ Summon members of the management or staff to attend the committee's meetings or provide pertinent information on the matters under discussion.
- ▶ Perform other tasks as designated by the Board.

The Strategic and Organizational Review Committee reviewed and evaluated its performance in 2013, and concluded that it had completely discharged its duties as set forth in its charter.

10.6 The Executive Committee

Membership and meeting attendance in 2013

Name	Position	Status	Meetings attended
1. Mr. Somprasong Boonyachai	Chairman	CEO	17/17
2. Mr. Wichian Mektrakarn	Member	CEO of AIS	16/17
3. Mrs. Suphajee Suthumpun	Member	CEO of Thaicom	17/17
4. Mrs. Suwimol Kaewkoon	Member	Chief Organization Development Officer of AIS	13/17

Role and responsibilities

The Executive Committee has the following role and responsibilities:

- ▶ Provide recommendations on the Company's strategic direction, management structure, and annual business plan and budget for the Strategic Organizational Review Committee's consideration.
- ▶ Manage the Company's business operations in order to achieve the planned objectives and targets.
- ▶ Monitor the financial and operating results of the Company and the companies in the Group, and keep the board members informed by monthly report.
- ▶ Identify and evaluate new business opportunities.
- ▶ Review the Company's dividend policy and make recommendations to the Board.
- ▶ Review and approve all transactions concerning investments and disposal of assets, human resource management, finance and treasury, general administration and any other transaction related to the Company's business within the limits of delegated approval authority granted by the Board.
- ▶ Oversee and manage the Company's investments and provide direction on key issues at companies in the Group before the relevant executive committee considers them.

- ▶ Review matters that require the Board's approval and make appropriate recommendations with the exception of activities that have been delegated to other board committees.
- ▶ Consider and review the Company's risk management and control systems.
- ▶ The committee may delegate its authority to any member of the management or staff as it deems appropriate. However, such authority does not permit the committee or appointed persons to approve any transaction between them or related persons having mutual benefits or conflicts of interest (as prescribed in the Company's articles of association and Notifications of the Securities Exchange Commission). The approval for transactions shall be in accordance with the policies and principles already determined by the Board and regulatory bodies.
- ▶ Engage consultants or independent persons to provide opinions or advice if necessary.
- ▶ The committee may ask members of the management or other persons to attend its meetings or provide pertinent information as necessary.
- ▶ Report to the Board on a quarterly basis regarding the material actions taken by the Executive Committee under the CEO Report agenda.
- ▶ Annually review its own performance and assess the adequacy of the Executive Committee Charter, which may be done in conjunction with the annual evaluation of the Board and its other committees, conducted under the oversight of the Nomination and Governance Committee.
- ▶ Take any other action or assume any other powers and responsibilities that may from time to time be assigned or delegated to the Committee by the Board.

The Executive Committee reviewed and evaluated its performance in 2013, and concluded that it had completely discharged its duties as set forth in its charter.

11. Management Team

As at 31 December 2013, the Company's management team, as defined by the Securities and Exchange Commission, consisted of the following persons:

Name	Position
1. Mr. Somprasong Boonyachai	Chief Executive Officer and Acting President
2. Mrs. Suphatee Suthumpun	Chairman of the Executive Committee - Media & New Business
3. Mr. Anek Pana-apichon	Executive Vice President - Finance and Accounting
4. Mr. Wichai Kittiwittayakul	Executive Vice President - Company Secretary & Internal Audit
5. Mr. Krittika Mahattanakul	Executive Vice President - New Business

12. Succession Planning

The Board has set out a succession plan for top executives, especially the Chief Executive Officer. As delegated by the Board, the Leadership Development and Compensation Committee in consultation with the CEO have developed a succession plan for the CEO position and those who report directly to the CEO.

Moreover, the Company has also developed a succession plan for the management team (department heads and higher) by identifying existing personnel. In cases where there are no potential successors, a development program has been established to train suitable candidates. If a situation should arise where there is no suitable person available to replace a

member of the management team, outside candidates will be considered in order to guarantee a smooth handover and continuity of operations, and retain the confidence of the Company's stakeholders.

13. Board Meetings

13.1 Schedules

The Board holds at least eight (8) regular meetings each year and meets at other times as necessary. The schedule for the year's meetings is drawn up in advance so all board members are able to attend each meeting in order to act in the best interests of the Company.

13.2 Board Meeting Agendas

The Chairman of the Board in consultant with the CEO and the Company Secretary will set the agenda for each meeting. Any director may suggest agenda items and raise other matters to be discussed.

13.3 Distribution of Supporting Documents

The Company Secretary is responsible for scheduling the meetings and distributing the supporting documents at least seven (7) days before the date of the meeting. However, in urgent matters, there may not be time to distribute some documents in advance. Supporting documents will include a summary of the matters to be considered. In addition, a Board Portal System has been developed for board members to access documents via computers and mobile devices such as iPads.

13.4 Board Meetings and Quorum

Each meeting generally lasts two to three hours. The Chairman of the Board must allow adequate time for the management to present the necessary information and the members to discuss each item on the agenda in order to ensure that the shareholders' best interests are represented fairly. All board members have a right to express their opinions and submit items for the agendas.

It's the Board's policy to have a quorum of at least two-thirds for its meetings from the year 2014 onwards.

13.5 Board Minutes

The Secretary to the Board must record the minutes of each meeting, submit them to the Chairman of the Board for review, and then circulate them to each board member within seven (7) days of the meeting. The minutes must contain all the meeting resolutions along with sufficient background information, and be prepared in accordance with relevant laws.

13.6 Meeting Attendance

All of the Company's directors have striven to attend board and sub-committee meetings. The Board is satisfied with the level of commitment and time contributed by each member towards fulfilling his roles and responsibilities. The directors' attendance record is shown below.

(Number of meetings attended / Total meetings held)

Name	2013 Annual General Meeting	Board Meeting			
		2013	%	2012	%
1. Dr. Virach Aphimeteetamrong	Yes	10/10	100.00	9/9	100.00
2. Mr. Somchai Supphatada	Yes	10/10	100.00	9/9	100.00
3. Mr. Vithit Leenutaphong	Yes	9/10	90.00	8/9	88.89
4. Mr. Chalaluck Bunnag	Yes	9/10	90.00	9/9	100.00
5. Mr. Prasert Bunsumpun	Yes	10/10	100.00	8/9	88.89
6. Mr. Boon Swan Foo	Yes	10/10	100.00	8/9	88.89
7. Mr. Bodin Asavanich*	No	5/7	71.43	8/9	88.89
8. Mr. Somprasong Boonyachai	Yes	10/10	100.00	9/9	100.00

* Mr. Bodin Asavanich resigned from office on 7 October 2013.

13.7 Executive Sessions for Non-Executive Directors

It is the Company's policy that the non-executive directors shall hold meetings at least once a year to discuss matters relating to the Company's business or issues of common interest without the presence of executive directors.

An executive session was held on 20 June 2013 to discuss the results of the last board performance evaluation and consider other issues that had arisen.

14. Board Orientation and Continuous Development

All newly-appointed directors must participate in the Company's director orientation program in order to be adequately briefed on key information prior to assuming their responsibilities.

A continual training and development program, paid for by the Company, is provided to all directors to ensure they are adequately prepared to discharge their duties and govern the Company efficiently. This program may take a variety of forms such as internal and external courses, site visits and overseas trips.

Details of the training and development program in 2013 are shown below.

Name	IOD ^{1/}	Training / Seminar / Exhibition				Site Visit	
		Annual Board Seminar ^{2/}	Mobile World Congress ^{3/}	Business and Technology Update ^{4/}	Microsoft CEO Summit	3G. 4G Technology (AIS)	Satellite business (THAICOM)
1. Dr. Virach Aphimeteetamrong		▲	▲	▲		▲	▲
2. Mr. Somchai Supphatada		▲	▲	▲		▲	▲
3. Mr. Vithit Leenutaphong		▲	▲	▲		▲	▲
4. Mr. Chalaluck Bunnag		▲	▲			▲	▲
5. Mr. Prasert Bunsumpun		▲	▲	▲			▲
6. Mr. Boon Swan Foo	DCP	▲	▲	▲		▲	▲
7. Mr. Bodin Asavanich		▲					
8. Mr. Somprasong Boonyachai	RNG	▲		▲	▲		

^{1/} Organized by the Thai Institute of Directors, DCP = Director Certification Program, RNG = Role of Nomination and Governance Committee

^{2/} The topics were "The Role of the Board in Mergers & Acquisitions" and "Streamlining Group Structures", both presented by KPMG.

^{3/} The world's largest exhibition for the mobile industry along with a conference, arranged by GSMA in Spain.

^{4/} Organized by Ericson

15. Board Performance Evaluations

The effectiveness of the Board is vital to the success of the Company so it is current policy to conduct evaluations every year. The objective of each evaluation is to review the performance of the Board as a whole, its individual members, and each sub-committee in order to improve overall effectiveness. The evaluations for the year 2013 are described below.

15.1 The Board and Individual Directors

The Nomination and Governance Committee reviewed and revised the detailed questionnaires, which were then distributed to the board members, one for each evaluation. The completed questionnaires were sent to the Company Secretary, who compiled a report. The results of the evaluations were considered by the Nomination and Governance Committee, which then drew up a development plan to be scrutinized by a non-executive session and submitted to the Board for consideration. A summary of the areas reviewed is shown below.

Area Assessed		
The Board	<ul style="list-style-type: none"> ▶ Strategic Direction ▶ Monitoring and Supervision ▶ Accountability ▶ Teamwork 	<ul style="list-style-type: none"> ▶ Structure ▶ Policy ▶ Meetings ▶ Training and Development
Individual members	<ul style="list-style-type: none"> ▶ Strategic Thought and Leadership ▶ Independence ▶ Corporate Governance ▶ Competence 	<ul style="list-style-type: none"> ▶ Preparedness as a Director ▶ Personal Attributes ▶ Awareness of Stakeholders ▶ Innovation

The Board concluded that it was operating in an effective manner and made the following recommendations:

- ▶ Assign the Nomination and Governance Committee to consider appointing a woman director.
- ▶ Assign the Company Secretary to ascertain each director's training needs and draw up specific individual development plans.
- ▶ Arrange offsite joint meetings between the Strategic and Organizational Review Committee and the Board of Directors to consider the Company's strategy.

15.2 Board Committees

Each sub-committee is responsible for conducting a self-evaluation against its charter and reporting the results to the Board. The Audit Committee also conducts an additional self-evaluation using a checklist prepared by the Securities and Exchange Commission. Each sub-committee concluded that it had completely and effectively discharged its duties in the year 2013.

16. Outside Board Memberships

The Board does not impose a limit on the number of outside board memberships a director may hold. However, all directors are expected to perform their duties without any interference from their other commitments.

It is the Board's policy that executive directors and the Chief Executive Officer shall not serve on the boards of any other public listed companies (excluding the Company's subsidiaries or associates) unless the Board grants specific approval.

17. Conflicts of Interest

The Board has adopted a policy for reporting the interests of directors and executives, who are all required to disclose any interest that could potentially conflict with the Company's interests. Any director or executive with a conflict of interest in a business matter or transaction involving the Company is prohibited from participation in or approval of this matter.

18. Chief Executive Officer's Evaluation

The Leadership Development and Compensation Committee is responsible for setting annual and long-term performance targets for the Chief Executive Officer. The committee also evaluates the Chief Executive Officer's performance against these targets in order to determine his or her remuneration.

19. Access to Information

Members of the Board have separate and independent access to senior management and the Company Secretary at all times if he or she needs additional information concerning the Company's performance and other information other than that provided at board meetings.

The Board also receives analysts' reports on the Company, its subsidiaries and their competitors regularly. These reports enable the Board to keep abreast of the key issues and developments in each industry related to the Company's core businesses.

20. Company Secretary

On 14 August 2008, the Board passed a resolution to establish the Company Secretary Office. The incumbent Company Secretary is Mr. Wichai Kittiwittayakul, who is 52 years old and holds a Master's Degree in Accountancy from Thammasat University. Prior to becoming the Company Secretary, he was the secretary to the Board and the Audit Committee. He is an expert in corporate governance, compliance, internal control, internal audit and risk management, and previously worked as a compliance manager. In addition, he is a former director of the Thai Company Secretary Club and held the position of Chairman of the Institute of Internal Auditors of Thailand.

The Company Secretary has a dual reporting line to the Board and its committees and the management. The Company Secretary Office has the following duties and responsibilities:

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

21. Contacting the Board

Any stakeholder who wishes to offer suggestions or report unfair treatment, illegal acts or any infringement of the Company's code of conduct, or any matter that may cause damage to the Company, can contact the Board or the Audit Committee in writing at the following address:

Shin Corporation Plc.
Company Secretary Office
Intouch Tower 13th, Floor 414 Phahonyothin Road,
Samsennai, Phayathai,
Bangkok 10400

Or by email at:

AuditCommittee@intouchcompany.com (to contact the Audit Committee)
company-secretary@intouchcompany.com (to contact the Board)

All suggestions, complaints or reports will be forwarded to the relevant parties and all actions taken reported to the Board and/or the Audit Committee.

RIGHTS AND EQUITABLE TREATMENT OF SHAREHOLDERS

1. Rights of Shareholders

The Company respects the shareholders' rights and treats all shareholders equitably whether they are retail, foreign, institutional or major shareholders. Every shareholder is entitled to the rights and equitable treatment detailed below:

- 1) The right to receive share certificates and share transfers, and to be sufficiently informed of operating results and management policies on a timely basis.
- 2) The right to an equitable dividend.
- 3) The right to participate in meetings, vote and make recommendations on decisions concerning major corporate actions such as amendments to the Articles of Association, appointments to the Board, appointment of the Company's external auditors, and issuance of new share capital.
- 4) The right to be furnished with information concerning connected transactions.
- 5) The right to sell shares back to the Company, should the shareholder disagree with the resolutions of a shareholders' meeting to amend the Company's Articles of Association concerning voting rights or dividend payments.
- 6) The right to elect directors.

Moreover, all shareholders have equal rights as set forth in the Company's Articles of Association and related laws and regulations. To ensure equitable treatment for all shareholders, the Company holds regular and transparent shareholders' meetings, and provides a mechanism to protect against the release of inside information and a system to oversee the transactions of related parties and adequately disclose information about the Company.

In addition, the Company has established criteria and procedures for minority shareholders to propose agenda items for the annual general shareholders' meeting in advance and nominate candidates for directorship, as these procedures are recommended by the SET in *The Principles of Good Corporate Governance* and this will benefit all the shareholders.

2. Shareholders Meetings

The Board holds the Annual General Meeting of Shareholders within four months of the end of the financial year. Extraordinary meetings may be held if warranted by particular circumstances that may affect the shareholders' benefits or are required by law.

It is the Company's policy to conduct all shareholders' meetings in a transparent manner with appropriate procedures in accordance with the law, which includes calling for a meeting and the distribution of supporting documentation, agendas and board resolutions in both Thai and English. This encompasses the meeting procedures as well as preparation and distribution of the minutes in accordance with regulations issued by the SET.

The Company uses the “AGM/EGM Voting” service provided by Thailand Securities Depository Co., Ltd. (TSD) to facilitate meeting processes, from preparing the shareholder database and recording attendee registration to printing ballot papers and counting the votes for each item on the agenda.

Before each meeting begins, the shareholders are informed of the rules along with meeting and voting procedures, including their right to ask questions about, and express opinions on, the items to be discussed.

Meeting Agenda

Information about each item on the agenda of the Annual General Meeting of Shareholders is posted on the Company's website for shareholders to access 30 days before the meeting. Supporting documents were posted on the Company's website on 27 February 2013 and mailed to shareholders on 12 March 2013.

Encouraging Participation

The Company encourages its shareholders, including institutional ones, to attend and participate in all shareholders' meetings. At each meeting, the Company appoints at least one independent director to act as a proxy and vote on behalf of shareholders who are unable to attend but had informed the Company of their absence beforehand.

The Chairman of the Board, the Chief Executive Officer, committee members, management and the external auditors attend each meeting to provide explanations and answer questions about items on the agenda. The chairman of the meeting allots sufficient time to encourage shareholders to express their opinions and ask questions.

Voting

Each shareholder is entitled to one vote per share. Shareholders who have a conflict of interest in any particular item are not eligible to vote on that matter.

Meeting Minutes

The minutes of the shareholders' meeting are published within fourteen (14) days of the meeting and also posted on the Company's website for the benefit of absent shareholders. Shareholders may obtain further information on the meetings or submit their questions in advance by contacting the Company Secretary.

Annual General Meeting for 2013

At the 2013 Annual General Meeting of Shareholders, held on 29 March 2013, there were 3,560 shareholders present in person along with proxies acting for absent shareholders, representing 70.46% of the Company's total issued shares. There were 885 shareholders who had authorized members of the Audit Committee or independent directors to act as their proxies, representing 63.19% of the Company's total issued shares. All the Company's directors attended the meeting with the exception of Mr. Bodin Asavanich.

The minutes of the meeting were posted on the Company's website at www.intouchcompany.com.

ROLE TO STAKEHOLDERS

The Company assigns the highest priority to the rights of stakeholders and has set guidelines within the Code of Conduct, human resources policy and corporate social responsibilities policy to oversee all aspects of the business and ensure that appropriate priorities are maintained for all shareholders, employees, managers, customers, business partners, creditors,

and the public and community at large. The Company facilitates cooperation among the various groups of stakeholders according to their roles and duties in order to create a fair and stable business environment that runs smoothly for the benefit of all parties concerned.

Shareholders

The Company acts as a representative of its shareholders in carrying out the business in order to maximize their satisfaction with regard to the Company's long-term sustainable growth and value as well as the disclosure of transparent and reliable information.

Employees

All members of staff are valuable assets and a critical success factor, so the Company places emphasis on developing and promoting a good culture and working atmosphere, teamwork, courtesy, and respect for individuality. The employment, promotion and transfer of all staff members are conducted in a fair manner based on ethical standards whilst maximizing human resource utilization.

The Company is responsible for implementing and maintaining a safe working environment in order to protect the lives and property of all its employees. The Company must also adhere strictly to the labour law.

Customers

Customer satisfaction and consumer confidence are very important to the Company. The Company aims to provide high quality goods and services at reasonable prices, and maintain a good relationship with its customers. The Company has thus determined the following guidelines:

Products and Services: The Company shall provide high quality products and services, and continuously strive to improve these. The Company shall also provide complete and accurate disclosure of all information pertaining to its products and services without any misrepresentation.

Confidentiality of Customers' Information: Directors, management, and staff members at all levels shall not disclose any information on customers without prior permission from those customers or authorized personnel of any company in the Group. The only exception to this is information requested by law enforcement officers acting in accordance with the law.

Competitors

The Company has a policy of free and fair competition and will not try to monopolize the industry. The Company does not force its business partners to distribute only the Company's products.

The Company does not acquire information on its competitors by any illegal or unethical methods.

Society

The Company is aware that it is a Thai company and has a responsibility to Thailand and Thai society. The Company is committed to making a contribution to society by supporting activities of public interest and cooperating with the communities in which those activities are located.

The Environment

The Company has a policy not to invest in any business that destroys or harms the environment. The Company encourages all the companies in the group to produce goods and render services that are environmentally friendly, make the best use of natural resources, and comply with all related environmental laws.

The Company supports activities that protect the environment and save energy. In addition, the Company conducts an environmental training program for all staff members, and has a policy to purchase and promote the use of products that are environmentally friendly.

Business Partners

The Company's dealings with any business partner shall be conducted in a manner that upholds the reputation of the Company and all relevant laws. All Company personnel must be aware of the common interests of the Company's business partners and treat them equitably. The selection of business partners shall be fair. The Company shall also consider its business partners to be the key factor in jointly creating a value chain for customers.

Creditors

The Company shall keep all its promises and perform in accordance with the terms and conditions agreed with its creditors for the repayment of principal and interest, as well as safeguarding all guaranteed assets.

DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Company is committed to disclosing financial information and operating results to investors, along with other information that is fair, accurate, complete, transparent, and reported in a timely manner. Information disclosed through the SET and the Company's website in both Thai and English is periodically updated and includes the following important details:

- Investment structure
- Organization chart
- Authority, duties and responsibilities of the Board and its sub-committees
- Articles of Association
- Corporate Governance Policy
- Risk Management Policy
- Annual report / Form 56-1
- Operating results, including management discussion and analysis
- Minutes and supporting documents in relation to the shareholders' meetings
- Presentation for investors and analysts
- CSR activities

The Company has drawn up and implemented a disclosure policy to help it comply with relevant laws on the disclosure of information, and promote investor confidence in the Company's integrity.

An investor relations unit was established in 1995 to communicate information to shareholders and investors through various channels, including road shows, meetings with analysts, press releases, publications in various kinds of media, posting information on its own website, teleconferences, and investor and analyst visits. This unit also answers questions over the telephone and via e-mail. The Company has developed a policy manual for these activities in order to ensure thorough compliance with all relevant laws and regulations.

The following investor relations activities were conducted during 2013:

- ▶ Company visit by analysts and fund managers (82 times).
- ▶ Opportunity day arranged by the SET (4 times).
- ▶ Newsletters sent to shareholders to update them on the Company's performance and CSR activities (3 times).
- ▶ International and local fund non-deal road shows and conference (13 times).
- ▶ Analyst meeting to present the Company's operating results and strategic direction (2 times).

All the information disclosed during the meetings is also posted on the Company's website in order to ensure fair and adequate distribution of information to the other stakeholders.

For more information about the Company and its activities, please contact Ms. Tomyantee Kongpoolsilpa in the Investor Relations Department (Tel. (66) 2299 5050, by e-mail at investor@intouchcompany.com or via the Company's website at www.intouchcompany.com).

RISK MANAGEMENT AND INTERNAL CONTROLS SYSTEMS

Risk Management

Risk management is an integral part of the Company's business. The Risk Management Committee established to formulate this policy, manage both internal and external risks, and develop risk responses in order to reduce risks to an acceptable level and ensure long-term value added to the Company's shareholders. In addition, the Executive Committee and the Audit Committee periodically monitor and review the risk management plan, and report the results to the Board for consideration.

All managers and employees are responsible for taking charge of the risks inherent in their business operations in order to keep them at an acceptable level. Information has always been provided to employees, which includes training and workshops to create a greater awareness of the importance of risk management.

Internal Controls

The Board has the overall responsibility for arranging and maintaining sound and effective internal control systems to safeguard the Group's assets and all stakeholders' interests. The internal control system covers the areas of finance, operations, compliance, and risk management, and provides a reasonable assurance that the following objectives can be achieved:

- ▶ Reliability and integrity of information and financial reports.
- ▶ Compliance with regulations, policies, procedures and related laws.
- ▶ Safeguarding of the Company's assets.
- ▶ Efficiency, effectiveness and operational economy for employment of resources.
- ▶ Effective achievement of the Company's objectives.

A good internal control system can provide early warning signals of any problems as well as reduce risks to an acceptable level.

The Company's internal control system is based on a framework developed by the Treadway Commission's Committee of Sponsoring Organization (COSO). The key control systems implemented by the Company are summarized below.

1. Control Environment

The control environment is the foundation of an effective internal control system, and provides discipline and structure for all the other components. The main elements of the Company's control environment are as follows:

- The Board acts independently from management and demonstrates relevant skills and expertise in carrying out its oversight responsibilities. The Board clearly defines its retained authority and the authority delegated to the CEO and management.
- The Board and management at all levels demonstrate through their directives, actions, and behavior the importance of integrity and ethical values to support the functioning of the internal control system. Codes of conduct have also been developed as guidelines for directors, management and employees.
- There is an organizational chart that clearly defines the lines of management authority and responsibility.
- The processes for attracting, developing and retaining competent employees, measuring performance and determining incentives are in place.
- The Company has implemented a Whistleblower Policy for reporting fraud, errors and misrepresentation or false statements made by the management. Whistleblower reports are periodically reviewed by the Audit Committee.

2. Risk Assessment

The Company conducts its business with acceptable risk levels in order to achieve its objectives and fulfill the expectations of its stakeholders. The Company has designated risk management as part of the annual business plans, day-to-day management and decision-making, and the project management process. All the Company's management and employees are risk owners who are responsible for identifying and assessing the risks in their business areas, and formulating appropriate mitigation measures.

3. Control Activities

The Company has implemented control activities through policies and procedures to help ensure that management's directives to mitigate risks to the achievement of objectives are carried out. The Company's control activities are performed at all levels of the entity, at various stages within business processes, and over the technology environment. These include authorization, approval verification, reconciliation and segregation of duties.

4. Information and Communication

The Company obtains or generates relevant, quality information to support the functioning of internal control. This information, including the objectives of and responsibilities for internal control, is communicated across the group and, in related matters, to outside parties.

5. Monitoring Activities

The Company performs both ongoing and separate evaluations to ascertain whether the components of internal control are present and functioning. Ongoing evaluations are performed by functional managers, who are competent, have sufficient knowledge to understand evaluation purpose and procedures, giving thoughtful consideration on information they receive.

The Company has an internal audit unit, which supports the Audit Committee in overseeing the control system. The main role of this unit is to independently ensure that internal controls are adequate and effective.

At Board Meeting No. 2/2014, held on 17 February 2014 with the Audit Committee present, the Board assessed the following five areas of the Company's internal control system: control environment; risk management; control activities; information and communication; and monitoring activities. The Board concluded that the Company's internal control systems were found to be adequate and effective, with no material deficiency. In addition, the monitoring systems for safeguarding the Company's and its subsidiaries' assets from misappropriate use by the directors or management were adequate and effective.

KPMG Phoomchai Audit Limited, the Company's external auditors, who conducted the audit of the 2013 financial statements, concluded that there was no material deficiency in the Company's accounting and financial control system.

INTERNAL AUDIT

The Company has established an internal audit department that functions as an independent unit. Mr. Adisak Buakhom is the current head of this department. He holds a Bachelor's Degree in Accountancy from Thammasat University and Master's Degree in Business Administration from Kasetsart University, and is a Certified Internal Auditor (CIA). His areas of expertise include corporate governance, compliance, internal control, internal audit and risk management, and he previously worked as a compliance manager.

The internal audit department reports directly to the Audit Committee and administratively to the President. Its duties and responsibilities include monitoring and assessing the effectiveness of the Company's and its subsidiaries' internal control systems, risk management systems and corporate governance to ensure that these are adequate and effective.

The internal audit department has adopted a risk-based approach in formulating the annual audit plan which focuses on key business risks that might have an impact on business goals and the accuracy of financial reports. This plan is reviewed and approved by the Audit Committee on an annual basis. The Audit Committee also reviews the audit results and progress reports on a quarterly basis.

The internal audit department conducts its activities by referring to the publication *International Standards for the Professional Practice of Internal Auditing* as a framework. All the internal audit staff members are provided with sufficient training and the necessary methodology to carry out operational, compliance, financial and information technology audits effectively.

COMPLIANCE UNIT

The Company has established a Compliance Department headed by Mrs. Parsopsook Chaiwongsurarit. She holds a Master's Degree in Business Administration from the National Institute of Development Administration, and attends regular courses in her field. Her main responsibility is to ensure that the Company complies with the Securities & Exchange Act and all related regulations, and report the results of compliance tasks to the Audit Committee every year.

EXTERNAL AUDITOR

The Appointment of Auditor Policy

The appointment of the Company's external auditor must be approved by the annual general meeting of shareholders along with the audit fees. The Audit Committee will consider prospective auditors and their fees beforehand, and submit its recommendation to the Board of Directors for proposal to the shareholders. The Company invites tenders from the leading international audit firms regularly. The Company has a policy to rotate the existing auditor who provides services after five consecutive years, in accordance with a notification issued by the Capital Market Supervisory Board.

The selected audit firm and auditor must be independent and have no conflict of interest with the Company or its management, the major shareholders or any related person.

Audit Fee

The Company's financial statement for 2013 was audited by Mr. Supot Singhasaneh (CPA No. 2826) of KPMG Phoomchai Audit Ltd. (KPMG), who expressed his opinion. The audit fees paid by the Company and its subsidiaries in 2013 are shown in the table below.

(Unit: million baht)

Company	The auditor of the Company under KPMG	The other auditors under KPMG and KPMG's related firms
Shin Corporation Public Company Limited	2.17	-
Thaicom Public Company Limited and its group	3.77	4.92
ITV Public Company Limited and its group	0.58	0.05
Other subsidiaries	-	0.56
Total audit fees	6.52	5.53
Out-of-pocket expenses	0.57	0.04
Total audit fees and out-of-pocket expenses	7.09	5.57

Non-audit Services Policy

The Company has adopted a non-audit services policy to ensure that the independence of the external auditor is not impaired. This policy prohibits certain services that the Company must not engage with external auditor such as book-keeping, actuarial services, or other services related to the Company's accounting records and financial statements.

However, in engaging any audit firm to provide non-audit services which are not perceived to impair the auditor's independence, the management must obtain prior approval from the Audit Committee or follow the criteria defined in the policy.

Non-audit Fee

In 2013, the Company and its subsidiaries paid non-audit fees for auditing the revenue report and other related information, due diligence and tax consulting, amounting to 0.50 million baht to KPMG and 0.77 million baht to related firms of KPMG. However, there are some more for uncompleted services in 2013 of baht 0.02 million to KPMG and nil to related firms of KPMG.

ANTI-BRIBERY AND CORRUPTION

The Company is opposed to all forms of bribery and corruption as unethical behavior erodes free and fair competition, harms society and impedes economic development. The Company has a policy not to offer money, incentives or other special benefits, either directly or through third parties, to its customers, suppliers, government officials or any other person in order to obtain or maintain business or any other competitive advantage. There is no policy to pay a reward to expedite or facilitate the performance of a routine administrative function.

The Company, in its ongoing efforts to maintain high ethical standards, and with a view to upholding its position against any form of bribery and corruption, has implemented the policies and procedures below.

- ▶ A clear Anti-Bribery and Corruption Policy with detailed guidance and procedures, which covers the following areas: political contributions, charitable contributions and sponsorships, gifts and hospitality, facilitation payments, and business relationships.
- ▶ A regular bribery and corruption risk assessment to review the mitigation measures and ensure they are appropriate.
- ▶ Training for all employees to recognize the use of bribery and corruption by themselves or others so they can avoid it.
- ▶ Suitable channels of communication which encourage employees to be vigilant and report any suspicion of bribery and corruption.
- ▶ Procedures for taking vigorous action against any individuals involved in bribery and corruption.
- ▶ A regular review of the internal control systems and procedures to ensure they are effective in countering bribery and corruption.
- ▶ A monitoring system to ensure that the policy and procedures are effective.

Moreover, the Company signed a declaration of collective action by the private sector with the objective of creating a coalition against corruption that will cooperate with civil society, the media, and international organizations in order to foster cleaner business practices. On 4 October 2013, Thailand's Private Sector Collective Action Coalition against Corruption (CAC) Council certified that the Company had fulfilled the commitments of the CAC's declaration against corruption by putting in place good business principles and controls against bribery.

THE HANDLING OF INSIDER INFORMATION AND DEALING IN SECURITIES

The Company has a policy to maintain the confidentiality of material non-public information from unauthorized access that may lead to misuse. An information security policy has been developed that classifies documents by their level of confidentiality, controlling access on a need-to-know basis only.

In addition, all directors, managers and employees are required to report their personal trading of the Company's securities and are prohibited from using information that has not been released to the public in order to trade the Company's securities for their own or others' interests. This policy also requires each person to refrain from trading the Company's securities one month prior to the release of this information to the public.

The Company Secretary reports every change in the Company's securities held by directors and management at the next board meeting.

Any breach of the policy on holding and trading the Company's securities shall be regarded as a violation of the Company's rules and is subject to serious disciplinary action under Sections 241 and 242 of *the Securities and Exchange Act (No.4) B.E. 2551*.

BUSINESS CODE OF CONDUCT

The Company is committed to the key principles of integrity, ethical business conduct and accountability in accordance with good corporate governance practices. The Board expects all directors, management and employees to act with honesty, integrity and impartiality.

The Board reviews and approves the Code of Conduct, and the latest version can be found on the Company's website at www.intouchcompany.com. The code covers the following areas:

- | | |
|--|---|
| 1. Responsibility to shareholders | 9. Compliance with laws, rules and regulations |
| 2. Responsibility to customers | 10. Participation in political activities |
| 3. Responsibility to business partners and creditors | 11. Conflicts of interest |
| 4. Responsibility to society and the environment | 12. Safeguarding the Company's assets |
| 5. Responsibility to staff | 13. Intellectual property |
| 6. Human rights | 14. Use of inside information and trading of the group's securities |
| 7. Business competition | 15. Distribution of information and interviews with the press or public |
| 8. Anti-corruption | 16. Related transactions within the group |

A copy of the latest version is provided to all new directors, members of management and employees, and is discussed as part of their induction training. On 2 May 2013, the Company communicated amendments to the code of conduct, including responsibility to staff, human rights, anti-corruption measures and intellectual property rights, to all members of management and staff.

Any violation of this code is subject to a full range of disciplinary action including dismissal. In addition, managers and supervisors at all levels are under the obligation to encourage their subordinates to abide by the code and always behave as model citizens, and to monitor their subordinates' compliance.

The Ethics Committee monitors compliance with the Code of Conduct and annually report the result to the Audit Committee.

WHISTLE BLOWING AND WHISTLE-BLOWER PROTECTION POLICY

The Company has established a policy and procedures including an "Ethics Hotline" whereby any director, manager or staff member who observes or suspects a case of fraud, dishonest practice or a similar matter can report this directly to Human Resources, Internal Audit and Risk Management, the Ethics Committee or the Audit Committee.

The aim of this policy is to encourage people to report violations in good faith with an assurance that the informant will be treated fairly and given the best possible protection from reprisals.

The Company will not tolerate any kind of retaliation against or intimidation of employees who report misconduct or fraud in good faith and/or assist an investigation. Any executive who threatens to punish or dismiss an employee assisting an investigation will be subject to disciplinary action.

During the year 2013, two cases, neither of which involved fraud, were reported.

CORPORATE GOVERNANCE OF SUBSIDIARIES AND AFFILIATES

1. Corporate Governance Practices

The Board oversees the Company's subsidiaries and affiliates in order to protect the holding company's interests as follows:

- Encourage them to adopt good corporate governance principles.
- Appoints representative directors and members of management to serve on the boards of subsidiaries and affiliates in proportion to the Company's shareholding.

- ▶ Oversees business operations through the appointed representative directors, members of management and a group-wide policy.
- ▶ Considers key matters such as strategic directions, business plans, capital increases or decreases, divestment and significant policies.
- ▶ Monitors operating results via members of management, the Executive Committee, and the Board itself.
- ▶ Monitors compliance with the rules and regulations regarding: related-party transactions; acquisition and disposition of assets; and adequate and timely disclosure of information. This also includes maintaining proper accounting records and preparing financial reports in accordance with all applicable laws and generally accepted accounting principles.
- ▶ Assigns the Company's internal audit unit to conduct audits at the subsidiaries and affiliates in order to ensure the adequacy and effectiveness of their internal control systems.

2. Shareholders' Agreement

According to the Shareholders Agreement between the Company and Singtel Strategic Investments Private Limited and its amendments, the parties confirm that they did not have any mutual intention at the time that they entered into the Shareholders Agreement to act and have no act together or in exercising their voting rights for the purpose of achieving a common control of the voting rights or of the business of AIS. However, this shareholders' agreement contains a provision for resolution of disputes between the shareholders. In the event that the shareholders are unable to reach agreement on significant corporate actions, either shareholder (the seller) may serve notice on the other shareholder (the buyer) requiring the buyer to either purchase the seller's interest in AIS, or if the buyer does not do so, then the seller must purchase the buyer's interest in AIS. At present, there is no significant argument between the parties.

COMPENSATION FOR DIRECTORS AND EXECUTIVES

1. Compensation for the Company's Directors and Executives

1.1 Director's Compensation

At the 2013 Annual General Meeting of Shareholders held on 29 March 2013, the shareholders approved a total remuneration for the Board and its sub-committees not exceeding 24 million baht. Each board member's compensation consists of a monthly retainer, annual retainer ("bonus"), and meeting allowance as specified below:

- ▶ The Chairman of the Board shall receive a monthly retainer of 300,000 baht and an annual retainer but shall not receive a meeting allowance or any remuneration as the chairman or member of any board committee.
- ▶ Each director shall receive a monthly retainer of 75,000 baht, an annual retainer, and a meeting allowance of 25,000 baht for each board or board committee meeting.
- ▶ The Chairman of the Audit Committee shall receive a monthly retainer of 25,000 baht, whilst chairmen of other committees shall receive a monthly allowance of 10,000 baht.
- ▶ Executive directors shall not receive any compensation as members of the Board.

During 2013, the total compensation paid to the Board and board committee members was 21,945,000 baht (including accrued annual retainers of 9,200,000 baht paid in February 2014), an increase of 2,210,000 baht, or 11.20%, from 19,735,000 baht in 2012.

Name	Position	Compensation for 2013 (Baht)
1. Dr. Virach Aphimeteetamrong	▷ Chairman of the Board of Directors	4,900,000
2. Mr. Somchai Supphatada	▷ Director ▷ Chairman of the Audit Committee	3,000,000
3. Mr. Vithit Leenutaphong	▷ Director ▷ Chairman of the Leadership Development and Compensation Committee ▷ Member of the Audit Committee ▷ Member of the Nomination and Governance Committee ▷ Member of the Strategic and Organizational Review Committee ▷ Member of the Corporate Social Responsibility Committee	4,165,000
4. Mr. Chalaluck Bunnag	▷ Director ▷ Chairman of the Corporate Social Responsibility Committee ▷ Member of the Audit Committee	2,685,000
5. Mr. Prasert Bunsumpun	▷ Director ▷ Chairman of the Nomination and Governance Committee ▷ Member of the Leadership Development and Compensation Committee ▷ Member of the Strategic and Organizational Review Committee	3,215,000
6. Mr. Boon Swan Foo	▷ Director ▷ Chairman of the Strategic and Organizational Review Committee ▷ Member of the Nomination and Governance Committee ▷ Member of the Leadership Development and Compensation Committee	3,755,000
7. Mr. Bodin Asavanich*	▷ Director ▷ Member of the Nomination and Governance Committee	0
<u>Committee Members</u>		
8. Mr. Yong Lum Sung	▷ Member of the Strategic and Organizational Review Committee	225,000
Total		21,945,000

* Mr. Bodin declared that he would not accept any kind of director's remuneration from 1 January 2011.

1.2 Executives' Compensation

The Leadership Development and Compensation Committee reviews and approves the executives' compensation policy every year. The objectives of this policy are to:

- ▷ Align each executive's compensation with the Company's short- and long-term performance.
- ▷ Provide competitive compensation to attract, motivate and retain key executives who are essential to the Company's long-term success.
- ▷ Align the interests of the Company with its management and shareholders.

In 2013, the total remuneration for the five (5) members of the management team (as defined by the Office of the Securities and Exchange Commission) was 71.76 million baht, which comprised salaries, the provident fund and other benefits.

In addition, warrants have been issued and offered to executives of the Company and its subsidiaries to purchase the Company's ordinary shares under a Performance Share Plan, as shown in the list below.

Name	Number of Allocated Warrants (Unit)	Percentage of Total Allocated Warrants
1. Mr. Somprasong Boonyachai	234,200	54.13
2. Mrs. Suphajee Suthumpun	21,700	5.02
3. Mr. Anek Pana-apichon	45,600	10.54
4. Mr. Wichai Kittiwittayakul	24,600	5.69
5. Mr. Kim Sirtaweechai	18,800	4.34
6. Mrs. Wannapim Bunyapandhu	18,800	4.34

2. Compensation for Core Subsidiaries' Directors and Executives

2.1 Compensation for Thaicom's Directors

During 2013, Thaicom paid its board of directors total compensation of 10,640,000 baht (including accrued annual retainer of 2,700,000 baht paid in February 2013), an increase of 1,170,000 baht, or 12.35%, from 9,470,000 baht in 2012.

Name	Position	Compensation for 2013 (Baht)
1. Mr. Paron Isarasena Na Ayudhaya	▷ Chairman of the Board of Directors	2,240,000
2. Prof. Hiran Radeesri	▷ Director ▷ Chairman of the Audit Committee	2,185,000
3. Mrs. Charintorn Vongspootorn	▷ Director ▷ Chairman of the Governance and Nomination Committee ▷ Chairman of the Compensation Committee	2,290,000
4. Mr. Samrieng Mekkiengkrai	▷ Director ▷ Member of the Audit Committee ▷ Member of the Governance and Nomination Committee ▷ Member of the Compensation Committee	2,050,000
5. Mr. Yong Lum Sung	▷ Director ▷ Member of the Executive Committee	1,725,000
6. Mr. Chaiyan Peungkiatpairote *	▷ Director	150,000
Total		10,640,000

* Mr. Chaiyan was appointed to the Board of Directors on 29 March 2012 and resigned on 15 March 2013.

2.2 Compensation for Thaicom's Executives

In 2013, the total compensation for the six (6) members of the management team (as defined by the Office of the Securities and Exchange Commission) was 56.73 million baht, which comprised salaries, bonus payments, the provident fund and other benefits.

In addition, warrants have been issued and offered to executives of Thaicom and its subsidiaries to purchase Thaicom's ordinary shares under a Performance Share Plan, as shown in the list below.

Name	Number of Allocated Warrants (Unit)	Percentage of Total Allocated Warrants
1. Mrs. Suphajee Suthumpun	111,600	16.36
2. Mr. Paiboon Panuwattanawong	77,122	11.31
3. Dr. Nongluck Phinainitisart	55,904	8.20
4. Mr. Vuthi Asvasermcharoen	70,022	10.27
5. Mr. Makin Petplai*	47,800	7.01
6. Mr. Teerayuth Boonchote	35,722	5.24
7. Mr. Pradeep Unni	47,800	7.01
8. Mr. Ekachai Phakdurong	18,022	2.64
9. Mr. Jiroj Srinamwong	16,422	2.41
10. Dr. Supoj Chinveeraphan	16,422	2.41
11. Mr. Komson Seripapong	14,922	2.19

* Mr. Makin Petplai resigned from Thaicom on 30 November 2013.

Related-Party Transactions

During the year 2013, INTOUCH Group entered into transactions with related parties, the terms and charge of which were negotiated on an arm's length basis in the ordinary course of business and according to normal business conditions. The details have been disclosed in Note 5 to the Financial Statements ending 31 December 2013.

Transactions with Related Companies that may cause Conflicts of Interest

In 2013, the Company, its subsidiaries and jointly-controlled entities made significant transactions with related companies that could be seen as conflicts of interest and reasons for these transactions are described in the table below.

Name of Related Company/ Type of Relationship	Type of Transaction	Amount of Significant Transactions of the Company and its Subsidiaries for the year ending 31 December 2013 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its Subsidiaries	Other Companies	Total	
Advanced Info Service Plc and its Group (AIS) Singtel holds 23.32% of AIS, an associate company of the Company, and has the same major shareholder as the Company.	Expenditure: INTOUCH Group used a mobile phone service and other related services provided by AIS	0.86	4.05	-	4.91	INTOUCH Group uses the AIS service in order to operate its business as the network has good coverage. This is normal business practice and internal customers are normally charged the same rates as external customers.
	Income: INTOUCH Group had income from AIS as follows:					A jointly-control entity (LTC) uses AIS International Roaming service. This is normal business practice and internal customers are normally charged the same rates as external customers.
	1. Dividend income	13,711	-	-	13,711	INTOUCH receives dividend income, as per the resolutions of the AIS shareholders' or board of directors' meetings.
	2. Income from computer services	-	-	90.11	90.11	A subsidiary (ITAS) provides accounting program services. The prices are in line with other companies who provide the same services.

Name of Related Company/ Type of Relationship	Type of Transaction	Amount of Significant Transactions of the Company and its Subsidiaries for the year ending 31 December 2013 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its Subsidiaries	Other Companies	Total	
	3. Income from website design	-	0.16	-	0.16	A subsidiary of THAICOM (DTV) provides a website design service. This is normal business practice and internal customers pay the same prices as external customers.
	4. Income from advertising	-	1.20	311.57	312.77	A subsidiary (MB) provides advertising services, production of advertisements and media. This is normal business practice and internal customers pay the same prices as external customers. A subsidiary of THAICOM (DTV) provides an advertising media service. This is normal business practice and internal customers pay the same prices as external customers.
	5. Income from transponder rental and others	-	57.06	-	57.06	A subsidiary (THAICOM) provides satellite transponder services for transmission of television and communications signals. This is normal business practice and internal customers pay the same prices as external customers.
	6. Interest income	0.38	-	-	0.38	INTOUCH Group invested in AIS debentures, through private funds managed by independent fund manager. The interest rate was the same rate as other debenture holders were offered.

Name of Related Company/ Type of Relationship	Type of Transaction	Amount of Significant Transactions of the Company and its Subsidiaries for the year ending 31 December 2013 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its Subsidiaries	Other Companies	Total	
CS Loxinfo Plc and its group (CSL) CSL is an indirectly associate company of INTOUCH (and an associate of THAICOM), in which Singtel holds 14.14% and has the same major shareholder as the Company.	Expenditure: INTOUCH Group used leased-line internet provided by CSL and advertised in the Yellow Pages.					
	1. Rental and other services	0.71	27.57	0.26	28.54	CSL provides uplink transmission and monthly internet in general. This is normal business practice and internal customers are normally charged at the market rate.
	2. Advertising	0.16	-	-	0.16	INTOUCH Group advertised in the Yellow Pages. Internal customers are normally charged at the same rate as external customers.
	Income: INTOUCH Group had income from CSL as follows:					
	1. Income from computer services	-	0.20	4.85	5.05	A subsidiary (ITAS) provides accounting program services. The prices are charged in line with other companies who provide the same services.
	2. Income from advertising	-	-	0.66	0.66	A subsidiary of THAICOM (DTV) provides domain names. Internal customers pay the same prices as external customers. A subsidiary (MB) provides advertising services, production of advertisements and media. This is normal business practice and internal customers pay the same prices as external customers.

Name of Related Company/ Type of Relationship	Type of Transaction	Amount of Significant Transactions of the Company and its Subsidiaries for the year ending 31 December 2013 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its Subsidiaries	Other Companies	Total	
	3. Income from transponder rental	-	14.62	-	14.62	A subsidiary (THAICOM) provides satellite transponder services for transmission of television and communications signals. This is normal business practice and internal customers pay the same prices as external customers.
	4. Income from sales of uplink-downlink satellite equipment	-	39.03	-	39.03	A subsidiary (THAICOM) sells satellite equipment. This is normal business practice and internal customers pay the same prices as external customers.
	5. Dividend income	-	162.56	-	162.56	A subsidiary of THAICOM (DTV) receives dividend income, as per the resolutions of the CSL shareholders' or board of directors' meetings.
Ookbee Co., Ltd. (Ookbee) Ookbee is an associate company of the Company, who held 25.03%.	Expenditure: INTOUCH Group purchased gift cards from Ookbee	0.27	-	-	0.27	An associate (Ookbee) is a major digital publication platform and E-bookings provider. This is normal business practice and internal customers are normally charged the same rates as external customers.
Shenington Investment Pte Limited (SHEN) SHEN is held by THAICOM and AMH 51% and 49%, respectively. AMH has the same major shareholder as the Company.	Income: INTOUCH Group provided business consultancy and other services.	-	8.94	0.02	8.96	A subsidiary (THAICOM) has a policy to govern its investments to derive maximize benefit. SHEN pays consultancy and management fees to THAICOM on a monthly basis, which is calculated at actual staff costs. A subsidiary (ITAS) provides accounting program services. The prices are charged in line with other companies who provide the same services.

Name of Related Company/ Type of Relationship	Type of Transaction	Amount of Significant Transactions of the Company and its Subsidiaries for the year ending 31 December 2013 (in million baht)				Rationale and Price Policy
		The Company	THAIKOM and its Subsidiaries	Other Companies	Total	
Mfone Co., Ltd. (Mfone) SHEN holds 100% of Mfone, while SHEN is held by THAIKOM and AMH at 51% and 49%, respectively. AMH has the same major shareholder as the Company (Mfone is undergoing insolvency proceedings).	Expenditure: Provision for bad debt	-	1.12	-	1.12	A subsidiary (CDN) had made a provision for bad debt on Mfone, which is undergoing insolvency proceedings.
Asia Mobile Holding Pte Limited (AMH) AMH has the same major shareholder as the Company.	Expenditure: AMH provided financial assistance and business consultancy					
	1. Interest paid	-	4.24	-	4.24	A jointly-controlled entity (SHEN) received financial support in the form of a shareholder loan from AMH (proportionated portion). The interest was charged at the actual cost of financing plus margin on an arm's length basis.
	2. Consultancy fees	-	1.04	-	1.04	A jointly-controlled entity (SHEN) pays consultancy fees to AMH to support the operation of a joint venture. The fees are calculated at actual staff costs as agree.
	Income: INTOUCH Group received interest income	-	4.52	-	4.52	A subsidiary (THAIKOM) provided financial support in the form of a shareholder loan to a jointly-controlled entity (SHEN), in which AMH is the other partner (proportionated portion). The interest was charged at the actual cost of financing plus margin on an arm's length basis.

Name of Related Company/ Type of Relationship	Type of Transaction	Amount of Significant Transactions of the Company and its Subsidiaries for the year ending 31 December 2013 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its Subsidiaries	Other Companies	Total	
Cedar, Aspen Cedar and Aspen are major shareholders of the Company (as at 31 December 2013, Cedar was not a major shareholders of the Company as disposal its investment to others)	Dividend paid	6,476	-	-	6,476	INTOUCH pays dividends, as per the resolutions of its shareholders' or board of directors' meetings.
Thai Yarnyon Group Thai Yarnyon Group has a joint director as the Company.	INTOUCH Group purchased and maintenance cars.	8.68	0.56	-	9.24	INTOUCH Group purchased cars for executives and paid for repairs and maintenance. Prices are normally charged at the same rates as external customers.

Related-party Transaction Policy and Procedure

The Company has a policy whereby the agreed related transactions are made at the same rate as external customers (on an arm's-length basis) in order to maximize the overall benefits to the Company and the Group. If there is uncertain of the price whether the transaction would be made on an arm's-length basis, it will be asked the Audit Committee for an opinion before the transaction is made. If there is no comparable market price, the Company will make an estimation based on other products or services available under similar conditions or circumstances. In essential cases, the committee will appoint an independent consultant to express opinion or to ensure that the price is fair and reasonable, and maximizes the overall benefits to the Group.

The approval process for the related-party transactions made by the Company and its subsidiaries must comply with the relevant laws, rules and regulations of authorities. Furthermore, approval authority has been delegated according to the type of transaction and its amount. Any director or member of management who has a conflict of interest in a transaction will not have approval authority and/or involve in the approval process.

Moreover, the Audit Committee is responsible for reviewing all significant related-party transactions and their disclosure on a quarterly basis in order to ensure that no conflict of interest has occurred. (The Audit Committee's opinion was expressed in the Audit Committee Report for 2013.)

Future Related-party Transaction Policy

The Company will continue to follow its policy that all related-party transactions be synchronized among its business units with rational prices and conditions.

Management Discussion and Analysis of Financial Results of Operations 2013

2014 Management Outlook

Revenue from sales and rendering of services

▶ Expect to increase 5-7%

Share of profit of associates

▶ 40.45% of the AIS results

Venture capital CAPEX

▶ Not more than 200 million baht a year

Dividend payout

▶ Expect to maintain pass-through practice

Revenue from sales and rendering of services: Under the accounting policy, THAICOM, Matchbox and ITAS have been consolidated with INTOUCH, which has the authority to govern their financial and operating policies. In the satellite business, demand for bandwidth remains strong, mainly from telecom and broadcasting businesses in Thailand and the region, as well as Africa. Currently, THAICOM has two conventional satellites in orbit (Thaicom 5 & 6) and one broadband satellite (Thaicom 4 - IPSTAR). Thaicom 7, another conventional satellite, is expected to be launched in 2014 so the combined capacity of the three conventional satellites will be 87 transponders by the end of the year. Even though the satellite business remains strong, revenue from the advertising business, Matchbox, is expected to decline from last year due to lower billing of the lower margin in the media business. Matchbox will focus on its strong area, creative work, which should improve its efficiency and enhance the overall margin.

Share of profit of associates: INTOUCH realizes AIS's results through its proportion of shareholding and has a significant influence over AIS's financial and operating policies. This year, 3G-2.1GHz users are expected to reach 75% of the total subscribers, up from 40% last year. With accelerated non-voice momentum offsetting a decline in the voice segment, service revenue is expected to grow in the range of 6-8% YoY. With rising 3G-2.1GHz subscription and the adoption of new mobile devices, the regulatory cost is trending down (5.25% of revenue compared to 20-30% on the original 2G-900MHz contract). In 2014, the service margin is expected to improve by 300bps to 53%, although the regulatory cost savings will be partially offset by higher marketing expenses and other 3G-related costs. However, the zero-handset margin strategy and larger portion of handset sales will put pressure on the consolidated EBITDA margin, which is expected to be relatively flat compared to 44% in 2013.

Venture capital: Since the inception of InVent, the venture capital project, INTOUCH has invested in three companies for a shareholding of 25-30% in each one. Contributions from these companies are still relatively small. The investment budget is around 200 million baht a year and the target companies are related to telecom, media, IT, and digital content.

The Company's standalone performance: As INTOUCH is a holding company so the main source of revenue is dividend income from associate and subsidiaries. To support our new business opportunities, the administrative expenses in 2014 are estimated to be around 400-450 million baht.

Dividend payout: The INTOUCH official dividend policy is to pay not less than 40% of the Company's net profit after tax. As the Company has not made any major investments during the past few years, dividends received from associate and subsidiaries have been passed through to the shareholders after the deduction of operating expenses, as the Company has not made any major investments. In 2014, we expect to continue this practice.

Possible Key and Influential Factors Affecting the Company's Future Operations or Financial Position

The Company conducts business as a holding company so the material impact of the financial position and/or operational results of the companies in which it has invested will affect its performance. The details of these investments are disclosed in the annual registration statements of AIS and THAICOM for 2013 under the item "Financial position and results of operations".

Overview

The consolidated revenue for the year ended 31 December 2013 was 24,582 million baht based on the consolidated profit attributable to owners of the Company of 14,568 million baht. The consolidated net profit depends primarily on the results of AIS Group, an associated company and the primary focus of our local wireless communications business. We account for AIS Group using the equity method. The share of the net results from AIS Group for 2013 was 14,644 million baht, which contributed 59.6% of total consolidated revenue and 100.5% of consolidated net profit attributable to owners of the Company.

The consolidated revenue increased 6.3% from the year ended 31 December 2012. This was due to an increase in sales and service revenue from the satellite business along with an increase in the share of the net results from AIS Group and the media & advertising business.

The consolidated profit attributable to owners of the Company rose 5.7% from 2012. This was due to the aforementioned increases in the net results although the higher profit was partially offset by the loss from other businesses.

Significant Events

The 2.1GHz Network Expansion

In May 2013, AIS officially launched its 3G-2.1GHz service with a CAPEX of 28 billion baht and, by the end of the year, had rolled out 13,200 base stations in all 77 provinces covering 80% of the population. After eight months, AIS had 16 million registered 3G subscribers, which accounted for 40% of the total subscriber base. In addition, the cost structure had shifted from the BTO contract (900/1800MHz) to the license system (2.1GHz), reducing the license fee from 25-30% to 5.25%. However, this was offset by the cost of expanding the 3G network.

Thaicom 6

On 6 January 2014, THAICOM successfully launched the Thaicom 6 satellite into orbit by Falcon 9 rocket of Space Exploration Technologies Corporation-SPACE X from Cape Canaveral, Florida, USA. Thaicom 6 satellite is a Star 2.3 model built by Orbital Sciences Corporation, USA, containing 33 transponders or 36-MHz transponder equivalents, of which 24 are C-band and the other 9 are Ku-band. This satellite will support the emergence of new technologies in the satellite TV broadcasting segment, with high-quality voice and video signals in both standard and high definition. Thaicom 6 will expand the satellite fleet and enable THAICOM to enter new markets covering Southeast Asia and Africa. Moreover, THAICOM had undergone the in-orbit testing of Thaicom 6. In addition, the satellite traffic of the customer was transferred to Thaicom 6. THAICOM handed over this satellite and its support systems to the Ministry of Information and Communication Technology ("MICT") on 31 January 2014. Thaicom 6 satellite will be operational in 2014.

Establishment of Intouch Media Co., Ltd (Intouch Media) and Touch TV Co., Ltd (Touch TV)

On 28 August 2013, the Company established Intouch Media which will do business in relation to broadcasting, television, and other related businesses. The Company holds 99.99% of Intouch Media.

On 29 August 2013, Intouch Media established Touch TV which will conduct commercial television broadcasting and other related businesses. Intouch Media holds 99.99% of Touch TV.

Investment under InVent Project

InVent Project is an investment vehicle created to encourage small companies that show potential in business areas related to INTOUCH Group. This will build synergy within the group and enhance competitiveness, which should lead to corporate growth. During 2013, the Company invested in the two companies shown below, which have been recognized as investments in associates.

Company Name	Nature of Business	Ownership
Meditech Solution Co., Ltd ("Meditech Solution")	Manufacture and vending of eye blink communication aids for paralytics and disabled people.	30.00%
Computerlogy Co., Ltd ("Computerlogy")	Development of computer systems, software and websites, including social media tools.	25.01%

Dividend Payments

The Annual General Shareholders Meeting held on 29 March 2013 and the Board of Directors Meeting on 13 August 2013 passed resolutions to pay the following dividends:

	Interim Dividend from Operating Results for the Period	Dividend Per share (baht/share)	Total Dividend (million baht)
AGM resolution	1 January – 28 March 2013	1.88	6,028
BoD resolution	29 March – 12 August 2013	2.37	7,599

Financial Operational Summary

Share of Profit (loss) by Business Segment	2012		2013		Changed	
	million baht	%	million baht	%	million baht	%
The Company	12,009	87.1%	13,571	93.2%	1,562	13.0%
Share of the net result from AIS	14,171	102.8%	14,644	100.5%	473	3.3%
Satellite & International Businesses	74	0.5%	463	3.2%	389	525.7%
Other Businesses	(213)	-1.5%	(220)	-1.5%	(7)	3.3%
Consolidation eliminations*	(12,254)	-88.9%	(13,890)	-95.3%	(1,636)	13.4%
Net Profit	13,787	100.0%	14,568	100.0%	781	5.7%

* Mainly is intercompany dividends

Net profit rose 781 million baht or 5.7% from 2013, mainly from the contribution of the share of the net result from AIS and the net profit from satellite & telecommunications in Laos.

Key Operational Results

The Company	2012		2013		Changed	
	million baht	%	million baht	%	million baht	%
Dividend income	12,254	100.0%	13,891	100.0%	1,637	13.4%
SG&A	(330)	-2.7%	(389)	-2.8%	(59)	17.9%
Net Profit	12,009	98.0%	13,571	97.7%	1,562	13.0%

Dividend income rose 1,637 million baht or 13.4% from 2012 as a result of higher dividends received from AIS at 11.4 baht per share, totaling 13,711 million baht in 2013 compared to 10.26 baht per share, totaling 12,220 million baht in 2012. In addition, in 2013, the Company received a dividend of 0.40 baht per share from THAICOM, amounting to 180 million baht, while in 2012, the dividends from other subsidiaries totaled 35 million baht.

SG&A rose 59 million baht or 17.9% due to higher staff costs for seeking new business opportunities and investment along with the related consultancy fees.

Share of the Net Result from Associate	2012		2013		Changed	
	million baht	%	million baht	%	million baht	%
AIS Group	14,171	98.8%	14,644	98.7%	473	3.3%

The share of the net results from associate, mainly from the net profit of AIS Group, rose 3.3% from 14,171 million baht in 2012 to 14,644 million baht in 2013. In 2013, the net profit of AIS Group was 36,274 million baht, which rose 4.0% from 34,883 million baht in 2012 (excluding the adjustment to derivatives made by the Company to its share of profits from AIS Group's results). This was mainly because the cost structure shifted from the BTO contract (900/1800MHz) to the license system (2.1GHz), reducing the license fee from 25-30% to 5.25%. However, this was offset by the cost of expanding the 3G network.

AIS Group revenue remained stable last year due to the lower Interconnection Charge ("IC") rate (from 1 baht/minute to 0.45 baht/minute since July 1st) while data momentum rose.

- ▶ Service revenue, excluding IC increased 3.9% from last year. This was due to strong demand for mobile internet even though voice revenue continued to decline because of weak economic sentiment and the impact of longer prepaid validity following the new NBTC's regulation.
- ▶ SIM card & device sales revenue increased 7.3% from last year as a result of growing smartphone popularity. However, the sales margin continued to decline, from 8% to 7%, due to cheaper devices and attractive co-branded handset offering.
- ▶ Interconnection charge dropped 27.4% YoY after the rate was reduced from 1 baht/minute to 0.45 baht/minute on 1 July 2013, as per the NBTC's announcement.

Costs of AIS Group dropped 3.3% YoY, mainly, as a result of the lower regulatory cost although this was offset by the network expansion.

- ▶ Regulatory fee dropped 7.9% YoY, as the service revenue from the license system (2.1GHz) rose, which carries lower regulatory cost than the BTO contract (900/1800MHz).
- ▶ Network OPEX rose 19.2% following the rapid 3G - 2.1GHz expansion.
- ▶ Amortization rose 5.7% YoY, due to 3G investment and 2.1GHz license amortization. This was partly offset by lower amortization of asset under BTO (2G).
- ▶ Cost of sales rose 9.5%, following revenue.
- ▶ IC cost declined 29.1%, following revenue.

SG&A increased 24% YoY, mainly due to higher marketing expense, which rose 49.8%, and other 3G-related expenses for launching and promoting the new 3G-2.1GHz service and staff cost. In addition, a write-off was recorded on obsolete equipment.

Satellite & Intermation Business	2012		2013		Changed	
	million baht	%	million baht	%	million baht	%
Service income	6,680	91.9%	7,482	94.7%	802	12.0%
Sales	586	8.1%	416	5.3%	(170)	-29.0%
Total Revenue	7,266	-100.0%	7,898	100.0%	632	8.7%
Costs	(4,484)	-61.7%	(4,695)	59.4%	(211)	4.7%
SG&A	(1,446)	-19.9%	(1,539)	-19.5%	(93)	6.4%
Net Profit	176	2.4%	1,126	14.3%	950	539.8%
Contributed to INTOUCH Group	74	1.0%	463	5.9%	389	525.7%

Total revenue rose 632 million baht or 8.7% mainly due to:

- ▶ The conventional satellite: revenue rose from the transponder leasing service following the growing demand from satellite broadcasting operators that have continued to expand, value-added services, and sales of equipment to these operators. This was evidenced by the increasing number of TV channels that grew from 465 at the end of 2012 to 641 at the end of 2013.
- ▶ Thaicom 4 (IPSTAR): revenue increased YoY due to the rising bandwidth usage in Thailand, Australia, China, Malaysia, Indonesia, India, New Zealand, Cambodia, Myanmar and Philippines. However, this was offset by a drop in UT sales.
- ▶ The telecommunications in Laos: revenue grew from both postpaid and prepaid mobile phone services, due to a higher mobile subscriber base and average revenue per subscriber (ARPU), along with more interconnection charges, international telephone service charges, International Roaming ("IR") charges, and sale of SIM cards and fixed wireless handsets.

Cost of sales and services rose 211 million baht or 4.7% due to:

- ▶ The conventional satellite: costs increased from renting transponders on an interim satellite at the 78.5 degrees East orbital slot to provide services ahead of the launch of Thaicom 6 along with higher operating agreement fees following revenue growth.

- ▶ Thaicom 4 (IPSTAR): costs decreased due to a lower gateway operation cost in China and lower cost of UT sales following the UT sales drop, although this was offset by higher operating agreement fees paid to the Ministry of Information communication and Technology (“MICT”) following the IPSTAR bandwidth revenue growth.
- ▶ The telecommunications in Laos: costs grew from more interconnection charges and international sharing charges following revenue, depreciation on the expanded telephone network, and cost of sales of SIM cards and fixed wireless handsets following a growth in sales.

SG&A rose 93 million baht or 6.4% YoY, mainly due to:

- ▶ An increase in marketing and staff expenses for the satellite business.
- ▶ An increase in staff expenses for the telephone and Internet business in Laos.

Other Businesses	2012		2013		Changed	
	million baht	%	million baht	%	million baht	%
Service income	1,324	100.0%	1,565	100.0%	241	18.2%
Costs	(1,182)	-89.3%	(1,436)	-91.8%	(254)	21.5%
SG&A	(589)	-44.5%	(587)	-37.5%	2	-0.3%
Net Loss	(415)	-31.3%	(419)	-26.8%	(4)	1.0%
Contributed to INTOUCH Group	(213)	-16.1%	(220)	-14.1%	(7)	3.3%

Other businesses include media and advertising, information technology, and those under InVent project.

Revenue rose 241 million baht or 18.2% YoY mainly from the media and advertising businesses as a result of more marketing activities by customers.

Costs rose 254 million baht or 21.5% following revenue.

Financial Position Summary

Key Financial Position Data

Separated Financial Position	2012		2013		Changed	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents and current investment	2,178	15.1%	2,097	14.6%	(81)	-3.7%
Investment in subsidiaries and associates	12,135	84.4%	12,171	84.5%	36	0.3%
Other assets	72	0.5%	132	0.9%	60	83.3%
Total Assets	14,385	100.0%	14,400	100.0%	15	0.1%
Total Liabilities	141	1.0%	154	1.1%	13	9.2%
Total Equity	14,244	99.0%	14,246	98.9%	2	0.0%
Total Liabilities and Equity	14,385	100.0%	14,400	100.0%	15	0.1%

Total assets showed a slight increase. The main INTOUCH assets are its investments in subsidiaries and associates, primarily AIS and THAICOM.

Total liabilities and equity increased, mainly from other payable, while equity attributable to owners of the Company increased slightly from the end of 2012.

Consolidated Financial Position	2012		2013		Changed	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents and current investment	5,663	11.8%	6,856	13.5%	1,193	21.1%
Other current assets	2,072	4.3%	2,494	4.9%	422	20.4%
Non-current assets held for abandonment	1,769	3.7%	-	-	(1,769)	-100.0%
Investment in associates	18,758	39.1%	19,762	38.9%	1,004	5.4%
Property & equipment, net	5,707	11.9%	8,172	16.1%	2,465	43.2%
Property & equipment under operating agreements, net	11,482	23.9%	10,131	19.9%	(1,351)	-11.8%
Other assets	2,552	5.3%	3,395	6.7%	843	33.0%
Total Assets	48,003	100.0%	50,810	100.0%	2,807	5.8%
Liabilities and Equity						
Borrowings	7,164	14.9%	8,374	16.5%	1,210	16.9%
Other current liabilities	7,758	16.2%	9,218	18.1%	1,460	18.8%
Liabilities of non-current assets held for abandonment	1,769	3.7%	-	-	(1,769)	-100.0%
Other liabilities	766	1.6%	806	1.6%	40	5.2%
Total Liabilities	17,457	36.4%	18,398	36.2%	941	5.4%
Total Equity	30,546	63.6%	32,412	63.8%	1,866	6.1%
Total Liabilities and Equity	48,003	100.0%	50,810	100.0%	2,807	5.8%

Total assets increased 2,807 million baht or 5.8%, primarily from the investment in property and equipment, mainly, the construction of Thaicom 6. Cash & cash equivalents and current investment increased mainly from the operational results of 2013. The investment in associates as a result from the operational result of 2013, but it was offset with the dividend of associates. Non-current assets held for abandonment decreased after THAICOM lost control over Mfone. Property and equipment under operating agreements dropped due to the amortization in 2013.

Total liabilities and equity: total liabilities increased by 941 million baht or 5.4% YoY, primarily due to long-term borrowing for the Thaicom 6 project, trade account payable and other payables, account payable - equipment of THAICOM Group and provision for ITV's unpaid operating agreement fee plus interest. However, this was offset by a decrease of liabilities of non-current assets classified as held for abandonment after THAICOM had lost control over Mfone. Equity rose 1,866 million baht or 6.1% from 2012 as a result of higher operational profit in 2013 and a gain from changes in fair value of THAICOM Group's available-for-sale investments, although this was offset by the Company's dividend payments in 2013.

Changes in Accounting Policies

On 1 January 2013, INTOUCH Group adopted the issued and revised TFRS, which has resulted in changes in the accounting policies applied to the financial statements for the year ended 31 December 2012 as following:

- ▶ TFRS 8 Operating segments
- ▶ TAS 21 (revised 2009) The effects of changes in foreign exchange rates

Other new and revised TFRS have not had any impact on the financial position and result of the Group.

TFRS Adopted in 2014

In 2013, there were many issued and revised TFRS, TAS and TFRIC which became effective for financial reports on or after 1 January 2014. Most TFRS have had no impact on the financial statements of those interpretations issued in the period of initial application, except TFRS 12 Service Concession Arrangements which a subsidiary is currently assessing.

Opinion of Auditors

The auditor expressed clean opinion on the 2013 consolidated and separate financial statements. However, the auditor had emphasized on ITV's current liabilities as of 31 December 2013 that exceed its current assets by an amount of 4,745 million baht and there is a deficit in excess of the share capital of an amount of 4,745 million baht and ITV's Television Broadcasting Station under a UHF Radio-Television Broadcasting Agreement ("Operating Agreement") was revoked by the Office of the Permanent Secretary of the Office of the Prime Minister ("PMO") as ITV did not pay the unpaid operating fee totaling 2,210 million baht and the interest on the total unpaid operating agreement fee at 15% per annum including the penalty arising from the alteration of television programming of 97,760 million baht and adjust television programs fee which are still under dispute with PMO. Subsequently, ITV ceased its operations and delivered their assets under the operating agreement to PMO. ITV has filed statements of claim regarding the unpaid operating agreement totaling 2,210 million baht plus the interest and adjust television programs fee to the arbitration process. These events indicate a material uncertainty which may cast significant doubt on ITV's ability to continue as a going concern.

Additional Financial Data and Key Ratios

Separate Statements of Income	2012		2013		Changed	
	million baht	%	million baht	%	million baht	%
Dividends income	12,254	99.3%	13,891	99.5%	1,637	13.4%
Other income	88	0.7%	71	0.5%	(17)	-19.3%
Total revenue	12,342	100.0%	13,962	100.0%	1,620	13.1%
Administrative expenses	(241)	-2.0%	(295)	-2.1%	(54)	22.4%
Management benefit expenses	(88)	-0.7%	(93)	-0.7%	(5)	5.7%
Total expenses	(329)	-2.7%	(388)	-2.8%	(59)	17.9%
Profit before finance costs	12,013	97.3%	13,574	97.2%	1,679	14.0%
Finance costs	(3)	0.0%	(3)	0.0%	-	-
Net Profit	12,010	97.3%	13,571	97.2%	1,679	14.0%

Consolidated Statements of Income	2012		2013		Changed	
	million baht	%	million baht	%	million baht	%
Revenue from sales and services	8,545	36.9%	9,435	38.4%	890	10.4%
Other income	233	1.0%	310	1.3%	77	33.0%
Net foreign exchange gain	19	0.1%	-	-	(19)	-100.0%
Share of the net result from associates	14,336	62.0%	14,837	60.4%	501	3.5%
Total revenue	23,133	100.0%	24,582	100.0%	1,449	6.3%
Cost of sales and services	(4,920)	-21.3%	(5,304)	-21.6%	(384)	7.8%
Operating agreement fee	(747)	-3.2%	(827)	-3.4%	(80)	10.7%
Loss on provision for interest of unpaid operating agreement fee	(433)	-1.9%	(433)	-1.8%	-	-
Selling expenses	(137)	-0.6%	(208)	-0.8%	(71)	51.8%
Administrative expenses	(1,586)	-6.9%	(1,673)	-6.8%	(87)	5.5%
Net foreign exchange loss	-	-	(270)	-1.1%	(270)	100.0%
Impairment loss on non-current assets held for sale	(175)	-0.8%	-	-	175	-100.0%
Management benefit expenses	(164)	-0.7%	(171)	-0.7%	(7)	4.3%
Total expenses	(8,162)	-35.3%	(8,886)	-36.1%	(189)	2.3%
Profit before finance costs & income tax expenses	14,971	64.7%	15,696	63.9%	1,638	10.9%
Finance costs	(424)	-1.8%	(269)	-1.1%	155	-36.6%
Profit before income tax expenses	14,547	62.9%	15,427	62.8%	880	6.0%
Income tax expenses	(352)	-1.5%	(343)	-1.4%	9	-2.6%
Profit for the year - continued operations	14,195	61.4%	15,084	61.4%	889	6.3%
Loss from discontinued operation - net	(509)	-2.2%	(51)	-0.2%	458	-90.0%
Profit for the year	13,686	59.2%	15,033	61.2%	1,347	9.8%
Attributable to:						
Owners of the Parent						
Profit for the year - continued operations	13,995	60.5%	14,589	59.3%	594	4.2%
Loss for the year - discontinued operation	(209)	-0.9%	(21)	-0.1%	188	-90.0%
Non-controlling interests						
Profit for the year - continued operations	199	0.9%	495	2.0%	296	148.7%
Loss for the year - discontinued operation	(299)	-1.3%	(30)	-0.1%	269	-90.0%
Profit for the year	13,686	59.2%	15,033	61.2%	1,347	9.8%

Consolidated Source and Use of Fund		million baht	
Source of fund		Use of fund	
Dividends received	13,873	Dividend paid	13,831
Operating CF before change in working capital	3,579	CAPEX & Fixed assets	2,948
Proceeds of borrowings	1,080	Interest paid	228
Net cash received from disposal of equipments	14	Repayments of borrowings	163
		Purchase for long-term available-for-sale investments	129
		Acquisition of associated companies	34
		Changes in working capital	23
		Increased in loans and advances to related parties	6
		Cash increased	1,184
Total	18,546		18,546

Material Financial Ratios	2012	2013	Changed
Net profit margin	59.2%	61.2%	2.0%
Return on equity attributed to owners of the parent	63.1%	62.8%	(0.2)%
Return on assets	26.6%	28.7%	2.0%
Debt to equity attributed to owners of the parent (times)	0.8	0.8	(0.0)
Basic earnings per share (baht)	4.30	4.54	0.24
Book value per share (baht)	7.03	7.43	0.40
Dividend per share (baht)	3.78	4.25	0.47

Disclaimer

Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "intend", "estimate", "continue", "plan" or other similar words.

The statements are based on our management's assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please note that the Company and executives/staff do not control and cannot guarantee the relevance, timeliness, or accuracy of these statements.

The Board of Directors' Responsibility for Financial Reporting

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

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

In this regard, the Board of Directors has appointed the Audit Committee to be responsible for reviewing the accounting policy, financial reports, internal controls, internal audit, risk management system and disclosure of connected transactions. All the Audit Committee's opinions on these issues have been presented in the Audit Committee Report for 2013 included in this annual report.

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

The Board of Directors believes that the Company's overall internal control system has functioned at a satisfactory level and rendered credibility and reliability to the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2013. The Board of Directors also believes that all these financial statements have been prepared in accordance with Thai Financial Reporting Standards and related regulations.



Dr. Virach Aphimeteetamrong
Chairman of the Board



Mr. Somprasong Boonyachai
Chairman of the Executive Committee

Independent Auditor's Report

To the Shareholders of Shin Corporation Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Shin Corporation Public Company Limited and its subsidiaries (the "Group"), and of Shin Corporation Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matter

As mentioned in notes to the financial statements No. 2.2 and 35 as at 31 December 2013, ITV Public Company Limited (ITV) (subsidiary) has current liabilities exceed its current assets by an amount of Baht 4,745 million and a deficit in excess of the share capital of an amount of Baht 4,745 million and ITV's Television Broadcasting Station under a UHF Radio-Television Broadcasting Agreement ("Operating Agreement") was revoked by the Office of the Permanent Secretary of the Office of the Prime Minister ("PMO") as ITV did not pay the unpaid operating fee totaling Baht 2,210 million and the interest on the total unpaid operating agreement fee at 15% per annum including the penalty arising from the alteration of television programming of Baht 97,760 million and adjust television programs fee which are still under dispute with PMO. Subsequently, ITV ceased its operations and delivered their assets under the operating agreement to PMO. ITV has filed statements of claim regarding the unpaid operating agreement totaling Baht 2,210 million plus the interest and adjust television programs fee to the arbitration process.

These events indicate a material uncertainty which may cast significant doubt on ITV's ability to continue as a going concern. I have expressed a disclaimer of opinion on the ITV 2013 financial statements due to the significance of the matters mentioned above. Assets and liabilities of ITV included in the consolidated financial statements as at 31 December 2013, represent 2.26 % and 32.04% of consolidated total assets and liabilities, respectively and the net value of asset of ITV included in the Company financial statements as at 31 December 2013 is nil.

D. Dinghanonl.

Supot Singhasaneh
Certified Public Accountant
Registration No. 2826

KPMG Phoomchai Audit Ltd.
Bangkok
17 February 2014

Shin Corporation Public Company Limited and its Subsidiaries
Statements of Financial Position
As at 31 December 2013

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2013	2012	2013	2012
		(in Baht)			
Current assets					
Cash and cash equivalents	6	2,827,550,458	2,322,253,274	507,179,669	164,576,959
Current investments	7	4,028,063,052	3,340,776,278	1,589,700,324	2,013,077,013
Trade and other receivables	5, 8	2,089,566,162	1,592,367,686	16,223,625	14,913,010
Amounts due from, advances and loans					
to related parties	5	152,498,226	137,454,090	40,800,471	-
Inventories	9	251,987,496	342,319,693	-	-
Non-current assets held for abandonment	10	-	1,769,143,585	-	-
Total current assets		9,349,665,394	9,504,314,606	2,153,904,089	2,192,566,982
Non-current assets					
Investments in subsidiaries	11	-	-	3,696,940,438	3,694,940,468
Investments in associates	11	19,761,823,079	18,758,429,064	8,473,802,257	8,439,796,727
Long-term investments	7	724,839,569	25,000,000	25,000,000	25,000,000
Property and equipment	13	8,171,833,820	5,707,070,934	40,728,102	26,868,853
Property and equipment under operating					
agreements	14	10,130,667,889	11,481,852,986	-	-
Intangible assets	15	1,028,306,049	1,098,522,991	5,382,362	1,620,489
Deferred tax assets	16	513,187,450	684,796,252	-	-
Other non-current assets		1,129,178,904	743,310,486	3,870,825	3,806,625
Total non-current assets		41,459,836,760	38,498,982,713	12,245,723,984	12,192,033,162
Total assets		50,809,502,154	48,003,297,319	14,399,628,073	14,384,600,144

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

Shin Corporation Public Company Limited and its Subsidiaries
 Statements of Financial Position
 As at 31 December 2013

		Consolidated		Separate	
		financial statements		financial statements	
Liabilities and equity	Note	2013	2012	2013	2012
		(in Baht)			
Current liabilities					
Trade and other payables	5, 18	2,333,994,297	1,797,562,366	97,397,916	84,842,394
Accounts payables - equipment		547,708,716	48,021,633	-	-
Amounts due to and loans from related parties	5	144,987,427	134,254,757	2,157,481	6,541,017
Current portion of long-term borrowings	17	4,344,544,629	116,332,479	785,797	940,900
Accrued operating agreement fees		265,274,095	214,974,893	-	-
Provision for unpaid operating agreement					
fee and interest	35.2	5,889,996,003	5,456,578,195	-	-
Income tax payable		35,752,760	106,838,730	-	-
Liabilities of non-current assets classified as					
held for abandonment	10	-	1,769,143,585	-	-
Total current liabilities		13,562,257,927	9,643,706,638	100,341,194	92,324,311
Non-current liabilities					
Long-term borrowings	17	4,029,012,143	7,047,177,373	667,259	1,453,057
Employee benefit obligation	19	431,396,052	371,856,741	52,354,554	47,121,445
Other non-current liabilities		375,173,951	394,137,447	-	-
Total non-current liabilities		4,835,582,146	7,813,171,561	53,021,813	48,574,502
Total liabilities		18,397,840,073	17,456,878,199	153,363,007	140,898,813

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

Shin Corporation Public Company Limited and its Subsidiaries
Statements of Financial Position
As at 31 December 2013

		Consolidated		Separate	
		financial statements		financial statements	
Liabilities and equity	Note	2013	2012	2013	2012
		(in Baht)			
Shareholders' Equity					
Share capital	20				
Authorised share capital - ordinary shares		5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Issued and paid-up share capital - ordinary shares		3,206,420,305	3,206,420,305	3,206,420,305	3,206,420,305
Reserves	20, 21				
Share premium on issued of share - ordinary shares		10,341,569,221	10,341,569,221	10,341,569,221	10,341,569,221
Retained earnings					
Appropriated					
Legal reserve		500,000,000	500,000,000	500,000,000	500,000,000
Unappropriated		5,379,679,929	4,384,563,023	190,623,760	192,255,459
Other components of equity		4,388,517,989	4,110,639,168	7,651,780	3,456,346
Total equity attributable to equity holders of the Company		23,816,187,444	22,543,191,717	14,246,265,066	14,243,701,331
Non-controlling interests		8,595,474,637	8,003,227,403	-	-
Total equity		32,411,662,081	30,546,419,120	14,246,265,066	14,243,701,331
Total liabilities and equity		50,809,502,154	48,003,297,319	14,399,628,073	14,384,600,144

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

Shin Corporation Public Company Limited and its Subsidiaries
Statements of Income
As at 31 December 2013

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2013	2012	2013	2012
		(in Baht)			
Revenues	25				
Revenue from sales and rendering of services		9,434,640,185	8,544,817,475	-	-
Dividends income	11	-	-	13,891,265,174	12,254,547,780
Other income	26	310,019,099	233,487,638	71,419,495	88,319,786
Net foreign exchange gain		-	19,554,466	-	-
Share of profit of associates		14,837,097,655	14,336,542,304	-	-
Total revenues		24,581,756,939	23,134,401,883	13,962,684,669	12,342,867,566
Expenses	25				
Cost of sales and rendering of services		5,304,143,994	4,919,647,309	-	-
Operating agreement fee		826,536,780	746,595,329	-	-
Loss on provision for interest of unpaid operating agreement fee	35.2	433,417,808	433,417,808	-	-
Selling expenses		208,618,832	137,338,571	-	-
Administrative expenses		1,672,885,103	1,586,256,552	295,487,135	238,973,976
Net foreign exchange loss		269,791,873	-	-	-
Impairment losses on non-current assets held for abandonment		-	175,273,209	-	-
Management benefit expenses	5	171,091,991	163,962,772	93,408,000	90,801,516
Total expenses		8,886,486,381	8,162,491,550	388,895,135	329,775,492
Profit before finance costs and income tax expenses		15,695,270,558	14,971,910,333	13,573,789,534	12,013,092,074
Finance costs		(269,126,943)	(423,824,618)	(2,558,935)	(2,800,129)
Profit before income tax expense		15,426,143,615	14,548,085,715	13,571,230,599	12,010,291,945
Income tax expense	29	(342,592,248)	(352,719,792)	-	-
Profit for the year - continued operations		15,083,551,367	14,195,365,923	13,571,230,599	12,010,291,945
Loss for the year from discontinued operation - net	10	(51,141,525)	(508,403,144)	-	-
Profit for the year		15,032,409,842	13,686,962,779	13,571,230,599	12,010,291,945
Attributable to:					
Owners of the parent					
Profit for the year - continued operations		14,589,018,827	13,995,896,359	13,571,230,599	12,010,291,945
Loss for the year - discontinued operation	10	(21,039,623)	(209,157,053)	-	-
Profit for the year to owners of the parent		14,567,979,204	13,786,739,306	13,571,230,599	12,010,291,945
Non-controlling interests					
Profit for the year - continued operations		494,532,540	199,469,564	-	-
Loss for the year - discontinued operation		(30,101,902)	(299,246,091)	-	-
Profit (loss) for the year to non-controlling interests		464,430,638	(99,776,527)	-	-
		15,032,409,842	13,686,962,779	13,571,230,599	12,010,291,945
Basic earnings (loss) per share					
From continued operations		4.55	4.37	4.23	3.75
From discontinued operation		(0.01)	(0.07)	-	-
Owners of the parent	31	4.54	4.30	4.23	3.75
Diluted earnings (loss) per share					
From continued operations		4.55	4.37	4.23	3.75
From discontinued operation		(0.01)	(0.07)	-	-
Owners of the parent	31	4.54	4.30	4.23	3.75

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

Shin Corporation Public Company Limited and its Subsidiaries
Statements of Comprehensive Income
As at 31 December 2013

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
		(in Baht)			
Profit for the year		15,032,409,842	13,686,962,779	13,571,230,599	12,010,291,945
Other comprehensive income,					
net of income tax	24				
Foreign currency translation differences for					
foreign operations		87,606,110	(8,746,504)	-	-
Net change in fair value of available-for-sale					
investments		565,142,534	9,046,991	1,426,219	3,323,869
Share of other comprehensive income of associates		1,143,263	504,937	-	-
Actuarial gains or losses from employee					
benefit plan	19	-	(349,096,500)	-	(3,640,021)
Other comprehensive income for the year,					
net of income tax		653,891,907	(348,291,076)	1,426,219	(316,152)
Total comprehensive income for the year		15,686,301,749	13,338,671,703	13,572,656,818	12,009,975,793
Total comprehensive income attributable to:					
Owners of the parent		14,837,459,093	13,502,150,961	13,572,656,818	12,009,975,793
Non-controlling interests		848,842,656	(163,479,258)	-	-
		15,686,301,749	13,338,671,703	13,572,656,818	12,009,975,793

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

Shin Corporation Public Company Limited and its Subsidiaries
Statement of Changes in Equity
As at 31 December 2013

Consolidated financial statements													
Equity attributable to owners of the Company													
Other components of equity													
	Issued and	Premium on	Retain earnings		Other reserves	Unrealised	Currency	Fair value	Share of other	Total	Equity	Non-	
	paid-up	share capital	Legal	Unappropriated	share-based	gain on	translation	changes in	income of	other	attributable to	controlling	Total
Note	share capital	share capital	reserve		payment	investments	differences	investments	associates	of equity	the Company	interests	equity
(in Baht)													
Balance at 1 January 2012	3,206,420,305	10,341,569,221	500,000,000	3,006,338,536	-	4,168,480,875	(63,387,470)	(372,801)	(140,183)	4,104,580,421	21,158,908,483	8,166,706,661	29,325,615,144
Changes in equity for the year													
Dividends	32	-	-	(12,120,153,820)	-	-	-	-	-	-	(12,120,153,820)	-	(12,120,153,820)
Unrealised gain on dilution of investments in subsidiaries and associate													
	-	-	-	-	-	2,286,093	-	-	-	2,286,093	2,286,093	-	2,286,093
Comprehensive income for the year													
Profit (loss) for the year	-	-	-	13,786,739,306	-	-	-	-	-	-	13,786,739,306	(99,776,527)	13,686,962,779
Other comprehensive income for the year	24	-	-	-	-	-	(3,085,813)	6,353,530	504,937	3,772,654	3,772,654	(2,967,230)	805,424
Employee benefits plan actuarial gain (loss)	19	-	-	(288,360,999)	-	-	-	-	-	-	(288,360,999)	(60,735,501)	(349,096,500)
Total comprehensive income for the year	-	-	-	13,498,378,307	-	-	(3,085,813)	6,353,530	504,937	3,772,654	13,502,150,961	(163,479,258)	13,338,671,703
Balance at 31 December 2012	3,206,420,305	10,341,569,221	500,000,000	4,384,563,023	-	4,170,766,968	(66,473,283)	5,980,729	364,754	4,110,639,168	22,543,191,717	8,003,227,403	30,546,419,120

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

Shin Corporation Public Company Limited and its Subsidiaries
Statement of Changes in Equity
As at 31 December 2013

Consolidated financial statements														
Equity attributable to owners of the Company														
Note	Issued and paid-up share capital	Premium on share capital	Retain earnings		Other reserves share-based payment	Other components of equity					Equity attributable to owners of the Company	Non-controlling interests	Total equity	
			Legal reserve	Unappropriated		Unrealised gain on dilution from investments	Currency translation differences	Fair value changes in available-for-sale investments	Share of other comprehensive income of associates	Total other components of equity				
(in Baht)														
Balance at 1 January 2013	3,206,420,305	10,341,569,221	500,000,000	4,384,563,023	-	4,170,766,968	(66,473,283)	5,980,729	364,754	4,110,639,168	22,543,191,717	8,003,227,403	30,546,419,120	
Changes in equity for the year														
Dividends	32	-	-	-	(13,572,862,298)	-	-	-	-	-	(13,572,862,298)	(258,026,642)	(13,830,888,940)	
Share-based payment		-	-	-	-	3,769,562	-	-	-	-	3,769,562	3,769,562	1,431,220	5,200,782
Unrealised gain on dilution of investments in subsidiaries and associates														
		-	-	-	-	-	4,629,370	-	-	-	4,629,370	4,629,370	-	4,629,370
Comprehensive income for the year														
Profit for the year		-	-	-	14,567,979,204	-	-	-	-	-	14,567,979,204	464,430,638	15,032,409,842	
Other comprehensive income for the year	24	-	-	-	-	-	-	34,991,241	233,345,385	1,143,263	269,479,889	269,479,889	384,412,018	653,891,907
Total comprehensive income for the year		-	-	-	14,567,979,204	-	-	34,991,241	233,345,385	1,143,263	269,479,889	14,837,459,093	848,842,656	15,886,301,749
Balance at 31 December 2013		3,206,420,305	10,341,569,221	500,000,000	5,379,679,929	3,769,562	4,175,396,338	(31,482,042)	239,326,114	1,506,017	4,388,517,989	23,816,187,444	8,595,474,637	32,411,662,081

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

Shin Corporation Public Company Limited and its Subsidiaries
Statement of Changes in Equity
As at 31 December 2013

Separate financial statements								
					Other components of equity			
	Issued and		Retain earnings		Other reserves	Fair value	Total	
	paid-up	Share	Legal		share-based	changes in	other	Total
Note	share capital	premium	reserve	Unappropriated	payment	available-for-sale	components	equity
						investments	of equity	equity
				(in Baht)				
Balance at 1 January 2012	3,206,420,305	10,341,569,221	500,000,000	305,757,355	-	132,477	132,477	14,353,879,358
Changes in equity for the year								
Dividends	32	-	-	(12,120,153,820)	-	-	-	(12,120,153,820)
Comprehensive income for the year								
Profit for the year	-	-	-	12,010,291,945	-	-	-	12,010,291,945
Other comprehensive income for the year	24	-	-	-	-	3,323,869	3,323,869	3,323,869
Employee benefits plan actuarial gain (loss)	19	-	-	(3,640,021)	-	-	-	(3,640,021)
Total comprehensive income for the year	-	-	-	12,006,651,924	-	3,323,869	3,323,869	12,009,975,793
Balance at 31 December 2012	3,206,420,305	10,341,569,221	500,000,000	192,255,459	-	3,456,346	3,456,346	14,243,701,331
Balance at 1 January 2013	3,206,420,305	10,341,569,221	500,000,000	192,255,459	-	3,456,346	3,456,346	14,243,701,331
Changes in equity for the year								
Dividends	32	-	-	(13,572,862,298)	-	-	-	(13,572,862,298)
Comprehensive income for the year								
Profit for the year	-	-	-	13,571,230,599	-	-	-	13,571,230,599
Other comprehensive income for the year	24	-	-	-	2,769,215	1,426,219	4,195,434	4,195,434
Total comprehensive income for the year	-	-	-	13,571,230,599	2,769,215	1,426,219	4,195,434	13,575,426,033
Balance at 31 December 2013	3,206,420,305	10,341,569,221	500,000,000	190,623,760	2,769,215	4,882,565	7,651,780	14,246,265,066

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

Shin Corporation Public Company Limited and its Subsidiaries
Statements of Cash Flows
For the years ended 31 December 2013

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2013	2012	2013	2012
		(in Baht)			
Cash flows from operating activities					
Profit for the year attributed to					
owners of the parent		14,567,979,204	13,786,739,306	13,571,230,599	12,010,291,945
Adjustments for					
Depreciation and amortisation	13, 14, 15	2,119,308,488	2,591,731,026	14,377,031	15,436,383
Current service costs of employee					
and share based payment expense	19	44,638,293	20,220,484	6,259,393	2,930,541
Interest income		(153,900,916)	(210,073,495)	(70,368,098)	(88,309,743)
Interest expense		257,349,986	423,373,022	1,836,411	2,330,588
Income tax expense	29	342,592,248	328,796,950	-	-
Share of profit of associates		(14,837,097,655)	(14,336,542,304)	-	-
Dividends income	11	-	-	(13,891,265,174)	(12,254,547,780)
Loss on provision for interest of unpaid operating					
agreement fee		433,417,808	433,417,808	-	-
Unrealised (gain) loss on foreign exchange		328,428,991	(24,467,306)	-	-
(Reversal of) allowance for doubtful accounts		(10,879,185)	5,703,925	-	-
Impairment loss on non-current assets held for sale		-	175,273,209	-	-
Impairment loss on assets		6,731,366	-	-	-
Allowance for obsolete inventory		15,106,647	20,907,029	-	-
Amortisation cost of loans		2,477,440	5,577,234	-	-
Gain (loss) for the year attributed to non-controlling interests		464,430,638	(99,776,527)	-	-
Others		(1,426,623)	6,302,910	12,136,642	10,093,049
		3,579,156,730	3,127,183,271	(355,793,196)	(301,775,017)
Changes in operating assets and liabilities					
Trade and other receivables		(324,501,959)	300,199,325	(15,051,399)	(11,496,456)
Inventories		99,377,464	(89,249,807)	-	-
Other non-current assets		(375,199,658)	(117,772,366)	(64,200)	(642)
Trade and other payables		407,091,818	234,403,140	5,337,908	4,582,513
Accrued operating agreement fees		50,299,202	(4,725,634)	-	-
Other non-current liabilities		(31,758,077)	48,478,021	-	2,219,800
Interest received		128,506,909	206,053,433	69,285,046	94,169,067
Dividends received		13,873,481,794	12,362,110,914	13,891,265,174	12,254,547,780
Income tax paid		(323,628,513)	(292,962,056)	-	-
Net cash from operating activities		17,082,825,710	15,773,718,241	13,594,979,333	12,042,247,045

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

Shin Corporation Public Company Limited and its Subsidiaries
 Statements of Cash Flows
 For the year ended 31 December 2013

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2013	2012	2013	2012
		(in Baht)			
Cash flows from investing activities					
Acquisition of associated companies and subsidiary		(34,005,529)	(57,481,410)	(36,005,499)	(57,481,410)
Purchase of property and equipment		(2,542,703,145)	(2,085,138,249)	(25,559,823)	(6,293,204)
Purchase of other intangible assets		(57,746,664)	(31,895,851)	(3,863,415)	(139,742)
Purchase of property and equipment					
under operating agreements		(1,221,000)	(4,920,214)	-	-
Increase in current investments		(685,807,369)	(814,734,679)	424,802,908	(632,573,278)
Purchase for available-for-sale investments		(129,014,370)	-	-	-
(Increase) decrease in loans and advances					
to related parties		(5,513,524)	(59,796,358)	(39,070,000)	-
Net cash received from disposal of equipments		14,129,485	9,417,342	1,218,745	6,168
Net cash from (used in) investing activities		(3,441,882,116)	(3,044,549,419)	321,522,916	(696,481,466)
Cash flows from financing activities					
Proceeds from short-term borrowings		48,000,000	-	-	-
Proceeds from long-term borrowings		1,032,383,372	1,616,616,517	-	-
Proceeds from borrowings from related party		-	57,597,419	-	-
Repayments of short-term borrowings		(48,000,000)	-	-	-
Repayments of long-term borrowings		(115,147,246)	(3,467,479,280)	(940,900)	(630,439)
Interest paid		(228,074,626)	(414,232,276)	(96,341)	(112,790)
Dividend paid		(13,830,888,941)	(19,623,140,315)	(13,572,862,298)	(19,623,140,315)
Net cash used in financing activities		(13,141,727,441)	(21,830,637,935)	(13,573,899,539)	(19,623,883,544)
Net increase (decrease) in cash and cash equivalents					
cash equivalents		499,216,153	(9,101,469,113)	342,602,710	(8,278,117,965)
Cash and cash equivalents at beginning of year		2,322,253,274	11,436,559,716	164,576,959	8,442,694,924
Effects of cash and cash equivalents in					
non-current assets held for sale		-	(11,210,345)	-	-
Effects of exchange rate changes on balances					
held in foreign currencies		6,081,031	(1,626,984)	-	-
Cash and cash equivalents at end of year	6	2,827,550,458	2,322,253,274	507,179,669	164,576,959
Non-cash transactions					
Purchase of property and equipment and					
other intangible assets by liabilities		527,615,729	27,702,229	2,836,939	898,771
Property and equipment under finance leases		12,836,234	5,829,778	1,453,057	2,393,957

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

Shin Corporation Public Company Limited and its Subsidiaries
Notes to the Financial Statements
For the year ended 31 December 2013

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Shin Corporation Public Company Limited and its Subsidiaries
Notes to the Financial Statements
For the year ended 31 December 2013

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 17 February 2014.

1 General information

Shin Corporation Public Company Limited, "the Company" is a public limited company and is incorporated and domiciled in Thailand and has its registered office at 414 Phaholyothin Road, Phayathai, Bangkok 10400.

The Company was listed on the Stock Exchange of Thailand ("SET") in August 1990.

As at 31 December 2013, the principle shareholder of the Company is Aspen Holdings Limited ("Aspen"), holding 41.6% (2012: Aspen Holdings Limited ("Aspen") 41.6% and Cedar Holdings Limited ("Cedar") 23.6%), which is incorporated in Thailand.

INTOUCH Group are principally engaged in the satellite, internet, telecommunications, media and advertising.

Detail of the Company's subsidiaries, jointly-controlled entities and associates as at 31 December 2013 and 2012 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2013	2012
			(%)	
<i>Subsidiaries</i>				
Thaicom Public Company Limited and its Group ("THAICOM")	Operating transponder services for domestic & international communications, sale of user terminal of Thaicom 4 (IPSTAR), broadband content services, sale of direct television equipment, telephone network services & value added services on mobile and engineering & development services on communication technology & electronics.	Thailand	41.14	41.14
ITV Public Company Limited and its Group ("ITV")	At present, ITV has ceased its operation <i>(note 34 and 35)</i> which used to operate a television broadcasting station under a UHF radio-television broadcasting agreement, provided by the Office of the Permanent Secretary of the Office of the Prime Minister.	Thailand	52.92	52.92
I.T. Applications and Service Company Limited ("ITAS")	Providing computer program and related services.	Thailand	99.99	99.99
Matchbox Company Limited ("MB")	Providing advertising services and production of advertisements for radio and television broadcast.	Thailand	99.96	99.96
Intouch Media Company Limited and its Group ("Intouch Media")	To do business in relation to broadcasting and television, including other related businesses.	Thailand	99.99	-

Shin Corporation Public Company Limited and its Subsidiaries
Notes to the Financial Statements
For the year ended 31 December 2013

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2013	2012
(%)				
<i>Associates</i>				
Advanced Info Service Public Company Limited and its Group ("AIS")	Operating a 2.1-GHz, 900-MHz and 1800-MHz cellular telephone system, a DATAKIT VIRTUAL CIRCUIT SWITCH , and other related services.	Thailand	40.45	40.45
CS Loxinfo Public Company Limited and its Group ("CSL")	Providing internet data center services, internet, satellite uplink downlink services for domestic and international communications the printing and publishing of telephone directories, the conducting classified and printing directories businesses and mobile contents.	Thailand	42.07	42.07
Ookbee Company Limited ("OOKBEE")	Service provider for digital publication platform and e-booking.	Thailand	25.03	25.03
Meditech Solution Company Limited ("Meditech")	A manufacturer and vendor of eye blink communication aids for paralytics and disable people.	Thailand	30.00	-
Computerlogy Company Limited ("Computerlogy")	A software or computer system and web site development, including social media management tool.	Thailand	25.01	-

INTOUCH Group has obtained agreements for operation from government agencies and entities regulated by government agencies, in Thailand and other countries, to provide satellites and transponder services, to be an Internet Service Provider, to act as a television broadcaster, and to provide Telephone Systems in Thailand and telecommunication services in Lao PDR etc. The periods of the agreements range from 10 - 35 years. Under these operating agreements and authorisations, certain companies in INTOUCH Group must pay fees to the relevant government agencies and entities regulated by government agencies based on a percentage of service income or at the minimum payment specified in the relevant agreements, whichever is higher or as stipulated in authorisations.

As at 31 December 2013, the remaining minimum payment as specified in the agreement is Baht 618 million in the consolidated financial statements (2012: Baht 684 million), excluding ITV because ITV is in the process of dispute as discussed in notes 34 and 35. In addition, certain companies in the Group, according to their agreements, must procure property and equipment for their operations and must transfer the ownership of such property and equipment to the relevant government agencies and entities regulated by government agencies within the periods specified in the agreements.

Shin Corporation Public Company Limited and its Subsidiaries
Notes to the Financial Statements
For the year ended 31 December 2013

The principal agreements for operation and authorisations are held by subsidiaries, jointly-controlled entities and associates at 31 December 2013 include:

Operating Agreement and License	Country	Held by	Expiry
<i>Subsidiaries</i>			
Satellites	Thailand	Thaicom Public Company Limited	September 2021
Telecom Operation License Type I	Thailand	Thaicom Public Company Limited	August 2016
Telecom Operation License Type III	Thailand	Thaicom Public Company Limited	June 2032
Radio-television broadcasting – under UHF system	Thailand	ITV Public Company Limited	July 2025 (<i>in the process of dispute note 34 and 35</i>)
Internet Operation License Type I	Thailand	DTV Service Company Limited	October 2014
<i>Jointly-controlled entities</i>			
Fixed phone, mobile phone, international facilities and internet	Lao PDR	Lao Telecommunications Company Limited	2021
<i>Associates</i>			
900-MHz cellular telephone system	Thailand	Advanced Info Service Public Company Limited	September 2015
1800-MHz cellular telephone system	Thailand	Digital Phone Company Limited	September 2013*
2.1-GHz cellular telephone system	Thailand	Advanced Wireless Network Company Limited	December 2027
International call	Thailand	AIN GlobalComm Company Limited	July 2026
Datakit Virtual Circuit Switch	Thailand	Advanced Datanetwork Communications Company Limited	September 2022
Satellite uplink-downlink	Thailand	CS Loxinfo Public Company Limited	August 2016
Internet Operation License Type I,II,III	Thailand	CS Loxinfo Public Company Limited	April 2014 – December 2022

*As per the agreement of Digital Phone Company Limited that expired on 15 September 2013, the National Broadcast and Telecommunication Commission ("NBTC") has announced a temporary customer protection measure after the Agreement expired to assign the operator to provide continuing services to the subscribers for up to a further 1 year commencing from the Agreement expiration date. The operator must comply with the rules and conditions set forth in the announcement (including expenses that may be deducted in arriving at a notional profit payable to the State).

Shin Corporation Public Company Limited and its Subsidiaries
Notes to the Financial Statements
For the year ended 31 December 2013

2 Basis of preparation of financial statements

2.1 Basis of preparation of financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise as stated. They are prepared on the historical cost basis except as stated in the accounting policies.

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

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and various other factors, including management's assessment of the potential impact on INTOUCH Group's operations and financial position of the economic. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimates are revised and in any future period affected.

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

- Note 8 Allowance for doubtful accounts
- Note 9 Realisable value of inventory
- Note 13, 14, 15 Estimated useful lives of property and equipment including property and equipment under operating agreements and intangible assets.
- Note 13, 14, 15 Measurement of the recoverable amounts of property and equipment including property and equipment under operating agreements and intangible assets containing goodwill.
- Note 19 Measurement of employee benefits
- Note 34, 35 Provisions and contingencies
- Note 23 Measurement of share-based payment
- Note 33 The measurement of fair values of foreign currency forward contracts and cross currency and interest rate swap contracts

2.2 Financial status of ITV Public Company Limited and its Group ("ITV")

As at 31 December 2013, ITV's current liabilities exceed its current assets by an amount of Baht 4,745 million and deficit in excess of its share capital by an amount of Baht 4,745 million (2012: Baht 4,321 million and Baht 4,321 million, respectively). In addition, as discussed in note 34 a) and 35.2 to the financial statements, in consequence of the ruling of the Supreme Administrative Court on 13 December 2006, ITV is liable for unpaid operating agreement fee totalling Baht 2,210 million and the interest on the total unpaid operating agreement fee at 15% per annum including the penalty arising from the alteration of television programming of Baht 97,760 million to the Office of the Permanent Secretary of the Office of the Prime Minister ("PMO"). ITV has not yet paid these unpaid operating agreement fee including interest and penalty which are still under dispute. ITV's operating agreement was revoked on 7 March 2007 by the PMO therefore; ITV ceased its operation at that date. In addition, on 30 March 2007, the PMO claimed the undelivered value of assets under operating agreement amounting to Baht 656 million plus interest. In addition, ITV is still in the arbitration proceeding regarding the unpaid operating agreement fee including interest, penalty arising from the alteration of television programming of Baht 97,760 million and value of undelivered assets including its interest. These events indicate a material uncertainty which may cast significant doubt on ITV's ability to continue as a going concern.

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On 10 March 2011, 12 March 2012 and 12 March 2013, ITV received the letter from the Stock Exchange of Thailand ("SET") stating that ITV was in the first phase, the second phase, and the third phase, respectively, of the Non-Performing Group ("NPG") by the announcement of the SET regarding the amendments and procedures for listed company facing possible delisting due to operations or financial conditions. The said procedures and guidelines required ITV to resolve the delisting grounds within three (3) years (going through 3 stages - each of 1 year) beginning on 10 March 2011. ITV could undertake one - time extension, not more than one (1) year for rehabilitation (The maximum rehabilitation period does not exceed four (4) years). To qualify for an extension, ITV must meet all of the following criteria:

1. Shareholder equity must not be less than Baht 20 million or ITV must generate the profits from core business in one (1) year period.
2. ITV must have a sustainable major core business.
3. ITV must have solid plans to resolve the possible delisting grounds.
4. ITV must meet other requirements i.e. ITV directors or management must not be the prohibited persons.

If ITV is unable to meet the requirements to resolve delisting grounds within the given period, the SET will inform to the SET Board to consider approving delisting ITV's securities.

The consolidated financial statements of the Company and its subsidiaries include the financial statements of ITV, which have been prepared on a going concern basis. Accordingly, the recorded assets amounting to Baht 1,150 million represent 2.3% of consolidated total assets (2012: Baht 1,136 million, represented 2.4%) and liabilities amounting to Baht 5,895 million represent 32.0% of consolidated total liabilities (2012: Baht 5,457 million, represented 31.2%) of ITV, and therefore, the recorded deficit in excess of ITV's issued share capital amounting to Baht 4,745 million as at 31 December 2013 (2012: Baht 4,321 million) has been taken up in full in the consolidated financial statements in accordance with generally accepted accounting principles.

However, the Company's legal liability for any losses incurred by ITV is limited to the Company's share paid to ITV's capital. In the event that ITV is unable to continue its operations and the Company declines to make further funds available to ITV, the Company's consolidated net liabilities as at 31 December 2013 and 2012 would be reduced by Baht 4,745 million and Baht 4,321 million, respectively. The retained earnings and shareholders' equity as at 31 December 2013 and 2012 would be increased by Baht 4,745 million and Baht 4,321 million, respectively.

3 Changes in accounting policies

From 1 January 2013, the INTOUCH Group has adopted the issued and revised TFRS, which has resulted in changes in its accounting policies applied in the financial statements for the year ended 31 December 2012 as following.

- TFRS 8 Operating segments
- TAS 21 (revised 2009) The effects of changes in foreign exchange rates

Other new and revised TFRS does not have any impact on the financial position and result of the Group.

4 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries and jointly controlled entities and INTOUCH Group's interests in associates.

Subsidiaries

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

The accounting policies of subsidiaries are aligned with the policies adopted by the Group.

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INTOUCH Group has allocated the excess loss of subsidiaries to non-controlling interests, even though such allocation will result to the negative non-controlling interests.

Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities INTOUCH Group has joint control, established by contractual agreement. The consolidated financial statements include INTOUCH Group's proportionate share of the entities' assets, liabilities, revenue and expenses combined with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

Loss of control

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

Associates

Associates are those companies in which INTOUCH Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include INTOUCH Group's share of profit or loss and other comprehensive income of equity accounted investees after adjustment to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When INTOUCH Group's share of losses in an associate exceeds its interest in the associate, INTOUCH Group does not continue to recognise further losses, unless INTOUCH Group has incurred obligations or made payments on behalf of the associates.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of INTOUCH Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The business combinations are accounted for using the acquisition method, other than those with entities under common control.

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

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

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A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group/Company incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Accounting for acquisitions of non-controlling interests

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

The acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions.

Gain (loss) on dilution from investment

Gain (loss) on dilution from investment arise on shares issued by investees to third parties are recognised as an unrealised gain (loss) on dilution of investment which is presented in shareholders' equity in the consolidated financial position.

(b) Foreign currencies

Foreign currency transactions

Transactions denominated in foreign currencies are translated into Thai Baht at the rate of exchange prevailing on the transaction dates.

Monetary assets and liabilities at the reporting date denominated in foreign currencies are translated into Thai Baht at the rate of exchange prevailing at the reporting date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Foreign operations

Statements of income and cash flows of foreign operations are translated into Thai Baht using at the weighted average exchange rates for the year.

The financial position of foreign operations is translated into Thai Baht at the exchange rates ruling on the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are translated into Thai Baht at the rate as at the reporting date.

Currency translation differences arising from the translation of the net investment in foreign operations are taken to statements of comprehensive income and as a currency translation difference in the shareholders' equity. On disposal of a foreign operation, accumulated currency translation differences are recognised in the statement of income as part of the gain or loss on sale.

(c) Financial instruments

Financial instruments carried on the statements of financial position include cash and cash equivalents, current investments, trade receivables, related party receivables and payables, trade payables, finance leases, borrowings and certain derivative financial instruments. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

INTOUCH Group is a party to financial instruments that manage exposure to fluctuations in foreign currency exchange and interest rates. The instrument is mainly derivative financial instruments, which are initially recognised at fair value on the date that the derivative contracts are entered into and are subsequently remeasured their fair value. The changes in the fair value are recognised immediately in the statement of income.

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Fair value estimation

The fair values of foreign currency forward contracts are determined using forward exchange market rates at the reporting date, cross currency and interest rate swap contract are determined by using reference rate from broker at the reporting date.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at banks and other short-term highly liquid investments with original maturities of three months or less.

(e) Trade and other accounts receivable

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

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred. Bad debts and doubtful accounts are recognised in the statement of income as administrative expense.

(f) Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs are determined using the weighted average principle except work in progress is valued using the specific identification method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Non-current assets held for sale

Non-current assets (or discontinued assets that are consisted of assets and liabilities) which are estimated that the economic benefit of that asset is obtained through the asset's sale rather than through its continuous use in the business are classified to assets held for sale. Such assets (or component of discontinued assets) are measured with lower amount of book value and fair value less expenses that related to the sale. Impairment loss of non-current assets are allocated to goodwill in priority, then allocated proportionately to the carried forward of assets and liabilities, with exceptional to inventory, financial assets, deferred tax assets and property investment. The initial impairment loss and gain or loss from re-measurement will be recognised in statements of income. The gain recognition will not be exceeding the initial impairment loss.

(h) Investments

Investments in subsidiaries, jointly-controlled entities and associates

Investments in subsidiaries, jointly-controlled entities and associates in the separate financial statements of the Company are accounted for using the cost method.

Investments in subsidiaries, jointly-controlled entities and associates in the consolidated financial statements are disclosed in note 4 a).

Investments in other debt and equity securities

Marketable equity securities which are classified as available-for-sale securities are carried at fair value. Fair value of marketable equity securities is calculated by reference to the purchasing prices quoted by the Stock Exchange at the close of business on the reporting date. Increases/decreases in the carrying amount are credited / charged against unrealised gains/losses from revaluation of investment in shareholders' equity.

Investments in non-marketable equity securities are classified as general investments, presented in the statement of financial position at cost. Current investments represent time deposits, bills of exchange and promissory notes with original maturities of more than 3 months but less than 12 months.

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Investment in held to maturity bond is presented at amortised cost.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. INTOUCH Group will recognise loss from impairment, if the carrying value of the investment is higher than its recoverable amount. The impairment loss is charged to the statements of income.

When disposing, the difference between the receipt from disposal and the book value of such investments is recognised in the statement of income. When disposing of part of INTOUCH Group's holding of a particular investment in equity securities the carrying amount of the disposed part is determined by reference to the average carrying amount of the total holding of the investment.

(f) Property and equipment

All property and equipment is initially recorded at cost and subsequently shown at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

The borrowing cost includes interest on bank overdrafts, short-term and long-term borrowings, amortisation of discounted bills of exchange, amortisation of deferred financial expenses and related taxes.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to INTOUCH Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the repair and maintenance of property and equipment are recognised in profit or loss as incurred.

The residual value of an item of property and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

Depreciation is calculated using the straight-line method to write off the cost of each asset to its estimated useful lives, or, if it is shorter, the lease term, based on the following useful lives:

	Years
Leasehold land, buildings and improvements	5 - 30
Furniture, fixtures and equipment	5 - 10
Vehicles <i>(including vehicles under finance leases)</i>	5
Computers and equipment	2 - 5

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised in the statements of income.

(g) Property and equipment under operating agreements

Property and equipment under operating agreements comprises satellites, commanding and monitoring stations, and other operation equipment where title had been transferred to the Government agency. They are amortised on a straight-line basis over the shorter of the useful lives of the property and equipment or the remaining agreement term. The useful lives are from 5 years to 27.5 years. Equipment under operating agreements will not be re-valued, however, the equipment will be reviewed its book value each year and recognise when they are impairment.

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(k) Intangible assets

Goodwill

INTOUCH Group measures goodwill from the acquisition is disclosed in note 4 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by INTOUCH Group, which have definite useful lives, are stated at cost less accumulated amortisation and impairment losses.

Other intangible assets represent deferred charges (rights to the use of equipment and costs of equipment provided to certain overseas customers in connection with the utilisation of transponder services), the development of Thaicom 4 (IPSTAR) technology, proprietary software for internal use or to service within INTOUCH Group, and costs of computer software and expenditure on acquired patents, trademarks or licenses. Other intangible assets are amortised using the straight-line method over estimated period of their benefits of related assets for a period of 3 - 15.75 years. The cost of equipment provided to certain customers in connection with the utilization of transponder services is amortised on the straight-line basis over the period of each service agreement.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product. Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

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

(l) Impairment

The carrying amounts of INTOUCH Group's assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

Goodwill and other intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually, even though there is no indicator of impairment are identified.

An impairment loss is recognised in the statement of income. The impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount of assets is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of an asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised only to the extent that the reversal amount does not exceed the impairment loss previously recognised. An impairment loss in respect of goodwill is not reversed.

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(m) Leases

Leases - where INTOUCH Group is the lessee

Leases of assets where INTOUCH Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated to the finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other payables. The interest element of the finance charge is charged to the statements of income over the lease period. The assets acquired under finance leasing contracts are depreciated over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

Leases not transferring a significant portion of the risks and rewards of ownership the lessee are classified as operating leases. Payments made under operating leases (*net of any incentives received from the lessor*) are charged to the statements of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

Leases - where INTOUCH Group is the lessor

Assets leased out under operating leases are included in property and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar property and equipment.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost. The transaction charges are recognised in the statement of income over the period of the borrowings on an effective interest basis.

(p) Employee benefits

Short-term employee benefit

Short-term employee benefit obligations are not measure by discounted cash flow, but recognised in profit or loss in the periods during which services are rendered by employees. A liability is recognised for the amount expected to pay.

Long-term employee benefit

Post-employment benefits – defined benefit

INTOUCH Group's obligation in respect of post-employment benefits that have to compensate according to labor law is recognised in the financial statements based on calculations using the projected unit credit method at least every 3 years.

Actuarial gains or losses are recognised in other comprehensive income and the employee benefits expenditure is recognised in the statement of income.

Post-employment benefits – defined contribution plan

INTOUCH Group operates a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by INTOUCH Group. Contributions to the provident fund are charged to the statements of income in the year to which they relate.

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(q) Share-based payments

Share-based payments of the Performance Share Plan project ("Project") is measured the expense by reference to the fair value of the equity instrument granted at the grant date. The expense is recognised in corresponding to increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met.

The expense of the Project is charged to the profit or loss from operation in corresponding to the increase in "Other reserve – share-based payments" in shareholders' equity over the periods in which the service conditions are fulfilled.

(r) Provisions

Provisions are recognised when there is a probability that INTOUCH Group's resources will be required to settle. Provisions are measured at the present value at the reporting date. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(s) Revenue

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and service income is recognised as services are provided. Revenue relating to long-term service contracts is accounted for under the percentage of completion method. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenue from sales of gateway equipment with installation is recognised using the percentage of completion method. The stage of completion is measured by reference to the related contract costs incurred for work performed to date compared with the estimated total costs for the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Revenue from rendering transponder services and services related to the satellite business, internet services, and other business related to the internet business, and telephone services is recognised when the services is provided to customers and has a certainty of economic benefit from the services.

Revenue from leases of equipment is recognised in the period at the rate specified in the lease contract.

Revenue from the production of advertising materials is recognised upon completion. Revenue from advertising media is recognised when the service is rendered to the customers.

Interest income is recognised on an accrual basis unless collectability is in doubt.

Dividend income is recognised when INTOUCH Group has a right to receive.

Revenue received under operating leases is recognised on an effective interest rate basis over the term of the lease.

(t) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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(u) Income tax expense

Income tax expense for the year comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date.

Deferred tax

Deferred tax is provided, using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using tax rates or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that the related tax benefit will be realised.

5 Related party transactions and balances

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, INTOUCH Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of INTOUCH Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of INTOUCH Group that gives them significant influence over the enterprise, key management personnel of INTOUCH Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions among INTOUCH Group are transactions among the Company, its subsidiaries, jointly-controlled entities and associates, also the transactions with management and other related companies of the Company, including with major shareholder's group are recognised as related party transactions of the Company.

INTOUCH Group entered into a number of transactions with related parties, the terms of which were negotiated on an arm's length basis in the ordinary course of business and according to normal trade conditions.

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Significant transactions for the years ended 31 December 2013 and 2012 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Sales of goods and services, including dividend received				
Subsidiaries				
Dividend received	-	-	180	35
Jointly-controlled entity				
Consultant income and others	13	3	-	-
Associates				
Computer services income	95	104	-	-
Advertising income	313	259	-	-
(Gross 2013: Baht 1,356 million, 2012: Baht 996 million)				
Rental income and others	110	64	-	-
Dividend received	13,873	12,362	13,711	12,220
	14,391	12,789	13,711	12,220
Purchase of goods and services, including dividend paid				
Subsidiaries				
Computer services	-	-	2	3
Advertising expenses and others	-	-	12	16
	-	-	14	19
Jointly-controlled entity				
Rental and other expenses	-	5	-	-
Associates				
Rental and other expenses	34	31	2	2
Related parties				
Purchase fixed assets	9	-	9	-
Interest and other expenses	6	3	-	-
	15	3	9	-
Directors				
Dividend paid	5	4	5	4
Major shareholders				
Dividend paid	6,476	9,061	6,476	9,061

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Balances as at 31 December 2013 and 2012 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Trade accounts and notes receivable				
Jointly-controlled entity	-	32	-	-
Associates	393	224	-	-
Related parties	68	-	-	-
Total	461	256	-	-
Less allowance for doubtful accounts	(68)	(31)	-	-
Net	393	225	-	-
Accrued income				
Associates	47	19	-	-
Amounts due from, advances and loans to related parties				
Subsidiaries	-	-	39	-
Jointly-controlled entity	151	137	-	-
Associates	2	-	-	-
	153	137	39	-
Other receivable				
Jointly-controlled entity	9	4	-	-
Associates	-	-	2	-
	9	4	2	-
Current investment in debenture through private funds, managed by independent fund manager				
Associate	-	12	-	12
Dividend receivable				
Jointly-controlled entity	62	-	-	-

Movements of loan to subsidiary during the years ended 31 December 2013 and 2012 were as follows:

	Separate financial statements	
	2013	2012
	<i>(in million Baht)</i>	
At 1 January	-	-
Additions	39	-
At 31 December	39	-

Loan in separate financial statement is an unsecured loan to an indirect subsidiary with the fixed interest per annum, which is 1.0% above the average rate of the three - month fixed deposit rate of three major banks.

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Movements of loan to a related party entity (included in amounts due from, advances and loans to related parties) during the years ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements	
	2013	2012
	(in million Baht)	
At 1 January	132	79
Additions	-	57
Unrealised gain (loss) on currency translation	10	(4)
At 31 December	142	132

Loan in consolidated financial statement is a loan to Jointly-controlled entity, which is a call loan with interest rates 2.74% - 3.10% per annum (2012: 3.25% - 3.81% per annum).

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Trade accounts and notes payable				
Associates	16	6	-	-
Related parties	8	-	-	-
Total	24	6	-	-
Amounts due to and loans from related parties				
Subsidiaries	-	-	2	6
Related parties	145	134	-	-
Total	145	134	2	6
Other payable				
Subsidiaries	-	-	2	2
Associates	3	2	-	-
Related parties	9	4	-	-
Total	12	6	2	2
Other non-current liabilities				
Associates	2	3	-	-

Movements of loan from a related party entity (included in amounts due to, advances and loans from related parties) during the years ended 31 December 2013 and 2012 were as follows:

	Consolidated financial statements	
	2013	2012
	(in million Baht)	
At 1 January	133	79
Additions	-	58
Unrealised (gain) or loss on currency translation	10	(4)
At 31 December	143	133

Loan from a related party is a call loan with interest rates 2.74% - 3.10% per annum (2012: 3.25% - 3.81% per annum).

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Management personnel compensation

Directors' remuneration and key management personnel compensation for the years ended 31 December 2013 and 2012 comprised of:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Short-term benefit				
Directors' remuneration	37	34	21	20
Key management personnel compensation	134	130	72	71
Total management benefit expenses	171	164	93	91
Long-term benefit				
Included in administrative expenses				
Current service costs	3	2	2	1
Share-based payment	4	-	2	-
Included in finance costs				
Interest on obligation	1	1	1	1
Total long-term management benefit expenses	8	3	5	2
Total	179	167	98	93
Directors' remuneration				

Directors' remuneration represents monthly allowance, bonus and meeting allowance which is paid to chairman of the board, independent directors, and non-executive directors as approved by the Annual General Meeting of shareholders of the Company and its group.

Commitments and other agreements with related parties

As at 31 December 2013 and 2012, the significant commitments with related parties are as follows:

1. The Company and certain associates entered into agreements with a subsidiary, under which the subsidiary committed to maintain accounting programme service for one year with an option to renew one year each. The parties have the right to terminate the agreement by giving at least three-month advance written notice. As at 31 December 2013, the Company and associates had no commitment to pay the subsidiary for services in respect of the agreements as the agreement had matured (2012: nil).
2. A subsidiary entered into an agreement with an associate, under which the associate committed to provide uplink data service for a period of approximately five years. As at 31 December 2013, the subsidiary committed to pay for the service in respect of the agreements at approximately Baht 30 million (2012: approximately Baht 41 million).
3. A subsidiary entered into agreements with associates, under which the subsidiary committed to provide transponder service, advisory service and Thaicom 4 (IPSTAR) bandwidth service. Associates committed to pay the subsidiary for the service of the agreements at approximately USD 2 million (2012: approximately USD 3 million).
4. A subsidiary entered into an agreement with an associate, under which the subsidiary committed to provide satellite uplink equipment for a period of approximately three years and six months. An associate was committed to pay for rental fee in respect of the agreements at approximately Baht 38 million (2012: Baht 23 million).

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6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Cash on hand	32	26	-	-
Deposit at banks - current and saving accounts	1,197	2,053	110	165
Deposit at banks - fixed account, bills of exchange , promissory notes and investment in debenture	1,599	243	397	-
Total	2,828	2,322	507	165

The weighted average effective interest rate of bank deposits, time deposits, bills of exchange, promissory notes and investment in debenture was 1.0 % per annum (2012: 1.0% per annum) in the consolidated financial statements and 2.0 % per annum (2012: 0.5% per annum) in the separate financial statements.

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Current investments				
Deposit at banks – fixed account	1,706	1,075	400	863
Debt securities available for sale	2,322	2,266	1,190	1,150
Total	4,028	3,341	1,590	2,013

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Long-term investments				
Equity securities available for sale	700	-	-	-
Investment in other company	25	25	25	25
Total	725	25	25	25
Total	4,753	3,366	1,615	2,038

The weighted average effective interest rate of fixed deposit and bill of exchange was 3.1% per annum (2012: 3.3% per annum) in the consolidated financial statements and the separate financial statements.

The weighted average of the return on current investments for available-for-sale securities is 3.6% per annum (2012: 3.8 % per annum) in the consolidated financial statements and 3.5% per annum (2012: 3.7% per annum) in the separate financial statements.

On 14 October 2013, the Board of Directors of IPSTAR International PTE Limited which is a subsidiary of THAICOM, approved to purchase the ordinary shares of Synertone Communication Corporation Limited of 64 million shares, representing approximately 5.06%, at the price of HKD 0.5034 per share. This investment is classified as security available-for-sales.

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Movements of long-term securities available for sale during the years ended 31 December 2013 and 2012 was as follows:

	Consolidated financial statements		Separate Financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Long-term investments				
Equity securities available for sale				
At 1 January	-	-	-	-
Purchases during the year	129	-	-	-
Change in fair value	564	-	-	-
Unrealised gain on currency translation	7	-	-	-
At 31 December	700	-	-	-

8 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Trade receivable				
Trade account and notes receivable	1,508	1,250	-	-
Accrued income	254	198	-	-
Less allowance for doubtful accounts	(219)	(202)	-	-
	1,543	1,246	-	-
Other receivable	547	346	16	15
Total	2,090	1,592	16	15

		Consolidated financial statements	
	Note	2013	2012
		<i>(in million Baht)</i>	
Trade and notes receivable			
Related parties	5	461	256
Other parties		1,047	994
Total		1,508	1,250
Accrued income			
Related parties	5	47	19
Other parties		207	179
Total		254	198
Total trade and notes receivable and accrued income		1,762	1,448
Less allowance for doubtful accounts		(219)	(202)
Net		1,543	1,246

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Aging analyses for trade accounts receivable and notes receivable were as follows:

	Consolidated financial statements	
	2013	2012
	<i>(in million Baht)</i>	
Within credit terms	698	597
Overdue:		
Less than 3 months	402	288
3 - 6 months	175	139
6 - 12 months	21	56
Over 12 months	212	170
	1,508	1,250
Less allowance for doubtful accounts	(219)	(202)
Net	1,289	1,048

Other receivables as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Prepaid expenses	240	119	6	6
Accrued interest income and other income	64	36	6	4
Advance payments	136	49	-	-
Deposits	60	38	-	-
Income tax receivable	46	51	1	2
Others	1	53	3	3
Total	547	346	16	15

9 Inventories

	Consolidated financial statements	
	2013	2012
	<i>(in million Baht)</i>	
Raw materials	63	55
Work in process	3	20
Finished goods	280	363
Goods in transit	3	1
	349	439
Less allowance for obsolete inventories	(97)	(97)
Net	252	342

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10 Non-current assets held for abandonment and discontinued operations

Regarding to the filing petition of Mfone to Phnom-Penh Municipal Court ("Court") on 9 January 2013 to open an insolvency proceedings, on 14 February 2013, the Court issued an ordered to appoint the administrator. As a result, Mfone is under control of the Court and the administrator. Thus, THAICOM lose the control over Mfone. On 15 March 2013, the Court ordered Mfone to enter into the process of liquidation under the laws of Cambodia and ordered the administrator to execute the legal process.

Intouch Group has not recognised the financial statements and the operating result of Mfone in the consolidated financial statements since the THAICOM Group lose its control. Intouch Group had presented the operating result of Mfone for the period before losing control as "loss for the year from discontinued operation - net".

Details of the financial position and operating result of Mfone included in the consolidated financial statements of INTOUCH Group are as follows:

Consolidated financial statements	
31 December 2012	
<i>(in million Baht)</i>	
Assets	
Cash and cash equivalents	11
Trade and other receivable	150
Inventories	7
Property and equipment	1,606
Other non-current assets	66
Less impairment loss	(71)
Assets of non-current assets held for abandonment	1,769

Liabilities and equity	
Trade and other payables	203
Current portion of long-term borrowings	1,431
Accrued operating agreement fee	45
Deferred tax liabilities	90
Liabilities of non-current assets held for abandonment	1,769

Consolidated financial statements		
For the year ended 31 December		
	2013	2012
	<i>(in million Baht)</i>	
Operation result of non-current assets held for abandonment		
Total revenue	41	434
Expenditure	(92)	(966)
Loss for the year of discontinued operations	(51)	(532)
Tax	-	24
Loss for the year of discontinued operations (net of tax)	(51)	(508)
Impact from operation loss of Mfone to loss per share of the Company		
Basic and diluted (Baht per share)	(0.01)	(0.16)

Consolidated cash flows

For the year ended 31 December 2012

Cash flow provided (used in) by assets of discontinued operations	<i>(in million Baht)</i>
Net cash flow used in operating activities	(89)
Net cash flow provided by investing activities	(2)
Net cash flow provided by financing activities	50
Net cash flow provided (used in) by assets of discontinued operations	(41)

Shin Corporation Public Company Limited and its Subsidiaries
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11 Investments in subsidiaries, jointly-controlled entities and associates

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Investment in subsidiaries</i>				
At 1 January	-	-	3,695	3,695
Acquisition	-	-	2	-
At 31 December	-	-	3,697	3,695
<i>Investment in associates</i>				
At 1 January	18,758	16,977	8,440	8,382
Acquisition	34	58	34	58
Share of profits of associates	14,837	14,336	-	-
Dividend received	(13,873)	(12,362)	-	-
Other comprehensive income	1	1	-	-
Unrealised gain on dilution from investment in associates	5	2	-	-
Actuarial gains or losses adjustment for employee benefit plan	-	(254)	-	-
At 31 December	19,762	18,758	8,474	8,440

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Investments in subsidiaries and associates as at 31 December 2013 and 2012 and dividend for the years then ended were as follows:

Consolidated financial statements										
	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income for the years	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(%)		(in million Baht)							
Associates										
Advanced Info Service Public										
Company Limited	40.45	40.45	2,973	2,973	8,382	8,382	19,364	18,425	13,711	12,220
CS Loxinfo Public										
Company Limited	42.07	42.07	149	149	1,481	1,481	306	274	162	142
Ookbee Company Limited	25.03	25.03	1	1	58	58	58	59	-	-
Meditech Company Limited	30.00	-	1	-	5	-	5	-	-	-
Computerlogy Company Limited	25.01	-	1	-	29	-	29	-	-	-
Total			3,125	3,123	9,955	9,921	19,762	18,758	13,873	12,362

Shin Corporation Public Company Limited and its Subsidiaries
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	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the years	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(%)						(in million Baht)					
Subsidiaries												
Thaicom Public Company Limited	41.14	41.14	5,480	5,480	3,613	3,613	-	-	3,613	3,613	180	-
ITV Public Company Limited	52.92	52.92	6,033	6,033	3,297	3,297	(3,297)	(3,297)	-	-	-	-
I.T. Applications and Services Company Limited	99.99	99.99	10	10	10	10	-	-	10	10	-	20
Matchbox Company Limited	99.96	99.96	9	9	72	72	-	-	72	72	-	15
Intouch Media Company Limited	99.99	-	2	-	2	-	-	-	2	-	-	-
			<u>11,534</u>	<u>11,532</u>	<u>6,994</u>	<u>6,992</u>	<u>(3,297)</u>	<u>(3,297)</u>	<u>3,697</u>	<u>3,695</u>	<u>180</u>	<u>35</u>
Associate												
Advance Info Service Public Company Limited	40.45	40.45	2,973	2,973	8,382	8,382	-	-	8,382	8,382	13,711	12,220
Ookbee Company Limited	25.03	25.03	1	1	58	58	-	-	58	58	-	-
Meditech Company Limited	30.00	-	1	-	5	-	-	-	5	-	-	-
Computerlogy Company Limited	25.01	-	1	-	29	-	-	-	29	-	-	-
			<u>2,976</u>	<u>2,974</u>	<u>8,474</u>	<u>8,440</u>	<u>-</u>	<u>-</u>	<u>8,474</u>	<u>8,440</u>	<u>13,711</u>	<u>12,220</u>
Total			<u>14,510</u>	<u>14,506</u>	<u>15,468</u>	<u>15,432</u>	<u>(3,297)</u>	<u>(3,297)</u>	<u>12,171</u>	<u>12,135</u>	<u>13,891</u>	<u>12,255</u>

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Significant movements in investments of INTOUCH Group during the year ended 31 December 2013 was as follows:

a) Dividend payment of subsidiaries, jointly-controlled entity and associates

During 2013, subsidiaries, jointly-controlled entity and associates approved dividend payment as follows:

Company	Currency	Dividend (Per share)	Interim dividend paid during 2012 (Per share)	Dividend paid in 2013 (Per share)	Total amount (in million)
<i>Subsidiary</i>					
THAICOM from operation result of					
2012	(Baht)	0.40	-	0.40	438
IPSTAR Australia Pty Limited ("IPA")					
from interim operation result	(AUD)	1	-	1	7
	(AUD)	0.14	-	-	-
IPSTAR Company Limited ("IPSTAR")					
from operation result of 2012	(USD)	0.025	-	0.025	5
<i>Jointly-controlled entity</i>					
Lao Telecommunications Company Limited ("LTC")					
from operation result of 2012	(USD)	0.15	-	0.075	7.5
<i>Associate</i>					
AIS from operation result of					
2012	(Baht)	10.90	5.90	5.00	14,863
1 January – 30 June 2013	(Baht)	6.40	-	6.40	19,026
CSL from operation result of					
2012	(Baht)	0.60	0.30	0.30	178
1 January – 30 June 2013	(Baht)	0.35	-	0.35	208

b) The incorporation of IPSTAR Japan Company Limited ("IPJ"), a subsidiary of THAICOM

On 10 May 2013, the Board of Director's meeting of THAICOM passed a resolution to approve the incorporation of IPSTAR Japan Company Limited. The authorised share capital of IPJ is JPY 100,000,000 divided into 10,000 ordinary shares of JPY 10,000 par value each and fully paid up, THAICOM holds 100%.

c) Acquisition of ordinary shares in IPSTAR New Zealand Company Limited ("IPN")

On 29 November 2013, THAICOM acquired ordinary share of IPN from IPSTAR at 8.51 million shares, equivalent to 100% of registered share capital of IPN at USD 0.78 per share, totally USD 6.6 million. As a result of this acquisition, IPN was changed its status from an indirect subsidiary to a direct subsidiary of THAICOM.

d) Establishment of Intouch Media Company Limited ("Intouch Media"), a subsidiary of the Company

On 28 August 2013, the Company has established a new subsidiary namely Intouch Media. The registered share and paid-up capital is Baht 2 million, divided into 200,000 ordinary shares at the par value of 10 baht per share. The Company held 99.99% and recognised this investment as a subsidiary.

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e) **Establishment of Touch TV Company Limited ("Touch TV"), a subsidiary of Intouch Media**

On 29 August 2013, Intouch Media has established a new subsidiary namely Touch TV. The registered share and paid-up capital is Baht 1.5 million, divided into 150,000 ordinary shares at the par value of 10 baht per share. Intouch Media holds 99.99%.

f) **Investment in Venture Capital**

Investment date	Name		Investment in newly issued share		
			Total share (share)	Total amount (million Baht)	Ownership (%)
16 August 2013	Meditech Solution Co., LTD.	Meditech	42,861	5.00	30.00
20 September 2013	Computerlogy Co., LTD.	Computerlogy	3,335	29.01	25.01

The Company recognised the investments in Meditech and Computerlogy as an investment in associate.

12 **Financial summary of jointly-controlled entity and associates**

Investment in jointly-controlled entity

Shenington Investment Pte limited ("SHEN")

SHEN is a jointly-controlled entity between THAICOM and Asia Mobile Holding Pte Limited ("AMH"). As at 31 December 2013 and 2012, the interest in SHEN of THAICOM and AMH is 51% and 49%, respectively.

The following amounts represent INTOUCH Group's share of the assets, liabilities, revenues and operating results of jointly-controlled entity in its consolidated financial statements for the years ended 31 December 2013 and 2012:

	Shenington Investment Pte Limited and its subsidiary, and jointly-controlled entity	
	2013	2012
	<i>(in million Baht)</i>	
Consolidated statements of financial position		
Current assets	268	170
Non-current assets	1,565	1,507
Current liabilities	(337)	(333)
Non-current liabilities	(519)	(459)
Net assets	977	885
Consolidated statements of income		
Revenue	882	1,167
Loss for the year	24	(535)

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Investment in associates

The following amounts represent the financial summary of associates for the years ended 31 December 2013 and 2012

	Consolidated statements of financial position					Market	Consolidated statements of income	
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	value	Revenue	Net profit for the year
	<i>(million Baht)</i>							
AIS								
2013	35,106	77,061	(45,632)	(20,642)	45,893	593,132	142,783	36,274
2012	38,066	62,949	(36,215)	(21,138)	43,662	621,377	141,549	34,883
CSL								
2013	883	1,335	(773)	(231)	1,214	6,005	3,051	462
2012	959	1,175	(847)	(150)	1,137	5,826	2,945	383
OOKBEE								
2013	46	19	(6)	-	59	-	50	(3)
2012*	51	18	(6)	-	63	-	16	5
Meditech								
2013*	5	1	-	-	6	-	3	(1)
2012	-	-	-	-	-	-	-	-
Computerlogy								
2013*	33	-	(5)	-	28	-	2	(1)
2012	-	-	-	-	-	-	-	-

*Summarized financial data from the date of investment until the end of the year.

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13 Property and equipment

Consolidated financial Statements						
	Buildings & improvements	Furniture, fixtures & equipment	Vehicles & vehicles under finance leases	Computers & equipment	Assets under construction	Total
	<i>(in million Baht)</i>					
As at 31 December 2011						
Cost	514	10,566	162	357	1,829	13,428
Less Accumulated depreciation	(283)	(6,070)	(102)	(277)	-	(6,732)
Less Allowance for impairment	-	(28)	-	-	-	(28)
Net book value	231	4,468	60	80	1,829	6,668
Transactions during the year ended 31 December 2012						
Purchases	76	183	17	18	1,659	1,953
Transfer- net	65	48	1	1	(152)	(37)
Disposals- net	(1)	(2)	(1)	-	-	(4)
Write-off- net	(3)	(6)	(2)	-	-	(11)
Depreciation charged	(56)	(977)	(23)	(32)	-	(1,088)
Foreign currency translations adjustment	(3)	(161)	(1)	(1)	(2)	(168)
Transfer to non-current assets held for abandonment	(5)	(1,574)	(1)	(26)	-	(1,606)
Closing net book value	304	1,979	50	40	3,334	5,707
As at 31 December 2012						
Cost	595	5,665	145	292	3,334	10,031
Less Accumulated depreciation	(291)	(3,671)	(95)	(252)	-	(4,309)
Less Allowance for impairment	-	(15)	-	-	-	(15)
Net book value	304	1,979	50	40	3,334	5,707

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Consolidated financial Statements						
	Buildings & improvements	Furniture, fixtures & equipment	Vehicles & vehicles under finance leases	Computers & equipment	Assets under construction	Total
			(in million Baht)			
As at 31 December 2012						
Cost	595	5,665	145	292	3,334	10,031
Less Accumulated depreciation	(291)	(3,671)	(95)	(252)	-	(4,309)
Less Allowance for impairment	-	(15)	-	-	-	(15)
Net book value	304	1,979	50	40	3,334	5,707
Transactions during the year ended 31 December 2013						
Purchases	20	313	36	44	2,666	3,079
Transfer- net	8	86	1	1	(121)	(25)
Disposals- net	-	(5)	(1)	(5)	-	(11)
Write-off- net	(2)	(4)	-	5	-	(1)
Depreciation charged	(57)	(526)	(24)	(24)	-	(631)
Foreign currency translations adjustment	(8)	61	6	(6)	8	61
Loss from impairment	-	(7)	-	-	-	(7)
Closing net book value	265	1,897	68	55	5,887	8,172
As at 31 December 2013						
Cost	596	6,137	173	330	5,887	13,123
Less Accumulated depreciation	(331)	(4,219)	(105)	(275)	-	(4,930)
Less Allowance for impairment	-	(21)	-	-	-	(21)
Net book value	265	1,897	68	55	5,887	8,172

Borrowing costs to finance the construction a project in process for the year ended 31 December 2013 amounted to Baht 110 million (2012: Baht 71 million) are capitalised as part of asset acquisition during the year.

As at 31 December 2013, property and equipment included a project in progress of Baht 4,911 million relating to the Thaicom 6 project (2012: Baht 3,267 million). According to the operating agreement made with the Ministry of Information Communication and Technology ("MICT"), THAICOM transferred its ownership of the Thaicom 6 satellite to MICT at 31 January 2014. Thaicom 6 satellite will be operational in 2014.

The remaining of assets under constructions comprised of construction work, improvements of ground systems, and infrastructure for satellite services to be used in the future. Both THAICOM and the construction companies have to comply with the terms and conditions in the construction contracts such as the deliverable outputs, timetables, payment terms, the contract extensions and the conditions to end the contracts.

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	Separate financial statements				
	Buildings & improvements	Furniture, fixtures & equipment	Vehicles & vehicles under finance leases	Computers & equipment	Total
	<i>(in million Baht)</i>				
As at 31 December 2011					
Cost	17	29	29	45	120
Less Accumulated depreciation	(13)	(22)	(13)	(40)	(88)
Net book value	4	7	16	5	32
Transactions during the year ended 31 December 2012					
Purchases	-	-	4	4	8
Disposal- net	-	-	(1)	-	(1)
Depreciation charge	(2)	(2)	(5)	(3)	(12)
Closing net book value	2	5	14	6	27
As at 31 December 2012					
Cost	17	29	32	49	127
Less Accumulated depreciation	(15)	(24)	(18)	(43)	(100)
Net book value	2	5	14	6	27
Transactions during the year ended 31 December 2013					
Purchases	2	2	18	5	27
Depreciation charge	(2)	(2)	(6)	(3)	(13)
Closing net book value	2	5	26	8	41
As at 31 December 2013					
Cost	18	30	46	48	142
Less Accumulated depreciation	(16)	(25)	(20)	(40)	(101)
Net book value	2	5	26	8	41

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14 Property and equipment under operating agreements

	Consolidated financial statements Satellite equipment (in million Baht)
At 31 December 2011	
Cost	21,140
Less Accumulated amortisation	(8,312)
Net book value	12,828
Transactions during the year ended 31 December 2012	
Purchases	5
Amortisation charge	(1,351)
Closing net book value	11,482
At 31 December 2012	
Cost	21,147
Less Accumulated amortisation	(9,665)
Net book value	11,482
Transactions during the year ended 31 December 2013	
Purchases	2
Amortisation charge	(1,353)
Closing net book value	10,131
At 31 December 2013	
Cost	21,149
Less Accumulated amortisation	(11,018)
Net book value	10,131

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15 Intangible assets

	Consolidated financial statements		
	Goodwill	Others <i>(in million Baht)</i>	Total
At 31 December 2011			
Cost	1,247	2,158	3,405
Less Accumulated amortisation	-	(1,083)	(1,083)
Less Allowance for impairment	(1,105)	-	(1,105)
Net book value	142	1,075	1,217
Transactions during the year ended 31 December 2012			
Purchases	-	36	36
Amortisation charge	-	(152)	(152)
Foreign currency translation adjustment	-	(2)	(2)
Closing net book value	142	957	1,099
At 31 December 2012			
Cost	1,247	2,188	3,435
Less Accumulated amortisation	-	(1,231)	(1,231)
Less Allowance for impairment	(1,105)	-	(1,105)
Net book value	142	957	1,099
Transactions during the year ended 31 December 2013			
Purchases	-	59	59
Amortisation charge	-	(135)	(135)
Foreign currency translation adjustment	-	5	5
Closing net book value	142	886	1,028
At 31 December 2013			
Cost	1,247	2,631	3,878
Less Accumulated amortisation	-	(1,745)	(1,745)
Less Allowance for impairment	(1,105)	-	(1,105)
Net book value	142	886	1,028

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	Separate financial statements (in million Baht)
At 31 December 2011	
Cost	60
Less Accumulated amortisation	(56)
Net book value	4
Transactions during the year ended 31 December 2012	
Amortisation charge	(2)
Closing net book value	2
At 31 December 2012	
Cost	60
Less Accumulated amortisation	(58)
Net book value	2
Transactions during the year ended 31 December 2013	
Purchases	4
Amortisation charge	(1)
Closing net book value	5
At 31 December 2013	
Cost	64
Less Accumulated amortisation	(59)
Net book value	5

16 Deferred income tax

Deferred tax assets and liabilities determined after appropriate offsetting are included in the statements of financial position as follows:

	Consolidated financial statements	
	2013	2012
	(in million Baht)	
Deferred tax assets	513	685
Deferred tax liabilities	-	-
Total	513	685

Deferred income tax is calculated on temporary differences under the statements of financial position liability method.

Deferred tax assets for tax loss carried forward are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. INTOUCH Group has tax loss carried forward to offset future tax income amounting to Baht 3,282 million (2012: Baht 4,090 million) which is recognised as a deferred tax assets up to the amount it expects to be utilised of Baht 262 million (2012: Baht 460 million).

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The movements in deferred tax assets and liabilities during the years ended 31 December 2013 and 2012, without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows:

Consolidated financial statement								
For the year ended 31 December 2012								
	Loss carry forward	Allowance for doubtful accounts	Allowance for obsolescence	Deposits	Advance receipt from customer	Employee benefits	Others	Total
	(in million Baht)							
Deferred tax assets								
Balance brought forward	632	18	13	33	56	47	47	846
Impact to statement of income	(172)	-	-	(1)	86	(8)	(41)	(136)
Impact from actuarial gains or losses adjustment of employee benefit plan	-	-	-	-	-	22	-	22
Equity items	-	-	-	-	(4)	-	2	(2)
Transferred to non – current assets held for abandonment	-	(13)	-	-	-	-	(32)	(45)
Balance carried forward	460	5	13	32	138	61	(24)	685

Consolidated financial statement								
For the year ended 31 December 2013								
	Loss carry forward	Allowance for doubtful accounts	Allowance for obsolescence	Deposits	Advance receipt from customer	Employee benefits	Others	Total
Deferred tax assets								
Balance brought forward	460	5	13	32	138	61	(24)	685
Impact to statement of income	(198)	-	-	10	6	8	4	(170)
Equity items	-	-	-	-	(7)	-	5	(2)
Balance carried forward	262	5	13	42	137	69	(15)	513

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Consolidated financial statements

For the year ended 31 December

2013 2012

Depreciation/ Amortisation

(in million Baht)

Deferred tax liabilities

Balance brought forward	-	(120)
Transferred to liabilities of non-current assets classified as held for abandonment	-	120
Balance carried forward	-	-

17 Interest bearing liabilities

Consolidated financial statements		Separate financial statements	
2013	2012	2013	2012
(in million Baht)			

Current

Current portion of long-term borrowings	638	109	-	-
Current portion of debenture	3,698	-	-	-
Current portion of finance lease liabilities	9	7	1	1
	4,345	116	1	1

Non-current

Long-term borrowings	4,006	3,331	-	-
Debenture	-	3,695	-	-
Finance lease liabilities	23	21	-	1
	4,029	7,047	-	1
Total borrowings	8,374	7,163	1	2

The movements in the borrowings for the years ended 31 December were as follows:

Consolidated financial statements		Separate financial statements	
2013	2012	2013	2012
(in million Baht)			

At 1 January	7,163	10,280	2	2
Additions	1,092	1,617	-	1
Repayments	(177)	(3,467)	(1)	(1)
Amortisation of finance cost	2	6	-	-
Increase from changing of accounts payable - equipment	-	282	-	-
Transferred to liabilities of non-current assets classified as held for abandonment	-	(1,431)	-	-
Foreign currency translation adjustment	294	(124)	-	-
At 31 December	8,374	7,163	1	2

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Debenture

As at 31 December 2013 and 2012, THAICOM has one tranche of current debenture, value Baht 3,700 million, at 1,000 each. The debenture is registered, unsecured and unsubordinated as detailed below:

Date of issue	Unit <i>(in million)</i>	Amount <i>(in million Baht)</i>	Interest rate p.a.	Interest due	Principal due	Outstanding as at 31 December	
						2013	2012
						<i>(in million Baht)</i>	
6 Nov'09	3.7	3,700	6.15%	Quarterly	Entire redeemed on 6 November 2014	3,700	3,700
Total debenture						3,700	3,700
Less Debenture issuing cost						(2)	(5)
Net						3,698	3,695

THAICOM must comply with the conditions in the debenture issue and debenture holder agreement with regards to maintaining certain financial ratios.

The interest rate exposure of the borrowings of INTOUCH Group and the Company are as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in million Baht)				
Total borrowings:				
at fixed rates	3,745	4,184	1	2
at floating rates	4,629	2,979	-	-
	8,374	7,163	1	2

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(%)				
Weighted average interest rate				
Long-term borrowings	2.85	3.24	-	-
Debenture	6.15	6.15	-	-
Finance lease liabilities	4.00	3.53	5.03	5.75

Maturity of non-current borrowings as at 31 December 2013 is as follows:

Maturity	Consolidated financial statements		Separate financial statements	
	Loan	Financial lease liabilities	Loan	Financial lease liabilities
(in million Baht)				
2014	4,336	9	-	-
2015	616	11	-	1
2016 and after	3,390	12	-	-
Total	8,342	32	-	1

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Borrowing facilities

As of 31 December 2013, THAICOM has unutilised short-term loan facilities made available by various financial institutions in an aggregate amount of Baht 1,718 million and USD 20 million (2012: Baht 1,468 million).

Facility agreement in relation to the financing of the Thaicom 6 satellite project

THAICOM entered into a loan agreement with a local bank on 29 August 2011 for USD 137 million, for the purpose of the Thaicom 6 satellite project. The term of the loan is 10 years with the interest rate based on margins over London Inter-Bank Offer Rate ("LIBOR"). In addition, THAICOM must comply with the conditions in the loan agreement in respect of maintaining certain financial ratios, dividend payment policy, guarantee, sale or transfer of assets and investment.

Fair values

The value of non-current borrowings is estimated using discounted cash flows based on INTOUCH Group's incremental borrowing rates for similar types of borrowings. The fair value of interest bearing liabilities is as follows:

	Consolidated financial statements			
	2013		2012	
	Book Value	Fair value	Book Value	Fair value
	(in million Baht)			
Long-term debt (exclude finance lease liabilities)	4,006	4,082	7,026	7,063

18 Trade and other payables

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		(in million Baht)			
Trade payables					
Related parties	5	24	6	-	-
Other parties		633	454	-	-
Total		657	460	-	-
Other payables		1,677	1,338	97	85
Total		2,334	1,798	97	85

Other payables as at 31 December 2013 and 2012 are as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Accrued expenses	500	477	66	75
Note payable - debenture	-	131	-	-
Deferred income and advance receipts	932	526	-	-
Other payable	77	70	31	10
Tax payable	51	45	-	-
Forward contract receivable	40	-	-	-
Deposit from customers	19	26	-	-
Provision for warranty	1	11	-	-
Others	57	52	-	-
Total	1,677	1,338	97	85

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19 Employee benefit obligations

Obligation as at 31 December 2013 and 2012 in the statements of financial position were determined as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Present value of unfunded obligations	431	372	52	47

Movement in the present value of the defined benefit obligations for the years ended 31 December 2013 and 2012 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	372	232	47	38
Benefits paid by the plan	(3)	(9)	-	-
Actuarial gains or losses from employee benefit plan	-	118	-	4
Past & current service costs of employee and interest on obligation	54	33	5	5
Forfeited	(3)	-	-	-
(Gain) loss from foreign exchange	11	(2)	-	-
At 31 December	431	372	52	47

Expense recognised in statements of income for the years ended 31 December 2013 and 2012 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Past & current service costs of employee	39	20	3	3
Interest on obligation	15	13	2	2
Total	54	33	5	5

Principal actuarial assumptions for the years ended of the reporting date:

	Consolidated		Separate	
	financial statements		financial statements	
	31 December		31 December	
	2013	2012	2013	2012
	<i>(%)</i>			
Estimate of discount rate (average)	3.7 - 3.9	3.7 - 3.9	3.7	3.7
Estimate of future salary increases (average)	7.5 - 15.0	7.5 - 15.0	7.5	7.5

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20 Share capital and premium

Movements in share capital are as follows:

	Issued and fully paid-up shares				Total
	Authorised	Number	Ordinary	Share	
	number of shares <i>(in million shares)</i>	of shares	shares	premium <i>(in million Baht)</i>	
At 31 December 2012	5,000	3,206	3,206	10,342	13,548
At 31 December 2013	5,000	3,206	3,206	10,342	13,548

21 Additional paid-in capital and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

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

22 Capital management

The primary objective of the Company's capital management is to provide good returns to shareholders and benefits to other stakeholders, also to maintain an optimal capital structure in order to support asset management plan and new investment opportunities which will create value and strengthen financial position for INTOUCH Group.

23 Share-based payment

a) Project data

In March 2013, the Annual General Shareholders' Meeting No. 1/2013 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and subsidiary who are full-time employment and qualified to the Performance Share Plan project ("Project"). The major information are listed below

Approved date:	29 March 2013
Number of warrants offered:	432,700 units
Exercise price:	68.07 Baht/share
Number of reserved shares:	432,700 shares
Term of the Project:	5 years from the date of initial offer the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share

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Movements in the number of outstanding warrants are as follows:

	At 1 January 2013	Transaction during the year			At 31 December 2013
		Issued	Exercised <i>(in thousand units)</i>	Forfeited	
ESOP – Grant I					
- Directors	-	302	-	-	302
- Employees	-	113	-	(6)	107
Total	-	415	-	(6)	409

b) Fair value measurement

The Group measured the expense of the Project by reference to the fair value of the equity instrument granted at the grant date using Monte Carlo Simulation technique. The major assumptions are as below:

Weighted average fair value at the grant date	65.27 Baht/share
Share price at the grant date	88.00 Baht/share
Exercise price	68.07 Baht/share
Expected volatility	30.37%
Expected dividend	4.64%
Risk-free interest rate	3.07%

For the year ended 31 December 2013, the Group recognised share-based payment expense at Baht 5 million on consolidated financial statements (total amount of the Company and subsidiaries) and Baht 3 million on the separate financial statements.

Reconciliation of other reserves – Share-based Payment

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
At 1 January	-	-	-	-
Expense recognised in the statement of income	5	-	3	-
At 31 December	5	-	3	-

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24 Other comprehensive income

The component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

Consolidated financial statements			
	2013		2012
	<i>(in million Baht)</i>		
Foreign currency translation differences		88	(9)
Change in fair value of			
available-for-sale investments			
Profit (loss) during the year	605		34
Less reclassification of (profit) loss,			
recognised in the statements of income	(40)	565	(25)
Share of other comprehensive			
income of associates		1	1
Loss from actuarial gains or losses			
adjustment of employee benefit plan		-	(372)
Tax related to the component of other			
comprehensive income		-	23
Total other comprehensive income			
for the year, net of income tax		654	(348)

Separated finance statements			
	2013		2012
	<i>(in million Baht)</i>		
Change in fair value of			
available-for-sale investments			
Profit during the year	40		28
Less reclassification of (profit) loss,			
recognised in the statements of income	(39)	1	(25)
Loss from actuarial gains or losses			
adjustment of employee benefit plan		-	(3)
Tax related to the component of other			
comprehensive income		-	-
Total other comprehensive income			
for the year, net of income tax		1	-

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The income tax impact to the component of other comprehensive income is as follows:

Consolidated financial statements						
	2013			2012		
	Amount before tax	Tax income (expense)	Net of tax	Amount before tax	Tax income (expense)	Net of tax
	(in million Baht)					
Foreign currency translation differences	88	-	88	(9)	-	(9)
Change in fair value of available-for-sale investments	565	-	565	9	-	9
Share of other comprehensive income of associates	1	-	1	1	-	1
Actuarial losses adjustment of employee benefit plan	-	-	-	(372)	23	(349)
Total other comprehensive income	654	-	654	(371)	23	(348)

Separated financial statements						
	2013			2012		
	Amount before tax	Tax income (expense)	Net of tax	Amount before tax	Tax income (expense)	Net of tax
	(in million Baht)					
Change in fair value of available-for-sale investments	1	-	1	3	-	3
Actuarial losses adjustment of employee benefit plan	-	-	-	(3)	-	(3)
Total other comprehensive income	1	-	1	-	-	-

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25 Segment information

INTOUCH Group is organised into the following main business segments:

Local wireless telecommunications	Provision of local mobile telecommunication, trading and rental of telecommunications equipment and accessories in Thailand.
Satellite and inter-national businesses	Transponder rental and related services, uplink and downlink services, sale and service related to media, internet and provide telecommunication services in Lao PDR
Corporate	Corporate relating to development and synergies that exist within the business, setting financial and performance targets for operating companies and assisting operating companies in obtaining financing on the most attractive terms possible.
Other businesses	Television broadcasting (<i>ceased its operation due to the revocation of the Operating Agreement in March 2007</i>), the provision of advertising services to the Group and third parties, information technology businesses, and businesses under Venture Capital project of the Company.

INTOUCH Group presented geographical segments based on customers' locations in which the Group provided the services to. The primarily geographical segments are presented as follows:

Country	Principal areas of operation
Thailand	Local wireless telecommunications, satellite business services and business relating to satellite, internet services, media and advertising, and other activities.
Lao PDR	Sales and services relating to telephone network business, satellite business services and business relating to satellite.
Australia	Sales and services relating to satellite.
People's Republic of China	Sales and services relating to satellite.
India	Sales and services relating to satellite.
Japan	Sales and services relating to satellite.
Others	Sales and services relating to satellite.

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Financial information by business segment is as follows:

Consolidated financial statement for the year ended 31 December 2012						
	Local wireless telecommu- nications business	Satellite & inter- national businesses	Corporate business	Other businesses	Consolidation eliminations	INTOUCH Group
	<i>(in million Baht)</i>					
Revenues	-	7,266	12,254	1,324	(12,299)	8,545
Share of profits of associates	14,171	165	-	-	-	14,336
Cost of sales and services	-	(4,484)	-	(1,182)	-	(5,666)
Selling and administrative expenses	-	(1,446)	(330)	(589)	45	(2,320)
Profit (loss) from operating activities	14,171	1,501	11,924	(447)	(12,254)	14,895
Net foreign exchange gain	-	19	-	-	-	19
Impairment loss on non-current assets held for sale	-	(175)	-	-	-	(175)
Other income	-	106	88	39	-	233
Profit (loss) before finance costs and income tax	14,171	1,451	12,012	(408)	(12,254)	14,972
Finance costs	-	(420)	(3)	(1)	-	(424)
Income tax	-	(346)	-	(6)	-	(352)
Profit (loss) from continued operations	14,171	685	12,009	(415)	(12,254)	14,196
Loss from discontinued operations – net of tax	-	(509)	-	-	-	(509)
Net results from subsidiaries to non-controlling interest	-	(102)	-	202	-	100
Net profit (loss) of owners of the parent	14,171	74	12,009	(213)	(12,254)	13,787
Other information						
Segment assets	-	25,440	14,385	1,619	(12,147)	29,297
Investments in equity method	18,425	274	-	59	-	18,758
Total consolidated assets	18,425	25,714	14,385	1,678	(12,147)	48,055
Segment liabilities	-	4,411	139	5,804	(8)	10,346
Borrowings	-	7,161	2	-	-	7,163
Total consolidated liabilities	-	11,572	141	5,804	(8)	17,509
Interest income	-	83	88	39	-	210
Interest expense	-	420	2	1	-	423
Depreciation	-	647	12	12	-	671
Amortisation	-	1,495	3	7	(2)	1,503
Depreciation and amortisation	-	2,142	15	19	(2)	2,174

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Consolidated financial statement
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	Local wireless telecommu- nications business	Satellite & inter- national businesses	Corporate business	Other businesses	Consolidation eliminations	INTOUCH Group
	<i>(in million Baht)</i>					
Revenues	-	7,898	13,891	1,565	(13,919)	9,435
Share of profits of associates	14,644	194	-	(1)	-	14,837
Cost of sales and services	-	(4,695)	-	(1,436)	-	(6,131)
Selling and administrative expenses	-	(1,539)	(389)	(587)	29	(2,486)
Profit (loss) from operating activities	14,644	1,858	13,502	(459)	(13,890)	15,655
Net foreign exchange loss	-	(270)	-	-	-	(270)
Other income	-	193	71	46	-	310
Profit (loss) before finance costs and income tax	14,644	1,781	13,573	(413)	(13,890)	15,695
Finance costs	-	(265)	(2)	(2)	-	(269)
Income tax	-	(339)	-	(4)	-	(343)
Profit (loss) from continued operations	14,644	1,177	13,571	(419)	(13,890)	15,083
Loss from discontinued operations – net of tax	-	(51)	-	-	-	(51)
Net results from subsidiaries to non-controlling interest	-	(663)	-	199	-	(464)
Net profit (loss) of owners of the parent	14,644	463	13,571	(220)	(13,890)	14,568
Other information						
Segment assets	-	26,970	14,400	1,852	(12,174)	31,048
Investments in equity method	19,364	306	-	91	-	19,761
Total consolidated assets	19,364	27,276	14,400	1,943	(12,174)	50,809
Segment liabilities	-	3,422	152	6,455	(6)	10,023
Borrowings	-	8,372	2	-	-	8,374
Total consolidated liabilities	-	11,794	154	6,455	(6)	18,397
Interest income	-	42	70	42	-	154
Interest expense	-	254	2	1	-	257
Depreciation	-	604	13	14	-	631
Amortisation	-	1,485	1	2	-	1,488
Depreciation and amortisation	-	2,089	14	16	-	2,119

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Financial information by business geographical areas

Revenue and results, based on geographical segments, in the consolidated financial statements for the years ended 31 December 2013 and 2012 are as follows:

	Revenue		Segment results		Assets*	
	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>					
Thailand	19,927	18,253	15,557	15,599	17,042	16,164
Lao PDR	894	753	142	141	1,421	1,374
Australia	1,187	1,082	282	388	143	229
People's Republic of China	71	16	(485)	(597)	722	24
India	346	317	(116)	(195)	110	163
Japan	715	833	340	391	53	103
Others	1,132	1,193	(65)	(314)	186	230
Total continued operations	24,272	22,447	15,655	15,413	19,677	18,287
Discontinued operations	41	434	(49)	(518)	-	1,606
	24,313	22,881	15,606	14,895	19,677	19,893

*Comprised of property and equipment, property and equipment under operating agreement and intangible assets.

Major customers of INTOUCH Group

During the year ended 31 December 2013 and 2012, INTOUCH Group had no transaction with any external customers amounting more than 10% of the combined revenue.

26 Other income

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Interest income	154	210	70	88
Penalty	104	-	-	-
Gain on sale of equipment	4	6	1	-
Others income	48	17	-	-
Total	310	233	71	88

27 Expenses by nature

The expenses by nature have been charged in cost of sales of goods and rendering of services, selling and administrative expenses can be classified are as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Depreciation	631	671	13	12
Amortisation charge	1,488	1,503	1	2
Staff cost	1,585	1,469	206	182

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28 Provident fund

INTOUCH Group has established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. The registered provident fund plan was approved by the Ministry of Finance on 23 July 1990 and the provident fund's name was amended on 21 January 1993. Under the plan, the employees must contribute 3% - 7% of their basic salaries. INTOUCH Group's contribution is based on the length of service of staff. INTOUCH Group has appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

INTOUCH Group had a contribution to provident fund for the year ended 31 December 2013 at Baht 46 million on the consolidated financial statements (2012: Baht 43 million) and Baht 7 million on the separate financial statements (2012: Baht 6 million).

29 Income tax expense

Reconciliations of income tax for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Current tax	173	217	-	-
Deferred tax expense	170	136	-	-
	343	353	-	-

Reconciliation of income tax expense and the results of the accounting profit multiplied by the income tax rates for the years ended 31 December 2013 and 2012 are as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Profits before tax	15,426	14,548	13,571	12,010
Tax rates	20%	23%	20%	23%
The result of the accounting profit multiplied by the income tax rates	3,085	3,346	2,714	2,762
Share of profit of associates	(2,967)	(3,297)	-	-
Effect of change in corporate income tax rate	-	(29)	-	-
Effect of the different basis of income tax calculation on tax rates in other countries	75	153	-	-
Tax losses in current period not recognised as deferred tax assets	158	162	64	56
Tax losses in previous period not recognised as deferred tax assets	(18)	(3)	-	-
Effect of exceptional revenue - dividend income	-	-	(2,778)	(2,818)
Effect of the non-deductible tax expense and income and expense recognised in the different period between accounting and tax	10	21	-	-
Tax charge	343	353	-	-

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30 Promotional privileges

A subsidiary was granted promotional privileges under the Investment Promotion Act (B.E. 2520) by the Board of Investment (BOI) in respect of earnings derived from rendering telecommunication services of Thaicom 3 satellite project to customers outside Thailand. Promotional privileges include exemption from corporate income tax for a period of eight years commencing from December 1997, when its revenue was first earned from the promoted business. The subsidiary must comply with certain terms and conditions required for the promoted industries.

On 19 November 2003, the subsidiary was granted promotional privileges under the Investment Promotion Act (B.E. 2520) as amended by the Investment Promotion Act (No. 3) B.E. 2544 by the BOI in respect of earnings derived from rendering telecommunication services of Thaicom 4 (IPSTAR) satellite project to customers outside Thailand. Promotional privileges include exemption from corporate income tax for a period of eight years from the date revenue is first earned from the promoted business. The subsidiary must comply with certain terms and conditions required for the promoted industries. In 2012, the subsidiary has revenue from promoted amounting to Baht 1,494 million (2012: Baht 1,347 million).

31 Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to the equity holders of the Company shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume the conversion of all potential dilutive ordinary shares, which is the weighted average number of ordinary shares which would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares. The assumed proceeds from the exercise of ESOP would be considered to have been received from the issue of shares at fair value.

The basic earnings per share and the diluted earnings per share are as follows:

Consolidated financial statements						
For the year ended 31 December						
	Profit attri- butable to owners of the Parent		Weighted average number of shares		Earnings per share attributable to owners of the Parent	
	2013	2012	2013	2012	2013	2012
	(in million Baht)		(in million shares)		(in Baht)	
Basic earnings per share	14,568	13,787	3,206	3,206	4.54	4.30
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	14,568	13,787	3,206	3,206	4.54	4.30

Separate financial statements						
For the year ended 31 December						
	Profit attri- butable to owners of the Parent		Weighted average number of shares		Earnings per share attributable to owners of the Parent	
	2013	2012	2013	2012	2013	2012
	(in million Baht)		(in million shares)		(in Baht)	
Basic earnings per share	13,571	12,010	3,206	3,206	4.23	3.75
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	13,571	12,010	3,206	3,206	4.23	3.75

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32 Dividends

The general shareholders' meeting on 29 March 2013 and the Board of Directors meeting on 13 August 2013 passed the resolution to approve the annual and interim dividend payments are as follows:

	Dividend paid from the operation result of	Dividend ratio (Baht/share)	Total dividend (million Baht)
The resolution of:			
The general shareholders	1 Jan - 28 Mar 2013	1.88	6,028
The Board of Directors	29 Mar - 12 Aug 2013	2.37	7,599

33 Financial instruments

The principal financial risks faced by INTOUCH Group are interest rate risk and exchange rate risk. INTOUCH Group borrows at fixed and floating rates of interest to finance its operations. Sales, purchases and a portion of borrowings are transacted in foreign currencies. In order to manage the risks arising from fluctuations in exchange rates and interest rates, INTOUCH Group makes use of derivative financial instruments.

The objectives of using derivative financial instruments are to reduce uncertainty over future cash flows arising from movements in interest and exchange rates, and to manage the liquidity of cash resources. The following strategies are employed to achieve these objectives. Interest rate exposures are managed through interest rate swaps taken out with commercial banks and foreign exchange forward contracts and foreign currency options are taken out to manage the currency risks in future sales, purchases and loan repayments. Decisions on the level of risk undertaken are governed by corporate INTOUCH Group's policy, which has established limits by transaction type and by counterparty.

Trading for speculative purposes is prohibited. All derivative transactions are subject to approval of the management before execution.

Management of currency and interest rate exposures is the responsibility of the Corporate Finance Department. Management reports contain details of cost and market value for all derivative financial instruments including outstanding forward contracts and cross currency and interest rate swap. For the investment, INTOUCH Group has guideline to short-term investment which specifies the policy for INTOUCH Group short-term investment as well as the level of acceptable risk undertaken by counterparty type.

Credit risk

INTOUCH Group has no significant concentrations of credit risk. INTOUCH Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high quality financial institutions.

Liquidity risk

INTOUCH Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance INTOUCH Group's operations, including finding short term credit facility from various banks for reserve in case of necessary and to mitigate the effects of fluctuations in cash flows.

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Foreign currency risk

As at 31 December 2013 and 2012, INTOUCH Group had outstanding foreign currency assets and liabilities after foreign currency forward contracts and cross currency interest rate swap and foreign currency options are as follows:

	2013		2012	
	Foreign currency (Unit: million)	(in million Baht)	Foreign currency (Unit: million)	(in million Baht)
Consolidated financial statements				
Assets				
US Dollars	35	1,152	29	878
Singapore Dollars	-	-	2	46
Indian Rupees	428	212	428	222
Japanese Yen	115	36	327	116
New Zealand Dollars	2	48	2	48
Total		1,448		1,310
Liabilities				
US Dollars	166	5,477	116	3,545
Singapore Dollars	-	1	-	1
Indian Rupees	236	133	238	143
Japanese Yen	-	-	267	95
New Zealand Dollars	-	8	-	7
Total		5,619		3,791

The major foreign currency assets represent cash at bank, accounts receivable and deposits. The major foreign accounts currency liabilities represent, trade accounts payable, accounts payable – equipment and borrowings.

Fair value of other financial instruments

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying amount of cash and cash equivalents, current investments, trade accounts receivables, amounts due from related parties, short-term loans and advances to related parties, trade accounts payable, accounts payable – equipment, amounts due to related parties, short-term borrowings, other current assets and other current liabilities are assumed to approximate their fair value due to the short maturities of these instruments. The fair values of long-term borrowings and debentures are provided in note 17.

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34 Contingent liabilities and commitments

a) Operating Agreement commitments ITV Public Company Limited ("ITV")

On 7 March 2007, ITV received the letter of termination of the Operating Agreement from the PMO. This caused the following disputes that are currently under the process of consideration.

1. **A case in which ITV is the plaintiff** regarding to the arbitration institution dispute No. 46/2550 whereby the PMO's unduly termination of the Operating Agreement which was wrongfully performed in breach of the Operating Agreement and against the law, including the arbitration institution dispute No. 1/2550 on 4 January 2007 which is the disputes of the payment of the program penalty fee and interest in the total amount approximately Baht 100,000 million. Both disputes are currently under the consideration of the arbitration institution, the arbitration proceeding shall continue.
2. **A case in which ITV is the defendant** whereby the PMO demanded that ITV make the payment of the program penalty fee, interest, approximately totaling Baht 100,000 million in Case Number Black 640/2550. Later, on 19 December 2007, the Supreme Administrative Court upheld the Central Administrative Court's verdict for the dismissal of the aforesaid case in order to allow the parties to the Operating Agreement to use the arbitration proceeding for cases No. 1/2550 and No. 46/2550.

This shall be subject to the judgment of the Court which may vary from the estimated amount defined in the financial statements, affecting the amount of income, expenditure, assets and liabilities, and disclosure information regarding assets and unpredictable liabilities.

b) Shareholder agreements

INTOUCH Group has entered into shareholder agreements and other agreements with strategic partners and government agencies both in Thailand and other countries as follows:

Singapore Telecommunications Limited ("Singtel")

According to the Shareholders Agreement between the Company and Singtel Strategic Investments Private Limited and its amendments, the parties confirm that they did not have any mutual intention at the time that they entered into the Shareholders Agreement to act and have no act together or in exercising their voting rights for the purpose of achieving a common control of the voting rights or of the business of AIS. However, this shareholders' agreement contains a provision for resolution of disputes between the shareholders. In the event that the shareholders are unable to reach agreement on significant corporate actions, either shareholder (the seller) may serve notice on the other shareholder (the buyer) requiring the buyer to either purchase the seller's interest in AIS, or if the buyer does not do so, then the seller must purchase the buyer's interest in AIS. At present, there is no significant argument between the parties.

The Government of the Lao People's Democratic Republic ("Lao PDR")

Lao Telecommunications Company Limited ("LTC") is an indirect jointly-controlled entity of THAICOM, which was established under the terms of a Joint Venture Contract dated 8 October 1996, signed by Lao PDR and Shinawatra Computer and Communications Public Company Limited, the former name of the Company. According to the aforementioned Joint Venture Contract, LTC has the right to provide telecommunication services - fixed line phone, mobile phone, international facilities, internet and paging within the Lao PDR for 25 years. Currently, SHEN, which is a 51% jointly-controlled entity of THAICOM, owns 49% of LTC's registered shares. At the end of the 25th year, in 2021, THAICOM has to transfer all of LTC's shares to Lao PDR without any charges. According to the shareholder agreement, LTC is required to invest at least USD 400 million in the projects specified in the agreement within 25 years. As at 31 December 2013, LTC has remaining additional investment of approximately USD 72 million (2012: USD 97 million).

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c) **Capital commitments**

INTOUCH Group's capital expenditure that are contracted but not recognised in the consolidated financial statements (Company: nil) were as follows:

		Consolidated financial statements	
		31 December	
	Currency	2013	2012
<i>(in million)</i>			
THAICOM 6 Project	USD	2	38
120°E Project	USD	171	171
Telephone network	USD	3	4
Total	USD	<u>176</u>	<u>213</u>
Total equivalent to Thai Baht		<u>5,827</u>	<u>6,545</u>

d) **Obligation from shares buy back options of THAICOM**

On 23 October 2003, THAICOM and Codespace Inc. entered into a "Memorandum of Agreement", which provides Codespace Inc. an option to sell 2.2 million shares of IPSTAR to THAICOM, with the condition that THAICOM has the first option to purchase these shares. If the offered price per share is greater than the higher of USD 1 or fair market value at offering date, THAICOM has the right to refuse. If the offered price per share is the higher of the equal of USD 1 or fair market value at offering date, THAICOM has to purchase those shares from Codespace Inc. THAICOM believes that Codespace Inc. will not exercise the option because according to the result of the financial analysis of THAICOM, the value of IPSTAR's shares is higher than USD 1, therefore, INTOUCH Group does not recognise this obligation as its liabilities in these financial statements. As of 31 December 2013, the remaining share option was 0.08 million shares *(2012: 0.08 million shares)*.

e) **Operating agreement commitments of THAICOM**

THAICOM was permitted by the Ministry of Transport and Communications, under an agreement dated 11 September 1991 and an amendment thereto dated 22 March 1992, to operate and administer certain satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a thirty-year period, service charges from users of the transponders. The operating agreement has been transferred to the Ministry of Information Communication and Technology ("MICT").

Under the aforementioned agreement, THAICOM must pay an annual fee to MICT based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. As at 31 December 2013, the remaining minimum operating agreement fee was Baht 618 million *(2012: Baht 684 million)*. In addition, THAICOM, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipment to MICT on the date of completion of construction and installation.

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f) Operating lease commitments – where a group company is the lessee

The future minimum lease payments under non-cancelable operating leases as at 31 December (Company: nil) are as follows:

	Consolidated financial statements	
	2013	2012
	<i>(in million Baht)</i>	
Not later than 1 year	294	171
Later than 1 year and not later than 5 years	467	339
Later than 5 years	80	81
Total	841	591

g) Obligation under “Financing and Project Agreement”

LTC, an indirect jointly-controlled entity of THAICOM, entered into a “Financing and Project Agreement” with the government of the Lao PDR (“government”) and an organisation in Germany (KfW, Frankfurt am Main) on 25 October 2004 of an amount not exceeding Euro 6.5 million (approximately Baht 293 million) for the procurement and installation of Phase IV,V and VI of a rural telecommunication network. Under the agreement, the ownership of network assets will be transferred to LTC through loan at 30% of the network assets’ value excluding consulting services project, with the interest rate at 1% to 4% annum. As at 31 December 2013, LTC has recognised the network assets and the related portion of the loan in the amount of Kip 58 billion (approximately Baht 237 million) (2012: Kip 58 billion, approximately Baht 220 million) and paid loan in the amount of Kip 42 billion (approximately Baht 174 million).

35 Significant events, disputes and litigations of INTOUCH Group

35.1 The judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions

According to the judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions rendered on 26 February 2010, concerns the Company and its affiliated companies in many aspects. The Company is of the opinion that the consequence of the judgment is limited to the holding that some property of the person holding political position was improperly acquired by an abuse of power while being in a political position. The judgment does not contain any order indicating that the Company or its affiliated companies shall take any actions as the Company is not involved to the case. The Company and its affiliated companies have been operating to the best of its ability in accordance with the law and the agreements and in good faith. The Company and its affiliated companies have every right available under the law and agreements to provide the facts to prove its innocence and good faith in any proceeding which may be initiated by the relevant government agencies in accordance with the law and justice.

35.2 The dispute between ITV and the PMO relating to the Operating Agreement

ITV is a defendant in cases from operated a television broadcasting station involving the PMO, which sent the notice dated 7 March 2007 to terminate the Operating Agreement and demanded that ITV cease its broadcasting using the UHF system by midnight of that date. There are two (2) pending cases between ITV and the PMO are as follows:

1. The Case Number Black 1/2550: On 4 January 2007, ITV submitted a dispute to the Thai Arbitration Institute over a fine imposed by the PMO for adjusting the broadcasting schedule and the interest on the difference of the minimum payable fee.

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2. The Case Number Black 46/2550: On 9 May 2007, ITV submitted a dispute to the Thai Arbitration Institute over the PMO's termination of the Operating Agreement and illegal demand for debt repayment, along with a claim for damages arising from this action amounting to Baht 21,814 million. However, the PMO filed a complaint against ITV at the Central Administrative Court ("CAC") requesting that ITV pay the difference of the minimum fees, the interest thereon at the rate of fifteen percent (15%), a fine for adjusting the broadcasting schedule and the value of non-delivered assets, totaling Baht 101,865 million, but the CAC dismissed the case and instructed the parties to enter into arbitral proceedings. The PMO appealed to the Supreme Administrative Court ("SAC") against the decision of the CAC, but the SAC upheld the dismissal and ordered both parties to resolve their dispute through arbitration as specified by the Operating Agreement. Finally, the PMO filed its counterclaim in this case.

On 10 June 2010, in the Case Number Black 1/2550, ITV deposited five times at Baht 20,000 each, as stipulated by the Thai Arbitration Institute. On 17 January 2012, the PMO deposited the same amount as ITV, totaling Baht 100,000.

On 10 June 2010, in the Case Number Black 46/2550, ITV deposited Baht 5 million which was computed based on ITV's claimed amount of Baht 21,814 million. On 20 January 2012, ITV deposited an additional of Baht 5 million, totaling Baht 10 million, according to the order of the Thai Arbitration Institution. On 17 January 2012, the PMO deposited Baht 10 million, the same amount as ITV for this case.

On 17 January 2012, ITV and the PMO submitted the letter to prolong the Case Number Black 1/2550 until a ruling has been handed down in the Case Number Black 46/2550 as this case has covered the compensation issues. The Case Number Black 46/2550 began in 2012 and is now in the process of appointing a chairman as detailed below.

The arbitration commission of both parties selected a person who agreed to serve as the chairman. However, an authorised prosecutor representing the PMO requested an extension to consider any objections that might arise over this appointment. The Thai Arbitration Institute granted an extension for 15 days. On 28 June 2013, the authorised prosecutor stated that the PMO did not have any objections but would reserve its right to object to this appointment if any relevant reason could be found in the future.

On 16 October 2013, ITV submitted a request to the Attorney-General to speed up the proceedings of the dispute the Case Number Black 46/2550 because the dispute was submitted since 2007 up to present, totally more than six years but had not yet been heard. Therefore, ITV claimed to the Attorney-General representing the PMO to proceed so that the case could be concluded as specified by the law.

In December 2013, the Thai Arbitration Institute submitted a notification to ITV to inform that the PMO had objected to the appointments of the chairman of the arbitration panel and the arbitrator representing ITV on the grounds that they were not neutral. Both these people then resigned so ITV will appoint a new arbitrator and the Thai Arbitration Institute and the party will process to appoint a new chairman.

ITV is awaiting to hear the arbitral award ruling on the said contingent liabilities for Case Number Black 1/2550 and the compensation of damages arisen from illegal termination of operating agreement in Case Number Black 46/2550. It shall be dependent on the judgment which cannot be predicted.

However, ITV has already recorded provision for unpaid operating fee for the period from 3 July 2004 to 7 March 2008 amounting to Baht 2,891 million and loss on provision for interest of unpaid operating fee at Baht 2,999 million in these financial statements, of which Baht 433 million was a loss on provision for interest of unpaid operating fee for the year ended 31 December 2013 (2012: Baht 433 million).

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35.3 Assessment for income tax in India

The Tax Authority in India ('the said Authority'), has held that the payments received by THAICOM for providing Transponder Services ('TPS') to its Indian Customers and non-resident customers targeting Indian audience ('the Customer') was Royalty under both the Indian Income Tax Act ('the Act'), and the Double Taxation Avoidance Agreement between Thailand and India ('the DTAA') and subject to withholding tax at the rate of 15% on gross basis. But THAICOM considered income from Transponder Services to be business income, and as THAICOM does not have permanent establishment in India, such incomes are not taxable in India.

The Tax Authority still insists on its consideration and has raised the tax demand including surcharge, education cess and interest aggregating to Rs. 805 million (approximately Baht 426 million) against the said payment received by it from the customers and also levied penalty of Rs. 566 million (approximately Baht 299 million) for the Assessment Year ('AY') 1998-1999 to 2009-2010 (1 April 1997 to 31 March 2009).

So far, THAICOM had received Withholding Tax Certificates ('WTC') from its customers until AY 2009-2010 net amounting to Rs. 498 million (approximately Baht 264 million), in which part of the amount is substituted and paid by the Customer on behalf of THAICOM. THAICOM had also deposited Rs. 460 million (approximately Baht 243 million).

On 4 March 2011, the Income Tax Appellate Tribunal ("ITAT") gave its decision that THAICOM's income from transponder services in India was not a royalty and as THAICOM has no permanent establishment in India such income was not taxable in India.

As the consequence, THAICOM does not have to pay interest and penalty imposed by the Revenue Department of India, and ITAT also decided that the demand for penalty for the assessment year 1998-1999, 1999-2000, 2000-2001, 2001-2002 and 2002-2003 made by the Revenue Department of India against THAICOM be cancelled. The Revenue Department of India did not appeal against the ITAT's decision on penalty for the said assessment years to the High Court of Delhi and the ITAT's decision on penalty was final. On 30 December 2011, the Tax authority notified the partial return of deposit placed by THAICOM against the penalty for the Assessment Year ('AY') 1998-1999 to 2001-2002 and interest, aggregating to Rs. 162 million (approximately Baht 86 million.)

Further to ITAT decision as stated in the preceding paragraphs, THAICOM is in the process of requesting the refund of the remaining deposit and withholding tax. Upon the final decision of the Supreme Court and the receipt of refund, THAICOM will forward the customer up to the amount they substituted on behalf of THAICOM.

On 28 September 2011, The Revenue Department of India had filed an appeal against the decision of High Court that THAICOM's income from transponder services in India was not a royalty, to the Supreme Court. At the moment, this issue is still under the consideration of the Supreme Court.

35.4 The major commercial disputes and significant litigation of AIS Group

AIS

1) The opinion of the Council of State relating to the amendments or supplements to the Agreement for Operation

Pursuant to the letter of the Ministry of Information and Communication Technology to the Council of State requesting opinion on whether the amendments or supplements to the agreement between TOT Public Company Limited who is the Telephone Organisation of Thailand at that time ("TOT") and AIS after the enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 are legitimately effected and in case those amendments or supplements to the Agreement are not legitimately effected according to such Act, what guidelines TOT should implement.

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The Council of State was of the opinion by its Memorandum of the Council of State No. 291/2550 on Enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 (in the case of the Agreement Permitting Undertaking of Cellular Mobile Telephone Services, "the Agreement" between TOT and AIS) that

"... since TOT being the contracting party in this case acted on behalf of the State by virtue of the authority and duty pursuant to Telephone Organisation of Thailand Act, the executed Agreement thus represents the agreement between the State and the private sector in order to authorise the private sector to provide public services to the public on behalf of the State. The State therefore is obligated to perform according to those stipulated in that Agreement.

However, since the amendments to the Agreement upon which the consultation is being sought were not legitimately carried out according to the Act on Private Participation in State Undertaking, B.E. 2535 which was in force at the time of effecting those amendments because those amendments had not been proposed for the consideration of the Coordination committee according to Section 22 and not forwarded to the Cabinet, being the organ charged with the authority to approve of the amendments to the Agreement pursuant to the Act as aforesaid, the amendments made to the Agreement with TOT as the contracting party were therefore carried out without legal authority. However, the procedures to amend the Agreement represent administrative juristic acts which are capable of being separated from the amendments to the Agreement already effected and those amendments to the Agreement are still in force so long as they are not rescinded or extinguished by statute of limitation or by other causes. In case the Cabinet, vested with the authority under the law and having considered the causes for the rescission, the impact, and the propriety on the basis of the State's and the public interest, is of the opinion that the illegitimate procedures have resulted in damage that warrants rescinding the amendments to the Agreement already effected, the Cabinet may legitimately rescind such amendments to the Agreement. However, if the Cabinet, upon having considered the same, deems it justified, with regard to the State's or the public interest and the continuity of providing public services, the Cabinet may exercise its discretion to grant approval for the procedures to further amend the Agreement, as appropriate, with the unit owning the project and the Coordination committee pursuant to Section 22 being the parties to submit the facts, justifications, and opinion for the consideration of the Cabinet."

**The above clauses in "... represent some parts of the Memorandum of the Council of State No. 291/2550.*

In addition, the Coordinating Committee according to Clause 22 has already submitted the opinion regarding the amendments of the Agreement of AIS to the Minister of the Information and Communications Technology.

2) The deduction of excise tax from the revenue sharing between AIS and TOT

On 22 January 2008, TOT submitted a dispute Case Number Black 9/2551 to the Arbitration Institute, Dispute Reconciliation Office, Justice Court Office demanding AIS to pay additional payment of revenue sharing amounting to Baht 31,463 million under the Cellular Mobile Phone Contract plus interest at the rate of 1.25 percent per month computing from the default date on 10 January 2007 until the full payment is made.

This amount is the same as an excise tax that AIS had submitted to Excise Department during 28 January 2003 to 26 February 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated 11 February 2003. Thus, AIS has fully complied with the Cabinet's resolution dated 11 February 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries according to the resolution of the Cabinet. Moreover, TOT had sent letter No. Tor Sor Tor. Bor Yor./843 dated 10 March 2003 stating that the company has fully complied with the Cabinet's resolution and AIS burden remains at the same percentage rate as specified in the contract and the submission of the said excise tax return shall not affect the terms of the contract.

On 20 May 2011, the Arbitral Tribunal has dismissed the case by giving the reason which can be summarised that AIS was not in breach of the Agreement since AIS has completely made the payment of the revenue sharing and all debt was therefore paid in full. Therefore, TOT has no right to re-claim for the alleged deficit amount.

On 22 September 2011, TOT has submitted the Case Number Black 1918/2554 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

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3) Interconnection Agreements

According to Telecommunication Business Operation Act B.E. 2544 and the announcement of NTC regarding the Use and Interconnect of Telecommunication Network B.E. 2549, AIS has entered into an interconnection ("IC") agreement with other operators approved by NTC and the effective period of the agreement is listed below:

Operators	Effective period
1) Total Access Communication PCL	30 November 2006 onwards
2) Truemove Company Limited	16 January 2007 onwards
3) Digital Phone Company Limited	1 June 2009 onwards
4) CAT Telecom Public Company Limited	7 April 2010 onwards
5) Advanced Wireless Network Company Limited	1 April 2013 onwards
6) dtac Trinet Company Limited	1 July 2013 onwards
7) Real Future Company Limited	1 July 2013 onwards

On 31 August 2007, TOT has filed a lawsuit against NTC to the Central Administrative Court to revoke the said announcement. On 15 September 2010, the Central Administrative Court has dismissed the case which TOT filed to revoke the announcement of NTC regarding the Use and Interconnect of Telecommunication Network B.E. 2549. TOT has appealed such dismissal to the Supreme Administrative Court. On 4 February 2008 TOT sent a letter to AIS informing that the company should wait for the final judgment of the Court. Should AIS undertake the IC agreements per the NTC announcement before the final judgment of the Court, TOT shall not recognise the AIS's related actions and AIS must be responsible for such actions.

Having considered the said TOT's letter, related laws and the legal counsel's opinion, the AIS management is of the opinion that non-compliance by AIS with the IC agreements shall be deemed violating the said NTC announcement. Therefore, AIS has decided to comply with the IC agreements in line with the current legal provisions.

According to the Agreement to operate cellular mobile telephone service, AIS has to pay the higher of stipulated annual minimum payment or the percentage of service revenues prior to deducting expenses and taxes. However, AIS had to comply with the regulation while TOT would like to wait for the final judgment of the Court. As a result, AIS anticipated entering into a negotiation with TOT in relation to a calculation method of the revenue sharing. AIS calculated the revenue sharing from the net IC revenue which is similar to other operators in the telecommunication industry on a conservative basis. The revenue sharing amount to be paid to TOT is subject to the final judgment of the Court in relation to revoking the announcement of NTC and a negotiation between TOT and AIS. AIS will make adjustment in the financial statement in the period when the issue has been agreed. AIS management is certain that it will not incur significant expense more than the revenue sharing amount which AIS has recorded.

However, after having considered the letter from TOT, the relevant laws and the comments of the legal consultant, the management of AIS is of the opinion that non-compliance with the above Interconnection Agreement would be in conflict with the announcement of NTC regarding the Use and Interconnect of Telecommunication Network. Therefore, AIS decided to comply with the said Agreements which are in line with the legal provisions currently in force by issuing invoices to collect the interconnection charge from the contractual parties.

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On 30 December 2008, AIS has remitted the revenue sharing incurred from the interconnection of the telecommunication network since February 2007 to June 2008 in the amount of Baht 761 million based on the rate and calculation method of AIS to TOT. Later, AIS and TOT had set up the negotiation committee to seek for the conclusion but it could not be done as TOT required AIS to pay revenue sharing calculated on gross interconnection charges received by AIS at the rate specified in the Agreement without deduction of interconnection charges which AIS has to pay to other operators. Thus, on 26 January 2011, TOT sent a letter demanding AIS to pay the revenue sharing on the interconnection charges of the concession year 17–20 in the amount of Baht 17,803 million plus interest at the rate of 1.25 per month. But AIS disagreed and sent a letter opposing the said claim to TOT and AIS has submitted the dispute to the Dispute Reconciliation Office, Arbitration Institute ref. Case Number Black 19/2554 on 9 March 2011 requesting the Arbitral Tribunal to give an award that TOT has no right to claim for such revenue sharing.

4) Obligations of the bank guarantees in connection with the Agreement for Operation

According to the agreement for operation, AIS has the duties to deliver the bank guarantees to TOT to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the operation year back.

TOT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation year 17th – 21st for a total value of Baht 7,007 million by claiming that AIS had not completely paid the revenue sharing due to the deduction of the revenue sharing for the Excise Tax and the deduction of the Interconnection Charges where the disputes of which have been pending the consideration of the Arbitral Tribunal.

On 11 May 2011 and on 5 October 2012, AIS has submitted the disputes to the Office of Dispute Resolution, Arbitration Institute, Case Number Black 40/2554 and 119/2555 requesting the Arbitral Tribunal to award an order to TOT to return the bank guarantees to AIS because AIS has completely paid the revenue sharing for each operation year and has correctly and fully complied with the law and the relating Agreements in all respects. At present, the above mentioned disputes are in the process of consideration of the Arbitral Tribunal.

Digital Phone Company Limited ("DPC")

1) The opinion of the Council of State relating to the amendments or supplements to the Agreement for Operation

Pursuant to the letter of the Ministry of Information and Communication Technology to the Council of State requesting opinion on whether the amendments or supplements to the agreement between CAT and DPC, a subsidiary of AIS, after the enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 (the "Act") are legitimately effected and in case those amendments or supplements to the Agreement are not legitimately effected according to such Act, what guidelines CAT should implement.

According to the opinion of the Council of State regarding the enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 regarding the Contract permitting the provision of cellular mobile phone service between CAT and DPC on case No. 294/2550 that

** "...the assignment of the rights and duties by Total Access Communication Public Company Limited ("DTAC") to DPC and the entering into an agreement between DPC and CAT dated 19 November B.E. 2539 are considered as the permission of CAT granted to a private sector to provide cellular mobile phone service, it shall not be deemed to be part of cellular mobile phone service between CAT and DTAC, so DPC shall be the contracting party of CAT and was under the supervision and regulation of CAT and pay remuneration to CAT. DPC shall, therefore, have to comply with the said Act since CAT has already specified the scope of the project and the private sector to provide the service. Besides, the project has already been carried out. Therefore, there is no need to invite private sector to submit any proposal according to Chapter 3. However, Chapter 3 shall be applied in so far as it is not contrary to the fact whereby CAT has to set up the Coordinating Committee in accordance with Section 13 to proceed according to Section 21 of the said Act, provided that the Coordinating Committee will propose the selection result including the reason, negotiation issues, state benefits and the draft of agreement to the Minister who supervised the project in order to propose to the Cabinet within 90 days since the decision by Coordinating Committee.

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Therefore, the procedures are within the power and authority of the Committee according to Section 13 to consider as appropriate and DPC has already been assigned of the rights and duties from Total Access Communication Public Company Limited according to the Contract Permitting the Provision of Cellular Mobile Phone Service between CAT and Total Access Communication Public Company Limited, DPC shall have the right to provide telecommunication service even though the Contract between CAT and DPC has not been done or performed in accordance with the Act. However, the Contract between CAT and DPC shall remain valid in so far as it is not revoked or terminated by time of ending or other cause. Thus, CAT and DPC shall remain oblige to fulfil the said agreement."

***The above clauses in "... " represent some parts of the Memorandum of the Council of State No. 294/2550.*

In addition, the Coordinating Committee pursuant to Clause 13 has already submitted the opinion regarding the amendments of the Agreement of DPC to the Minister of the Information and Communications Technology.

However, the Agreement for operation of cellular mobile telephone: Digital PCN 1800 between DPC and CAT was expired on 15 September 2013.

2) The deduction of excise tax from the revenue sharing between DPC and CAT

On 9 January 2008, CAT submitted a dispute Case Number Black 3/2551 to the Arbitration Institute and the Dispute Reconciliation Office, Justice Court Office demanding DPC, a subsidiary of AIS, to pay additional payment of revenue sharing amounting to Baht 2,449 million under the Digital Personal Communication Network Contract plus penalty at the rate of 1.25% per month of the unpaid amount of each year computing from the default date until the full payment is made which total penalty calculated up to December 2007 is Baht 1,500 million, totalling Baht 3,949 million.

On 1 October 2008, CAT has submitted the revision of petition to adjust on amount of claimed to Baht 3,410 million which penalty fee calculated from the outstanding revenue sharing up to January 2008 for Baht 790 million plus value added tax Baht 171 million.

This amount is the same as an excise tax that DPC submitted to Excise Department during 16 September 2003 to 15 September 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated 11 February 2003. Moreover, CAT has sent a letter No. CAT 603 (Kor Tor.) 739 notifying DPC to comply with such Cabinet's resolution. Thus, DPC has correctly and fully complied with the Cabinet's resolution dated 11 February 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries according to the resolution of the Cabinet.

On 1 March 2011, the Arbitral Tribunal has dismissed the case by giving the reason which can be summarised that DPC was not in breach of the Agreement since DPC has completely made the payment of the revenue sharing and all debt was therefore paid in full. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty and the value added tax.

On 3 June 2011, CAT has submitted the Case Number Black 1259/2554 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

3) The deduction of access charge from revenue sharing between DPC and CAT

Pursuant to the resolution of the meeting on 14 January 2004 between TOT, CAT, DPC and True Move Company Limited ("True Move") by the Minister of the Information and Communications Technology Ministry, the Chairman, that TOT consented to reduce access charge of mobile phone from revenue sharing which TOT received from CAT in the amount of Baht 22 /number/month to DPC and True Move starting from the 6th operation year as DTAC had received from TOT.

On 12 October 2006 TOT sent a letter to CAT that TOT could not reduce access charge of mobile phone to DPC and True Move and demanding CAT to pay the access charge that DPC and True Move have deducted as a discount of access charge plus legal interest rate computing from the default date until the fully payment is made.

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On 29 July 2008, CAT submitted a dispute Case Number Black 68/2551 to the Arbitration Institute and the Dispute Reconciliation Office, Justice Court Office demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 154 million (additional consideration of the 7th -10th operation year) plus value added tax and interest at the rate 1.25 percent per month of the above principal amount starting from the default date of each year since the 7th -10th operation year until the full payment is made.

On 15 October 2009, CAT submitted a dispute Case Number Black 96/2552 to the Arbitration Institute and the Dispute Reconciliation Office, Justice Court Office demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 22 million (additional consideration of the 11th operation year) including the penalty at the rate of 1.25 percent per month which calculated up to 15 October 2009, total amount of claim Baht 26 million.

On 23 March 2012, the Arbitral Tribunal has dismissed the said two disputes by giving the reason which can be summarised that CAT has not yet paid the discount Baht 22/number/month to TOT. Moreover, CAT cannot prove that DPC has breached the Agreement and DPC has not made the full payment of the revenue sharing. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty fine and the value added tax.

On 25 June 2012, CAT has submitted the Case Number Black 1016/2555 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

4) Access charge payment between DPC, CAT and TOT

On 9 May 2011, TOT has submitted the Case Number Black 1099/2554 to the Central Administrative Court against CAT as the defendant no. 1 and DPC as the defendant no. 2 demanding CAT and DPC to pay the access charge amounting to Baht 2,436 million plus value added tax and interest calculated up to 9 May 2011, total amount of claim is Baht 2,954 million plus interest until the full payment is made as follows:

- 4.1) Part of DPC calculating on the amount of the mobile phone number which DPC had rendered the service at the rate of Baht 200/number/month, in the amount of Baht 432 million.
- 4.2) Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 2,331 million.
- 4.3) The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 191 million. Part of this demand is the same amount as CAT has claimed according to the dispute Case Number Black 68/2551 mentioned above but different in terms of the calculation period and interest.

At present, the said case is pending consideration of the Central Administrative Court. AIS's management believes that the outcome of the said case shall be in favour of DPC and have no material impact on the consolidated financial statements of AIS since DPC has correctly and fully complied with the law and the relating agreements in all respects.

5) To deliver and transfer ownership of towers and equipment of power supply between DPC and CAT

On 3 February 2009, CAT has submitted a dispute under Case Number Black 8/2552 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC, a subsidiary of AIS, to deliver and transfer ownership of 3,343 towers including 2,653 equipment of power supply under the Digital PCN ("Personal Communication Network Agreement"). Failure to do so, DPC must reimburse Baht 2,230 million to CAT. DPC considers that all disputed assets, towers and the equipment of power supply are not the property as stipulated in the Agreement.

On 18 July 2012, the Arbitral Tribunal has given the arbitration award to dismiss the said disputes under the reason that the request by CAT to demand the delivery of the assets from DPC was the premature exercise of legal claim under the contract.

On 25 October 2012, CAT has submitted the Case Number Black 2757/2555 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

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6) The reduction of roaming fee between DPC and CAT

Starting from 1 July 2006, CAT allowed DPC, a subsidiary of AIS, to reduce roaming fee per minute from Baht 2.10 to Baht 1.10 to be in line with the decrease of mobile phone service fee. The approval has been renewed for 3-month period several times thereafter until 31 March 2007. After that, CAT did not notify DPC of any changes until on 24 March 2008, CAT had sent a letter to notify DPC to charge roaming fee at Baht 2.10 per minute starting from 1 April 2007. On 8 May 2008, DPC sent a request letter to CAT to reconsider the roaming fee adjustment. The reason for such request was based on the market environment where the prevailing mobile phone service charge to consumers in the market was significantly lower than the specified roaming fee. Such high roaming fee is therefore unreasonable for DPC to provide the roaming service to any operators. In the letter, DPC informed CAT that during the period when CAT is reconsidering the request, DPC will charge roaming fee at Baht 1.10 per minute according to the previous agreed terms and conditions. On 31 March 2009, CAT has approved DPC to charge roaming fee at Baht 1.10 per minute during 1 January 2009 – 31 March 2009. Moreover, DPC has entered into the national roaming agreement with AIS to charge roaming fee at Baht 1.10 per minute approved by NTC on 16 June 2009.

On 15 July 2010, CAT has submitted a dispute under Case Number Black 62/2553 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 10th – 12th operation year that DPC reduced roaming fee per minute from Baht 2.10 to Baht 1.10 during 1 April 2007 – 31 December 2008 amounting to Baht 1,636 million plus penalty computing up to March 2010 of Baht 364 million, totaling Baht 2,000 million and penalty at the rate of 1.25 percent per month from April 2010 until the full payment is made by alleging that CAT had approved the said roaming fee reduction up to 31 March 2007 only.

On 12 September 2011, CAT has submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute; Case Number Black 89/2554 demanding DPC to make additional payment of revenue sharing of 12th operation year which DPC reduced roaming fee from Baht 2.10 per minute to Baht 1.10 per minute during 1 April 2009 – 15 June 2009 in the amount of Baht 113 million plus penalty at the rate of 1.25% per month from 1 April 2009 until full payment is made.

At present, the said dispute is pending on the Arbitration process. According to arbitration procedures, the proceedings shall take several years. However, AIS's management believes that the outcome of the said dispute shall have no material impact on the consolidated financial statements of AIS since DPC has correctly and fully complied with the law and the relating Agreements in all respects.

7) The damage arisen from uncollectible international call service charges between DPC and CAT

On 8 April 2011, CAT submitted a dispute Case Number Black 32/2554 to the Arbitration Institute and the Dispute Reconciliation Office, Justice Court Office demanding DPC to pay Baht 33 million including interest at the rate of 15% per annum of the claimed amount, total amount of claim Baht 35 million by alleging that DPC has committed a breach of the Digital PCN (Personal Communication Network) 1800 Service Agreement due to subscriber fraud on the Digital PCN 1800 Service Agreement between DPC and subscribers for 1,209 numbers during 1997 – 2003 causing damages to CAT where CAT was unable to collect the international call service charges occurred from the use of such numbers.

On 28 May 2013, the Arbitral Tribunal reached its decision to dismiss such dispute by stated that it is not breach of the Agreement but rather the wrongful act. Therefore, the dispute is not within the Jurisdiction of the Arbitral Tribunal.

On 6 September 2013, CAT has submitted the Case Number Black 1767/2556 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

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8) Revenue sharing on interconnection charge between DPC and CAT

On 24 August 2012, CAT has submitted a dispute under Case Number Black 110/2555 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 10th – 14th operation year amounting to Baht 183 million and penalty at the rate of 1.25 percent per month of the above principal amount starting from the default date of each year until the full payment is made.

Such amount represents the revenue sharing which CAT calculated on gross interconnection charge received by DPC from other operators at the percentage rate specified in the Agreement without deduction of interconnection charge which DPC has to pay to other operators.

At present, the said dispute is pending on the Arbitration procedures. AIS management believes that the outcome of the said dispute shall be settled favourably and has no material impact on the consolidated financial statements of AIS since DPC has correctly and fully complied with the law and the relating conditions of the Agreement in all respects.

9) Obligations of the bank guarantees in connection with the Agreements for Operation

According to the Agreement, DPC has the duties to deliver the bank guarantees to CAT to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the operation year back.

CAT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation year 10th – 14th for a total value of Baht 2,606 million by claiming that DPC had not completely paid the revenue sharing due to the deduction of the revenue sharing for the Excise Tax and the deduction of the Interconnection Charges, the discount of Access Charges and the reduction of the rate of roaming charge where the disputes of which have been pending the consideration of the Arbitral Tribunal.

On 8 October 2012, DPC has submitted a dispute to the Office of Dispute Resolution, Arbitration Institute, Case Number Black 120/2555 requesting the Arbitral Tribunal to award an order to CAT to return the bank guarantees to DPC because DPC has completely paid the revenue sharing for each operation year and has correctly and fully complied with the law and the relating Agreements in all respects. At present, the above mentioned disputes are in the process of consideration of the Arbitral Tribunal.

AIN Globalcomm Company Limited (“AIN”)

The international direct dialling service by using the symbol “+” between AIN and CAT

On 7 March 2008, CAT has submitted the Case Number Black 1245/2551 to the Civil Court against AIS as the defendant no. 1 and AIN, a subsidiary of AIS, as the defendant no. 2 requesting AIS and AIN to pay compensation with interest rate at 7.5% per annum for damage up to the date of case submission equalling to Baht 130 million. The reason in a case is to change traffic of the international direct dialling service by AIS and AIN during 1-27 March 2007 through AIS subscriber by using the symbol “+” dialling from no. 005 of AIN, instead of no. 001 of CAT without the prior notification to subscriber.

On 4 September 2008, CAT has submitted a petition revision to adjust compensation for Baht 583 million (including interest) because CAT was damaged consecutively until 7 March 2008.

On 19 November 2008, CAT has submitted the order of provisional remedial measure before delivery of judgment to cease AIS and AIN to transfer the traffic 001 or symbol “+” of CAT to traffic 005 of AIN. On 26 February 2009, the Civil Court has dismissed the CAT’s request and on 20 March 2009, CAT has appealed such dismissal. On 16 August 2012, the Court of Appeal has issued an order confirming the dismissal order of the Civil Court and CAT has submitted the petition to the Supreme Court on 19 October 2012.

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On 17 December 2009, the Civil Court has dismissed the case as the facts cannot be proved that CAT has either an exclusive right to use the symbol “+” or the right to prohibit AIS and AIN to use the symbol “+” and it cannot also be proved that the changing of the connection setting of the international direct dialling service from using the symbol “+” for the code 001 of CAT to “+” for the code 005 of AIN has caused mistaken to the subscribers who use international direct dialling service that they are using the code 001 of CAT, therefore, the acts of AIS have not infringed any right of CAT and also of AIN which CAT alleged to jointly commit the wrongdoing with AIS have not infringed the right of CAT as well. CAT has appealed to the Court of Appeal on 10 March 2010. Subsequently on 27 June 2013, the Court of Appeal has issued an order confirming the dismissal order of the Civil Court and CAT has submitted the petition to the Supreme Court on 16 September 2013.

AIS and DPC

Withholding tax between AIS, DPC and the Revenue Department

Pursuant to the letter dated 18 January 2013, the Revenue Department has challenged AIS and DPC to pay surcharge of Baht 128 million and Baht 6 million, respectively, regarding the withholding tax on revenue sharing payment after excise tax deduction by giving the opinion that the excise tax is a part of revenue sharing. Therefore, AIS and DPC will be liable to pay the shortage of withholding tax amount of excise tax which came from the revenue sharing payment without excise tax deduction. AIS and DPC have submitted the appeal to the Commission of Appeal. At present, the said cases are pending on the consideration process of the Commission of Appeal.

35.5 The order to THAICOM and the Company as co-defendant

On 19 April 2007, Mr. Supong Limthanakul brought legal actions against the National Telecommunications Commission (“NTC”), the office of the NTC and the Ministry of Information and Communication Technology (“MICT”) in the Central Administrative Court (“CAC”) on the ground that the three state agencies neglected to perform their duties in overseeing whether THAICOM has been carrying on its telecommunications business lawfully after the sale of the Company’s shares to the new shareholder.

CAC issued an order dated 8 April 2009 and 20 July 2010 making THAICOM the fourth respondent and the Company the fifth respondent in order to allow THAICOM and the Company to file the reply to the petitioner’s claim including evidence, documentary or otherwise to CAC. THAICOM and the Company have filed the reply and supporting evidence in July 2009 and September 2010, respectively. On 10 June 2011, CAC has dismissed the verdict.

On 8 July 2011, Mr. Supong Limthanakul has filed an appeal with the Supreme Administrative Court (“SAC”). The case is under consideration by SAC. On 23 September 2011, THAICOM and the Company have filed an argument against appeal with SAC.

The management of THAICOM and the Company is of the opinion that it will not be adversely affected in any way as the actions were brought against NTC, office of the NTC and MICT for neglecting to perform their duties and will not constitute a cause for terminating the operating agreement as THAICOM has fully complied with the terms and conditions of the operating agreement.

35.6 Other litigation

A subsidiary has a legal case in the Central Labor Court. The legal consultant of the subsidiary has the opinion that the subsidiary has taken actions as required by law. The outcome of the case is not expected to have material impact to the consolidated financial statements of INTOUCH Group.

36 Bank guarantees

As at 31 December 2013, INTOUCH Group had commitments with banks, in respect of letters of guarantees for satellite space segment leasing, customs duties, electricity usage and other transactions in the ordinary course of business in the amount of Baht 219 million, USD 2 million and AUD 5 million (2012: Baht 519 million and USD 2 million) on a consolidated basis.

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37 Reclassification of accounts

Certain accounts in the 2012 financial statements have been reclassified to be conformed with current year as follows:

	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
<i>(in million Baht)</i>						
Statement of financial position as at 31 December 2012						
Cash and cash equivalents	2,532	(210)	2,322	-	-	-
Current investments	3,131	210	3,341	-	-	-
Trade and other receivables	1,644	(52)	1,592	-	-	-
Corporate tax payable	159	(52)	107	-	-	-
		<u>-</u>			<u>-</u>	
		<u>-</u>			<u>-</u>	
Statements of income for the year ended 31 December 2012						
Administrative expenses	1,591	(5)	1,586	241	(2)	239
Management benefit expenses	159	5	164	89	2	91
		<u>-</u>			<u>-</u>	
		<u>-</u>			<u>-</u>	

38 TFRS not yet adopted

INTOUCH Group has not adopted the new and revised TFRS as of the reporting date but are not yet effective. Those interpretations that are applicable to the Group, which become effective for the financial report on or after 1 January 2014 are as follows:

TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue Recognition
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reports
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TIC 29	Service Concession Arrangements – Disclosure
TIC 32	Intangible Assets-Web Site Costs

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The Group has made a preliminary assessment of the potential impact on the financial statements of those interpretations issued in the period of initial application. The new and revised TFRS is as follows:

TFRIC 12 Service Concession Arrangements

TFRIC 12 gives guidance on the accounting by operators for public-to-private service concession agreements under which operators have obligations to operate infrastructures to public. These are included existing infrastructure to which the grantor gives the operator access for the purpose of the service arrangement and the infrastructure that the operator constructs or acquires from a third party for the purpose of the service arrangement. The grantor controls and regulates the services provided; to whom they are provided; and at what price; and also controls any significant residual interest in the related infrastructure at the end of the agreement term.

The operators recognise its interest in the concession as either a financial asset or an intangible asset arising from the concession agreement, depending on criteria set out in TFRIC 12, and not as property, plant and equipment. The operators shall account for revenue and costs relating to construction or upgrade services in accordance with TAS 11 (revised 2009) Construction Contracts.

The Group will adopt TFRIC 12 with effect from 1 January 2014. The effects of the change will be recognised retrospectively in the financial statements. There is no impact to the consolidated financial statement from an associate but a subsidiary is assessing.

39 Events after the reporting period

Dividend payment

Proposed dividend payment of a jointly-controlled entity, associates and a subsidiary

At the Annual General Meeting of the shareholders of LTC approved the appropriation of dividend from 2013 operation and the Board of Directors of AIS, CSL and THAICOM, passed resolutions to propose the dividend payment from the operating result of 2013 to the annual general shareholders meetings as follows:

Company	Date of Meeting	Currency	Dividend	Interim dividend paid in 2013 (per share)	Amount to be paid (per share)	Amount (in million Baht)
LTC	29 January 2014	USD	0.15	-	0.15	15
AIS	11 February 2014	Baht	12.15	6.40	5.75	17,097
CSL	12 February 2014	Baht	0.70	0.35	0.35	208
THAICOM	13 February 2014	Baht	0.45	-	0.45	493

Proposed dividend payment of the Company

On 17 February 2014, the Company's Board of Directors passed a resolution regarding to approve interim dividend payment from the operating result for the period from 1 January to 27 March 2014 to the Company's shareholders at Baht 2.16 per share, approximately Baht 6,926 million. The Company will propose to the annual general shareholders' meeting for the year 2014 of the Company to approve afterward.

On 11 February 2014, the Board of Director of AIS passed a resolution to call the annual general shareholders' meeting for the year 2014 on 26 March 2014 of which there is an agenda of dividend payment for the operating result of the second half of the year 2013 at Baht 5.75 per share.

On 13 February 2014, the Board of Director of THAICOM passed a resolution to call the annual general shareholders' meeting for the year 2014 on 27 March 2014 of which there is an agenda of dividend payment for the operating result of the year 2013 at Baht 0.45 per share.

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The Company expects to realise dividend income from AIS and THAICOM, after the approval by the annual general shareholders' meeting of AIS and THAICOM, in the amount of approximately Baht 7,118 million (From AIS, 1,203 million shares; Baht 5.75 per share and from THAICOM, 451 million shares; Baht 0.45 per share). Thus, the proposed dividend payment of the Company will be depended on the resolution of the annual general shareholders' meeting for the year 2014 of AIS and THAICOM.

Proposed dividend payment of Synertone Communication Corporation Limited

On 10 February 2014, the extraordinary shareholders' meeting of Synertone Communication Corporation Limited passed a resolution to pay stock dividend at 4 stock dividends per share. IPSTAR International PTE Limited, a subsidiary of THAICOM and a shareholder, received a stock dividend in total of 256 million shares.

Increase in share capital of Intouch Media and Touch TV

On 13 January 2014, the Board of Director of the Company approved to increase share capital of Intouch Media in the amount of Baht 22 million and let Intouch Media increase share capital of Touch TV by Baht 2 million.

Acquisition of ordinary shares in Orion Satellite Systems Pty Limited ("OSS") by IPA, a subsidiary of THAICOM

On 7 February 2014, IPA acquired 5.96 million ordinary shares of OSS from Orion Satellite Investment Limited, equivalent to 100% of registered share capital of OSS, at the price of AUD 5.96 million.

Issuance and offering of debenture of THAICOM

On 13 February 2014, the Board of Directors of THAICOM had a resolution to issue and offer of debenture of THAICOM total amount not exceeding 7,000 MB, with term up to 10 years which has objective for capital expenditure investment and / or refinancing and / or for general working capital, in which the Board of Directors of THAICOM would consider and approve matters related to the issuance and offering of debentures. However, the matter shall subsequently be proposed to the Annual General Meeting of Shareholders for the year 2014 for their consideration and approval.

Major Shareholders

The shareholding structure of the Company as of 27 August 2013, which the latest closing the shares registrations book was prepared by Thailand Securities Depository Co., Ltd. are as follows:

	Number of shareholders	Number of shares	Percentage of investment
Thai securities holders	39,036	1,692,989,922	52.80
Foreign securities holders	120	1,513,430,383	47.20
Total	39,156	3,206,420,305	100.00

List of the first 10 major shareholders of the Company

The first top 10 major shareholders of the Company as of 27 August 2013^{1/} are as follows:

	Name ^{2/}	Number of shares	Percentage of investment
1.	ASPEN HOLDINGS LIMITED	1,334,354,825	41.62
2.	THAI NVDR COMPANY LIMITED ^{3/}	735,175,315	22.93
3.	CHASE NOMINEES LIMITED 28	26,492,700	0.83
4.	LITTLEDOWN NOMINEES LIMITED	24,352,900	0.76
5.	GOVERNMENT PENSION FUND	21,760,000	0.68
6.	STATE STREET BANK EUROPE LIMITED	21,134,366	0.66
7.	MR. PRACHA DUMRONGSUTTHIPHONG	21,090,200	0.66
8.	MR. BUMRUNG SRINGAN	20,900,001	0.65
9.	KRUNGSRI DIVIDEND STOCK LTF	20,873,800	0.65
10.	CHASE NOMINEES LIMITED	19,060,176	0.59

Remark: ^{1/} The latest register book closing date of the Company prepared by Thailand Securities Depository Co., Ltd. (Registrar).
^{2/} The investors can find for more information in website: www.set.or.th before Annual General Meeting of Shareholders for 2014 date.
^{3/} The information of investors under Thai NVDR Co., Ltd. is shown on the website: www.set.or.th. Shareholders under Thai NVDR Co., Ltd. as of 27 August 2013 are as follows:

	Name	Number of shares	Percentage of investment
1.	LITTLEDOWN NOMINEES LIMITED	106,969,200	3.34
2.	BNY MELLON NOMINEES LIMITED	80,217,100	2.50
3.	HSBC (SINGAPORE) NOMINEES PTE LTD	67,155,305	2.09
4.	STATE STREET BANK EUROPE LIMITED	44,789,602	1.40
5.	CHASE NOMINEES LIMITED	37,563,700	1.17
6.	CHASE NOMINEES LIMITED 1	24,954,100	0.78
7.	PICTET & CIE	22,461,707	0.70
8.	LITTLEDOWN NOMINEES LIMITED 5	21,734,300	0.68
9.	SOMERS (U.K.) LIMITED	17,615,300	0.55
10.	OTHER SHAREHOLDERS	311,715,001	9.72
	Total	735,175,315	22.93

General Information on the Company, its Subsidiaries and Associated Companies, and Reference Persons

General Information of the Company

Company Name	Shin Corporation Public Company Limited
Symbol	INTUCH
Registration No.	0107535000257
Year of Establishment	1983
First Trade Date	31 August 1990
Nature of Business	Holding company whose primary investments are in telecom, satellite and other businesses
Head office	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok
Tel.	(66) 2299 5000
Fax	(66) 2271 1058
Website	www.intouchcompany.com
Registered Capital	5,000,000,000 baht
Paid-up Capital	3,206,420,305 baht including 3,206,420,305 common shares (as of 31 December 2013)
Par Value	1 baht
Industry	Technology
Sector	Information & Communication Technology
Market Capitalization	217,235 million baht (as of 27 December 2013)
Total Shareholders	39,156 shareholders (as of 27 August 2013, the latest book closing date for the right to receive dividend)
% Free Float	58.38

American Depositary Receipt

ADR Ticker Symbol	SHNZY
Exchange	Over the Counter
Depositary	The Bank of New York Mellon
ADR to ORD Share Ratio	1 : 4
ADR CUSIP Number	824550206

General Information of the Company's Subsidiaries and Associates

Company	Business	Registered Capital (million baht)	Number of Paid-up Shares (million shares)	Par Value (baht)	Paid-up Capital (million baht)	Percentage of Investment
Local Wireless Telecommunications						
Advanced Info Service Public Company Limited (AIS) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000 Fax (66) 2299 5165 Website www.ais.co.th	Operate cellular mobile telephone network in the 900MHz, 1800MHz, and 2.1GHz frequency under the digital GSM and UMTS (Universal Mobile Telecommunication System) technology	4,997.46	2,973.10	1	2,973.10	40.45
Advanced Wireless Network Company Limited (AWN) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000 Fax (66) 2687 4986	Network operator, a telecom service operator and computer system service provider. Currently, AWN received an Internet License Type I, Telecommunications Business License Type III, and 2.1 GHz License from NBTC	1,350	13.50	100	1,350	99.99 ^{1/}
Wireless Device Supply Company Limited (WDS) 404 Phaholyothin Center Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 5777 Fax (66) 2299 5200	Importer and distributor of handsets and accessories	50	0.50	100	50	99.99 ^{1/}
Advanced Contact Center Company Limited (ACC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 5777 Fax (66) 2299 5200	Service provider of call center	272	27.20	10	272	99.99 ^{1/}
Advanced MPAY Company Limited (AMP) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2687 4808 Fax (66) 2687 4788	Service provider of payment business via mobile phone	300	30	10	300	99.99 ^{1/}

Company	Business	Registered Capital (million baht)	Number of Paid-up Shares (million shares)	Par Value (baht)	Paid-up Capital (million baht)	Percentage of Investment
Advanced Magic Card Company Limited (AMC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000 Fax (66) 2615 3330	Distributor of cash card business	250	25	10	250	99.99 ^{1/}
AIN GlobalComm Company Limited (AIN) 408/127 Phaholyothin Place Tower, 29 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000 Fax (66) 2278 7030 Website www.ain.co.th	Service provider of international telephone service gateway	200	1	100	100	99.99 ^{1/}
Super Broadband Network Company Limited (SBN) 408/157 Phaholyothin Place Tower, 38 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000 Fax (66) 2619 8777 Website www.sbn.co.th	Network operator and a telecom service operator i.e. service provider of internet (ISP), international & national internet gateway, International Private Leased Circuit (IPLC), Internet Protocol Virtual Private Network (IP VPN), voice over IP, and an IP Television	300	3	100	300	99.99 ^{1/}
MIMO Tech Company Limited (MMT) 1291/1, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000	Operate IT, and content aggregator businesses	50	0.50	100	50	99.99 ^{1/}
Fax Lite Company Limited (FXL) 1291/1, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000	Operate in acquiring and/or lease, building, and related facilities for telecommunications businesses	1	0.01	100	1	99.97 ^{1/}
Advanced Internet Revolution Company Limited (AIR) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000 Fax (66) 2299 5200	Service provider of internet	240	24	10	240	99.99 ^{1/}

Company	Business	Registered Capital (million baht)	Number of Paid-up Shares (million shares)	Par Value (baht)	Paid-up Capital (million baht)	Percentage of Investment
Advanced Broadband Network Company Limited (ABN) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok	Currently not start the operation	1	0.01	100	1	99.97 ^{1/}
Digital Phone Company Limited (DPC) 404 Phaholyothin Center Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000 Fax (66) 2299 5455	Service provider of digital mobile phone network in 1800 MHz frequency	3,655.47	365.54	10	3,655.47	98.55 ^{1/}
Advanced Datanetwork Communications Company Limited (ADC) 408/157 Phaholyothin Place Tower, 38 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2270 1900 Fax (66) 2270 1860 Website www.adc.co.th	Service provider of online data communication service via telephone landlines and optical fiber	957.52	95.75	10	957.52	51.00 ^{2/}
Clearing House for Number Portability Company Limited (CLH) 598 Q House Ploenchit Building, 6 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok Tel. (66) 2646 2523 Fax (66) 2168 7744	Jointly invested, operate the information system and the centralized database for the mobile portability service	2	0.02	100	2	20.00 ^{1/}
Bridge Mobile Pte Limited (BMB) 750 Chai Chee Rode, #03-02/03 Technopark @ Chai Chee, Singapore 469000 Tel. (65) 6424 6270 Fax (65) 6745 9453	Jointly invested, provide international roaming service (incorporated in Singapore)	23 (million USD)	23	1 (USD)	23 (million USD)	10.00 ^{1/}
Satellite and International Businesses						
Thaicom Public Company Limited (THAICOM) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2591 0736 Fax (66) 2591 0705 Website www.thaicom.net	Operate satellite transponder leasing and related services, telephone services, internet and media services and publishing of telephone directories and print classified	5,483.10	1,095.94	5	5,479.69	41.14

Company	Business	Registered Capital (million baht)	Number of Paid-up Shares (million shares)	Par Value (baht)	Paid-up Capital (million baht)	Percentage of Investment
Satellite Services						
IPSTAR Company Limited (IPSTAR) Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	2 (million USD)	200	0.01 (USD)	2 (million USD)	99.96 ^{3/}
IPSTAR New Zealand Limited (IPN) 24 Unity Drive North, Albany, Auckland, 0757 New Zealand Tel. (649) 414 5920 Fax (649) 414 5922	Sale of user terminal of IPSTAR and providing IPSTAR services in New Zealand	8.51 (million NZD)	8.51	1 (NZD)	8.51 (million NZD)	100 ^{3/}
IPSTAR Australia Pty Limited (IPA) 5 George Place, Artarmon, NSW 2064, Australia Tel. 1800 477 827 Fax (612) 8006 5592	Sale of user terminal of IPSTAR and providing IPSTAR services in Australia	6.95 (million AUD)	6.95	1 (AUD)	6.95 (million AUD)	100 ^{3/}
Orion Satellite Systems Pty Limited (OSS) Level 2, 231 Adelaide Terrace, Perth, WA 6000, Australia Tel. (618) 9225 7800 Fax (618) 9225 7811	Provider of satellite communication services and business solutions, primarily Very Small Aperture Terminal based solutions (VSAT)	13.37 (million AUD)	5.96	-	13.37 (million AUD)	100 ^{4/}
IPSTAR International Pte Limited (IPI) 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 Tel. (65) 6338 1888 Fax (65) 6337 5100	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	0.02 (million SGD)	0.02	1 (SGD)	0.02 (million SGD)	100 ^{3/}
IPSTAR Global Services Limited (IPG) Intercontinental Trust Limited, Suite 802, St. James Court, St. Denis Street, Port Louis, Mauritius Tel. (230) 213 9800 Fax (230) 210 9168	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	0.02 (million USD)	0.02	1 (USD)	0.02 (million USD)	100 ^{3/}
IPSTAR Japan Company Limited (IPJ) 1231-1 Hio, Oganomachi, Chichibu-gun, Saitama, Japan	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	100 (million JPY)	0.01	10,000 (JPY)	100 (million JPY)	100 ^{3/}
Star Nucleus Company Limited (STAR) Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands	Providing engineering and development services, technology and electronics	0.05 (million USD)	0.00001	1 (USD)	10 (USD)	100 ^{3/}
Spacecode LLC (SPACE) 8695 Zumwalt Road, Monmouth, OR 97365 USA	Providing engineering and development services, technology and electronics	-	-	-	4.29 (million USD)	70.00 ^{3/}

Company	Business	Registered Capital (million baht)	Number of Paid-up Shares (million shares)	Par Value (baht)	Paid-up Capital (million baht)	Percentage of Investment
TC Broadcasting Company Limited (TCB) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2596 5060	Providing broadcasting television and telecommunication	1	0.10	10	0.25	99.99 ^{3/}
Telephone Services Abroad						
Shenington Investments Pte Limited (SHEN) 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 Tel. (65) 6338 1888 Fax (65) 6337 5100	Holding company for investment in international telecommunications	14.66 (million SGD)	14.66	1 (SGD)	14.66 (million SGD)	51.00 ^{3/}
Lao Telecommunications Company Limited (LTC) Lanexang Avenue 0100, Vientiane, Lao People's Democratic Republic Tel. (856) 2121 6465-6 Fax (856) 2121 9690	Providing Internet services, cellular phone, 3G service, fixed line telephone through the Public Switched Telephone Network (PSTN), fixed wireless telephone CDMA 2000 1X 450 MHz, public telephone service, international roaming service, international telecom services (i.e. VoIP), and value added services in Lao PDR	96.84 (million USD)	96.84	1 (USD)	96.84 (million USD)	49.00 ^{5/}
Internet and Media Services						
DTV Service Company Limited (DTV) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2950 5005 Website www.dtvservice.net	Providing system integration consultancy service for broadband network, broadband content service, and DTV satellite dish sales service, to operate internet access services	398.79	39.88	10	398.79	99.99 ^{3/}
CS LoxInfo Public Company Limited (CSL) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2263 8000 Fax (66) 2263 8132 Website www.csloxinfo.com	Provide our corporate customers with solutions for broad range of internet-based services	148.63	594.51	0.25	148.63	42.07 ^{6/}
Teleinfo Media Public Company Limited (TMC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2262 8888 Fax (66) 2262 8899 Website www.teleinfomedia.net	Provide advertising platform through print, website, PC, mobile and laptop for business and individual users	156.54	15.65	10	156.54	99.99 ^{7/}

Company	Business	Registered Capital (million baht)	Number of Paid-up Shares (million shares)	Par Value (baht)	Paid-up Capital (million baht)	Percentage of Investment
AD Venture Public Company Limited (ADV) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2262 8888 Fax (66) 2262 8899	Content provider through mobile phone and community portal services	10.75	1.07	10	10.75	99.99 ^{7/}
Cambodian DTV Network Limited (CDN) 9A, Street 271, Tomnup Teuk, Chamkar Mon, Phnom Penh, Kingdom of Cambodia Tel. (855) 023 305 990 Fax (855) 023 994 669 Website www.cdn.com.kh	DTV satellite dish sales	2,400 (million Riels)	0.001	2.40 (million Riels)	2,400 (million Riels) or equivalent to 0.60 million USD	100 ^{3/}
Other Businesses						
Venture Capital						
Meditech Solution Company Limited (Meditech) 182 Tawanrung Village Soi 7, Ladprao 64 Yak 4 Road, Wangthonglang, Bangkok Tel. (66) 2933 5560-1 Fax (66) 2933 6490 Website www.meditechsolution.com	A manufacturer and vendor of eye blink communication aids for paralytics and other disabled people	1.43	0.14	10	1.43	30.00
Ookbee Company Limited (OOKBEE) 1104/207-209, Noble Cube Pattanakarn, Pattanakarn Road, Suanluang, Bangkok Tel. (66) 2187 2701-8 Fax (66) 2187 2700 Website www.ookbee.com	Service provider for the digital publication platform and e-booking	1.33	0.13	10	1.33	25.03
Computerlogy Company Limited (Computerlogy) 64/3 Moo 1 Soi Wat Wanghin, Surasak, Sriracha, Chonburi Tel. (66) 3832 1100 Website www.computerlogy.com	Software development company specialized in social media management tool	1.33	0.01	100	1.33	25.01

Company	Business	Registered Capital (million baht)	Number of Paid-up Shares (million shares)	Par Value (baht)	Paid-up Capital (million baht)	Percentage of Investment
Others						
Matchbox Company Limited (MB) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 5600 Fax (66) 2651 3052 Website www.matchbox.co.th	Full service advertising agency	9	0.90	10	9	99.96
I.T. Applications and Services Company Limited (ITAS) 388 Tower B (SP Tower), 3 rd Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2273 0760 Fax (66) 2273 0191 Website www.itas.co.th	Providing computer system	10	1	10	10	99.99
Intouch Media Company Limited (Intouch Media) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 5221 Fax (66) 2299 5224	To do business in relation to broadcasting and television, including other related businesses	2	0.20	10	2	99.99
Touch TV Company Limited (Touch TV) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 5221 Fax (66) 2299 5224	To do business in relation to broadcasting and television, including other related businesses	1.5	0.15	10	1.5	99.99 ^{B/}
ITV Public Company Limited (ITV) 1010 Shinawatra Tower 3, 6 th Floor, Vipavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok	Broadcasting of UHF system and lease of equipment for program production, producing TV programs and arranging related marketing events until March 7, 2007 as the operating agreement was revoked by the Prime Minister's Office. This caused the following disputes that are currently under the process of the arbitration institute. <i>*On 4 June 2009, the securities transferred to Non-Performing Group-NPG and SET announced that ITV was in NPG-stage 1 on 10 March 2011, NPG-stage 2 on 12 March 2012 and NPG-stage 3 on 12 March 2013.</i>	7,800	1,206.70	5	6,033.49	52.92

Company	Business	Registered Capital (million baht)	Number of Paid-up Shares (million shares)	Par Value (baht)	Paid-up Capital (million baht)	Percentage of Investment
Artware Media Company Limited (AM) 1010 Shinawatra Tower 3, Viphavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok Tel. (66) 2791 1000 Fax (66) 2791 1010	Currently not in operation	25	0.25	100	25	99.99 ^{9/}

Remark The information on registered capital, paid-up capital and percent of shareholding as of 7 February 2014.

^{1/} Owned by AIS

^{2/} Owned by DPC

^{3/} Owned by THAI/COM

^{4/} Owned by IPA

^{5/} Owned by SHEN

^{6/} Owned by DTV

^{7/} Owned by CSL

^{8/} Owned by Intouch Media

^{9/} Owned by ITV

Reference Persons

Security Registrar

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building, 7th Floor,
Ratchadapisek Road, Klongtoey, Klongtoey,
Bangkok 10110
Tel. (66) 2229 2800
Fax (66) 2359 1259
Website www.tsd.co.th

Auditor

Mr. Supot Singhasaneh
Certified Public Accountant Registration Number 2826
KPMG Phoomchai Audit Limited
Empire Tower, 50th - 51st Floors
195 South Sathorn Road, Bangkok 10120
Tel. (66) 2677 2000
Fax (66) 2677 2222
Website www.kpmg.co.th

Details of Subsidiaries' Directors

Director	Company	THAICOM	DTV	TCB	SHEN	IPSTAR	IPA	STAR	SPACE	IPI	IPG	IPJ	CDN	IPN	MB	ITAS	Intouch Media	Touch TV	ITV	AM
1. Mr. Paron Israsena		X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Professor Hiran Radeesri		/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Mrs. Charintorn Vongsapoom		/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Assoc.Prof. Samrieng Mekkiengkrai		/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Yong Lum Sung		/, //	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Mr. Somprasong Boonyachai		/	-	-	-	-	-	-	-	-	-	-	-	-	/	/	-	-	-	-
7. Ms. Suphaje Suthumpun		/, //	-	/	X, //	/	-	/	-	/	/	-	-	-	/	/	/	/	-	-
8. Mr. Anek Pana-apichon		/, //	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Dr. Nongluck Phinaitisart		//	-	/	-	-	-	-	-	/	-	/	-	-	-	-	-	-	-	-
10. Mr. Paiboon Panuwattanawong		//	-	-	-	/	/	/	/	/	/	/	-	/	-	-	-	-	-	-
11. Mr. Patompob Suwansiri		-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12. Mr. Pramote Boonumsuk		-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13. Mrs. Pannee Nivasnanda		-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14. Mr. Sall Charuchinda		-	/	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15. Mr. Vuthi Asvasermcharoen		-	-	/	/, //	/	/	/	-	/	/	/	/	/	-	-	-	-	-	-
16. Mr. Ekachai Phakdurong		-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17. Mr. Chutidej Prinithitpa		-	-	-	/, //	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18. Mrs. Naengnoi Na Ranong		-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19. Mr. Stephen Geoffrey Miller		-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20. Mr. Sio Tat Hiang		-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21. Dr. Nasser Marafih		-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22. Mr. Alvin Oei Yew Kiong		-	-	-	//	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23. Mr. David Poon		-	-	-	//	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24. Mr. Lim Eng Tuan		-	-	-	//	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25. Mr. Mark D. Thompson		-	-	-	-	/	-	/	/	-	-	-	-	-	-	-	-	-	-	-
26. Dr. Supoj Chinveeraphan		-	-	-	-	-	/	-	-	-	-	-	-	/	-	-	-	-	-	-
27. Mr. William L. Snell		-	-	-	-	-	-	/	/	-	-	-	-	-	-	-	-	-	-	-
28. Mr. Teh Kwang Hwee		-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-
29. Mr. York Shin Lim Voon Kee		-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-
30. Mr. Tommy Lo Seen Chong		-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-
31. Mr. Takehiko Fukuoka		-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-
32. Mr. Jiroj Srinamwong		-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-
33. Mr. Makin Petplai		-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-
34. Mr. Komson Seripapong		-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-
35. Mr. Somkid Wangcherdchuwong		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	/	-
36. Mr. Wichchakoraput Rattanavichien		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-
37. Mr. Sumetee Intranu		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-
38. Mr. Somboon Wongwanich		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-
39. Mr. Nittimon Hastindra Na Ayudhya		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	/
40. Mrs. Rattapanorn Nammontri		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-
41. Mr. Wutthiporn Diawpanich		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-
42. Mr. Vikrom Sriprataks		-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-
43. Mr. Sanchai Thiewprasertkul		-	-	-	-	-	-	-	-	-	-	-	-	-	/	/	-	-	-	-
44. Mr. Somchai Lertsutiwong		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	/	-	-
45. Mr. Kim Sirtaweewchai		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	/	-	-

X = Chairman of the Board of Directors / = Director // = Executive Committee

As of 31 December 2013

Company Name	AM	Artware Media Company Limited	IPJ	IPSTAR Japan Company Limited	SPACE	Spacecode LLC
	CDN	Cambodian DTV Network Limited	IPN	IPSTAR New Zealand Limited	STAR	Star Nucleus Company Limited
	DTV	DTV Service Company Limited	IPSTAR	IPSTAR Company Limited	TCB	TC Broadcasting Company Limited
	Intouch Media	Intouch Media Company Limited	ITAS	I.T. Applications and Services Company Limited	THAICOM	Thaicom Public Company Limited
	IPA	IPSTAR Australia Pty Limited	ITV	ITV Public Company Limited	Touch TV	Touch TV Company Limited
	IPG	IPSTAR Global Services Limited	MB	Matchbox Company Limited		
	IPI	IPSTAR International Pte Limited	SHEN	Shenington Investments Pte Limited		

Investor Relations Activities

Activities Related to Quarterly Results Announcement

Activity	2013	Objective	Attendees	Executive
Analyst meeting	2 Times	Presentation of the Company's semi-annual and annual performance and strategy, plus Q&A	Analysts and local institutional investors	Chief Executive Officer/Other members of management team
Opportunity day	4 Times	Quarterly results announcement and Q&A arranged by The Stock Exchange of Thailand	Retail investors, analysts, and strategists	Investor Relations

Investor Activities

Activity	2013	Objective	Attendees	Executive
Road show / Conference (International and Domestic)	13 Times	Communication business direction, performance, and strategy	Local and foreign institutional investors	Chief Executive Officer/Other members of management team
Company visit (1-on-1 meeting / Group meeting / Conference call)	82 Times	Provide access to management for discussing the Company, Subsidiaries, and Associated Companies' performance direction, and strategy	Local and foreign analysts and institutional investors	Chief Executive Officer/Other members of management team

Other Activities

Activity	2013	Objective
Newsletter	3 Times	To announce the Company's performance, news update, and activities to investors and public quarterly

INTOUCH Group IR team provides shareholders and investors with a direct point of contact by telephone on: (66) 2299 5050; by fax on: (66) 2271 1058; or by email at: ir-intouch@intouchcompany.com



Investors can find more information on the Company's
Form 56-1 shown on the websites: www.sec.or.th
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