

# WEALTH

## CREATION Annual Report 2014



## 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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# A Year of Wealth Creation

## INTOUCH

INTOUCH HOLDINGS  
Public Company Limited

INTOUCH Group is committed to creating sustainable wealth for every party of stakeholders and continuing to expand its business to lay solid foundations, sustain growth, and contribute to the development of the country, Thai society, local communities, and the environment.

In 2014, INTOUCH established the business direction for each company in its group, including AIS, THAICOM and CSL, to ensure a robust operating performance in the future. INTOUCH plans to enter into more joint ventures with new-generation business start-ups in order to continue the success of the InVent Project, as evidenced by Ookbee. This initiative helps to drive economic growth on a sustainable basis and strengthen society and local communities.



## THAICOM

THAICOM Public Company Limited

THAICOM successfully launched two satellites, Thaicom 6 and Thaicom 7, into orbit last year in order to meet increasing demand from both domestic and offshore customers for satellite channels, digital TV broadcasting, and high-resolution program channels which require more bandwidth. THAICOM reported a net profit of 1,601 million baht in 2014, an increase of 42% from the previous year, and paid an annual dividend of 0.65 baht per share.







## AIS

### ADVANCED INFO SERVICE Public Company Limited

AIS continues to remain Thailand's leading wireless communication business. In 2014, AIS successfully installed its 3G network to cover 97% of the population, and migrated 92% of its users to this network within 18 months from the date the 3G license was awarded. By offering low-price mobile phones, AIS has increased its customers' smartphone ownership rate to 38%. AIS recorded an operating profit of 36,033 million baht in 2014, and paid an annual dividend of 12 baht per share.

## CSL

### CS LOXINFO Public Company Limited

The rapid development of technology has driven an increasing demand for data storage facilities. CSL has continued to expand its data storage service, opening its fourth data center (the Cloud Data Center) in September 2014. This center operates in a 6,500 square-meter service area, which can accommodate 650 racks in a modern storage system with an unrivalled level of security that meets the following five standards: 1. Highest stability and reliability; 2. Excellent data network quality; 3. Environmentally-friendly; 4. Convenient and safe location; and 5. Flexible and fully-comprehensive services.



The background of the entire page is a warm, golden-yellow gradient. On the left side, there is a large, detailed globe on a stand. A person in a dark suit stands with their back to the camera, looking at the globe. The scene is lit from the top left, creating a bright, glowing effect that illuminates the globe and the person.

# The Foundation of Wealth

“We believe that prosperity is rooted in solid foundations and sustainable growth.”

Over the past 30 years, INTOUCH Group has built solid business foundations to sustain its growth. We believe that prosperity stems from cooperation between every business unit and efficient integration of the employees' expertise. We also believe in effective asset management, diversifying investments in specialized businesses that offer a variety of products and services in order to completely satisfy customer demand, as well as paying close attention to every party of stakeholders and continuing to manage the organization under the principles of good corporate governance.

For decades, INTOUCH Group has passed on the profits from its specific businesses to shareholders in the form of dividends, whilst contributing to national economic growth. More recently, we have supported employment through investment in new-generation business start-ups, and encouraged young people to develop their capabilities through various projects organized by companies in the group.

# Human Capital Development

INTOUCH Group sponsors and invests in the systematic and continual development of its employees in order to increase their managerial knowledge and leadership skills, professional/functional knowledge and skills, perspective development, strategic thinking, and networking with local and international organizations. In addition, we prepare the management with respect to succession planning, talent development and achieving the Company's mission without compromise in order to fulfil its commitments to all the stakeholders, maintain good corporate governance, and promote good corporate values.

# Shareholder and Creditor

INTOUCH Group places great importance on creating value for every stakeholder by ensuring efficient asset management in order to sustain growth. For the shareholders, INTOUCH has a policy to pay consistent and high dividends based on the operating results of the businesses in which it has invested. In 2014, the annual dividend was 4.39 baht per share, a payout ratio of 101%. Moreover, INTOUCH has a good reputation among financial institutions so it can readily obtain funds at reasonable financing costs.

# Corporate Governance

Last year, the Stock Exchange of Thailand awarded INTOUCH the "Top Corporate Governance Report" for its thorough compliance with the Principles of Good Corporate Governance. This award recognizes listed companies with outstanding operational reports that comply with good corporate governance practices. In addition, INTOUCH was awarded "Asia's Outstanding Company on Corporate Governance" by Corporate Governance Asia magazine for its dedication to developing good corporate governance in Asia.



# Creating Our Future

## Wealth of Shareholders

Generate Earnings  
Sustainability

INTOUCH strives to provide sustainable returns for its shareholders in terms of dividends and business growth. We carefully identify growth opportunities on the basis of professional research and analysis to convince shareholders that new investments will add business value in the future.

## Wealth of Community

Add Value to Society

In order for society and local communities to grow together with the organization, INTOUCH continues to initiate and undertake social activities such as the “Healthy Rice Growing Project by INTOUCH”, “Camp Sanook Kid with INTOUCH”, “Thai Literature Conservation Contest with INTOUCH”, and “Employees with a Volunteer Spirit for Community Development Project”. Besides these, INTOUCH is helping to create jobs through the “InVent Project”. We believe that supporting society and local communities allows businesses to grow and become stronger and more stable.



## Wealth of Innovation

### Innovative Value Added

INTOUCH Group has structured its operations by diversifying investment into different business areas to prepare for the future, sourcing products and services that meet consumer demand through the “InVent Project”, and establishing new businesses within the group. AIS has progressed from a mobile phone operator to a digital services provider related to its users’ daily lives. THAICOM has upgraded its capability to provide seamless satellite-based communications and data distribution. Meanwhile, CSL has significantly expanded its data storage facilities in parallel with a multitude of providers in today’s digital world.

Seeing a vast opportunity for future business growth, INTOUCH Group champions new innovations developed from both internal and external sources.



## Wealth of Knowledge

### Fill Employees’ Potentials

Employees are the key factor driving the organization to sustainable growth and success as well as indicating business competitiveness. INTOUCH Group, therefore, engages in systematic and continual development of its human resources at every level of the organization. We encourage all of our employees to fully utilize their knowledge and capabilities under the equal opportunities provided for meritocratic career growth in line with the sustainable success of the group.



# Financial Highlights

As at 31 December

## OPERATING RESULTS AND FINANCIAL POSITIONS - CONSOLIDATED

Revenues from sales of goods and rendering of services	10,142	8,000	7,381
Share of profits of associates	14,640	14,837	14,337
Total revenues	25,270	24,790	23,523
Gross profit	4,185	3,222	2,793
Profit for the year attributed to owners of the Company	14,761	14,568	13,787
Total assets	54,699	50,810	48,003
Total liabilities	20,827	18,398	17,457
Total equity attributable to equity holders of the Company	24,678	23,816	22,543

## FINANCIAL RATIOS - CONSOLIDATED

Net profit margin	58%	59%	59%
Return on equity	61%	63%	62%
Return on assets	28%	29%	27%
Debt-to-equity ratio (times)	0.84	0.77	0.77
Basic earning per share (Baht)	4.60	4.54	4.30
Book value per share (Baht)	7.70	7.43	7.03
Dividend per share (Baht)	4.39	4.25	3.78
Dividend payout ratio	101%	100%	101%

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

Baht Million

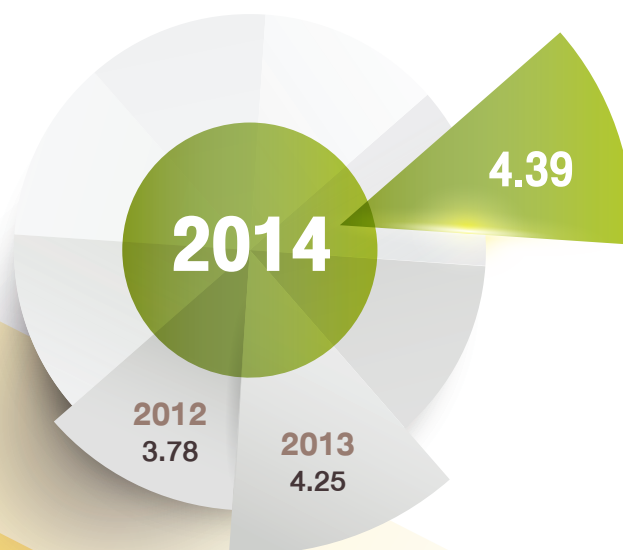
2014

2013

2012

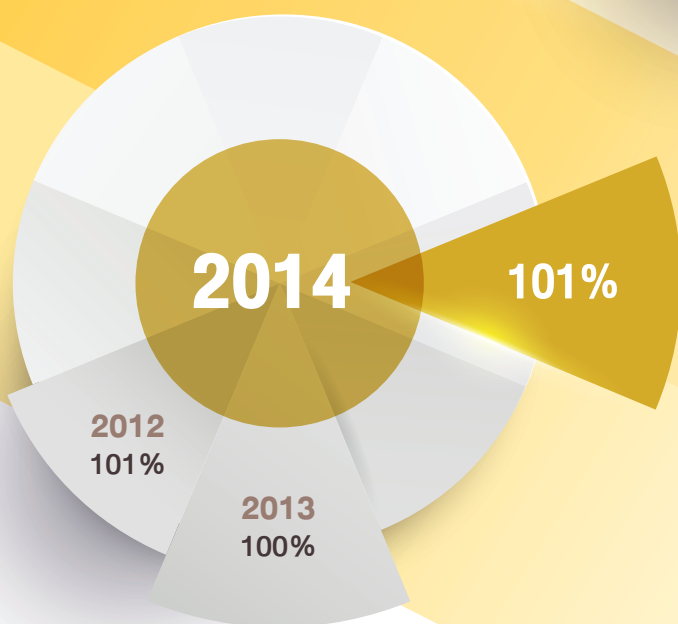
### Business Direction over the next 5 years

To be the leading and sustainable asset management company and aim to invest and grow other businesses to achieve 25% of INTOUCH wealth in addition to AIS business.



#### Dividend per Share

(Baht)



#### Dividend Payout Ratio

### 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 Company pays dividend from its standalone financial statements. The Company's dividend policy is to pass through dividend received from its associates and subsidiaries after the deduction of operating expenses, subject to our financial needs or unless the payment of dividends would materially affect our operations.

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



**To: All shareholders**

The year 2014 was another successful one for the Company, which achieved its business targets. The net profit was 14,761 million baht, representing an increase of 1% from the previous year, while the annual dividend was 4.39 baht per share, an increase of 3.3% and a total shareholder return of 23%.

The Company has continued its investment policy of searching for new business opportunities that are an extension of its core wireless telecommunications and satellite businesses. This will broaden the Company's portfolio and deliver sustainable returns to the shareholders.

Advanced Info Service Plc. (AIS), the Company's core investment, remains the market leader in Thailand's wireless businesses in both revenue and the number of subscribers. The industry development in Application & Content technology and the related regulations will drive growth in data usage, which can compensate for declining voice revenue. AIS is presently in transition, as the Build-Transfer-Operate contracts with TOT Public Company Limited (TOT) will expire in 2015, and reassignment of the spectrum through license auctions will have a positive impact on the Company. In addition, the regulator and the government have announced that the 4G license auction will be held soon, which will help AIS to provide better services to its customers.

The Company's satellite business, Thaicom Plc. (THCOM) has continuously improved its performance and posted a net profit for the third consecutive year. Two new satellites, Thaicom 6 & 7, were successfully launched

into orbit in January and September last year. In addition, the THCOM board has approved the construction of a medium-sized satellite, Thaicom 8, which is expected to be operational in 2016.

As for organizational development, the Company has strived to be a good corporate citizen and always act professionally in order to build a good reputation. The Company follows His Majesty the King's Philosophy of Sufficiency Economy in its CSR projects, pursues sustainable development, upholds good corporate governance, and provides equitable treatment to all its stakeholders.

In 2014, the Company was recognized for its good corporate governance when it received the "Top Corporate Governance Report Award" from the Stock Exchange of Thailand in the SET Awards 2014. In addition, the Company was rated "Excellent" for the second consecutive year in the 2014 Corporate Governance Report of Thai Listed Companies by the Thai Institute of Directors (IOD), and was named "Asia's Outstanding Company in Corporate Governance", to recognize the Company's excellent performance in this region.

We would like to thank all of our shareholders and business allies for their support and trust, along with all of our directors, executives and members of staff for their dedication and hard work. We would also like to assure everyone that we are truly committed to good corporate governance practices in order to deliver sustainable success at every business unit in the group.



Dr. Virach Aphimeteetamrong  
Chairman of the Board



Mr. Somprasong Boonyachai  
Chief Executive Officer

# Directors and Management

## The Board of Directors and Management Team



### The Board of Directors

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





## Management Team

1. Mr. Somprasong Boonyachai
2. Mr. Wichian Mektrakarn
3. Mrs. Suphajee Suthumpun
4. Mrs. Suwimol Kaewkoon
5. Mr. Anek Pana-apichon
6. Mr. Wichai Kittiwittayakul
7. Mr. Kim Siritaweechai

## The Details of Directors and Management Team



**Dr. Virach Aphimeteetamrong**

71 / Nationality Thai

### Title

Chairman of the Board of Directors and Authorized Director

**Appointment Date as the Director** 7 November 2001

**Shareholding**<sup>1/</sup> None

### Highest Education

Ph.D. Finance, University of Illinois, USA

### Governance Training of IOD

DAP: Directors Accreditation Program Class 2/2003

### Positions in Listed Companies in SET

- 2007 - Present ▶ Chairman of the Board of Directors, Intouch Holdings Plc
- 2013 - Present ▶ Independent Director and Member of the Audit Committee, Thai Agro Energy 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
- 1995 - Present ▶ Independent Director and Member of the Audit Committee, Metro Systems Corporation Plc
- 1993 - Present ▶ Director, Supalai Plc

### Positions in Other Companies/Organizations

- 2003 - Present ▶ Director, TRIS Rating Co., Ltd.
- ▶ Director, TRIS Corporation Co., Ltd.
- 1988 - Present ▶ Chairman, Dr. Virach and Associates Public Accounting Firm

### Past Experience

- 2007 - 2011 ▶ Member of the Audit Committee, Thai Agro Energy Plc
- 2001 - 2011 ▶ Independent Director, Intouch Holdings 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

**Relationship with Directors and Management** None



**Mr. Somchai Supphatada**

55 / Nationality Thai

### Title

Independent Director and Chairman of the Audit Committee

**Appointment Date as the Director** 30 June 2006

**Shareholding**<sup>1/</sup> 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

### Positions in Listed Companies in SET

- 2007 - Present ▶ Independent Director and Chairman of the Audit Committee Intouch Holdings Plc

### Positions in Other Companies/Organizations

- 2014 - Present ▶ Chairman of the Audit Committee, Police Printing Bureau
- 2013 - Present ▶ Associate Dean for Finance and Planning, Faculty of Commerce and Accountancy, Thammasat University
- 2010 - Present ▶ Head, Department of Accounting, 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

**Relationship with Directors and Management** None



#### Mr. Chalaluck Bunnag

67 / Nationality Thai

##### Title

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

**Appointment Date as the Director** 14 August 2007

**Shareholding**<sup>1/</sup> 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

##### Positions in Listed Companies in SET

2007 - Present ▶ Independent Director and Member of the Audit Committee, Intouch Holdings Plc

##### Positions in Other Companies/Organizations

2011 - Present ▶ Director and CEO, Siam Sindhorn Co., Ltd.  
2009 - Present ▶ Advisor, Amata City Co., Ltd.  
2005 - Present ▶ Advisor, CPB Equity Co., Ltd.  
▶ Director, Siam Aisin Co., Ltd.  
▶ Director, Thai Tokai Carbon Product Co., Ltd.

##### Past Experience

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.

**Relationship with Directors and Management** None



#### Miss Sopawadee Lertmanaschai

61 / Nationality Thai

##### Title

Independent Director,  
Member of the Audit Committee,  
Member of the Strategic and Organizational Review Committee

**Appointment Date as the Director** 28 March 2014

**Shareholding**<sup>1/</sup> None

##### Highest Education

Master of Science (Accounting), Thammasat University

##### Governance Training of IOD

SFE : Successful Formulation & Execution of Strategy Class 6/2010

ACP: Audit Committee Program Class 27/2009

DCP: Directors Certification Program Class 2/2000

##### Positions in Listed Companies in SET

2014 - Present ▶ Independent Director and Member of the Audit Committee, Intouch Holdings Plc  
▶ Independent Director and Member of the Audit Committee, CIMB, Thai Bank Plc  
▶ Advisor to Chairman of the Board of Directors and Member of the Investment Committee, Dhipaya Insurance Plc

##### Positions in Other Companies/Organizations

2014 - Present ▶ Director, Provincial Waterworks Authority  
▶ Director, Government Pharmaceutical Organization  
2013 - Present ▶ Commissioner, Securities and Exchange Commission, Thailand

##### Past Experience

2010 - 2013 ▶ Secretary General, Government Pension Fund  
▶ Director and Member of Corporate Governance Committee, Dhipaya Insurance Plc  
▶ Director, IRPC Plc  
▶ Chairman, Royal Porcelain Plc  
2000 - 2009 ▶ Executive Vice President, The Stock Exchange of Thailand

**Relationship with Directors and Management** None

Remark <sup>1/</sup> As at 31 December 2014, the number of ordinary share includes holding by spouse and minor children.



#### Mr. Prasert Bunsumpun

62 / 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 <sup>1/</sup>** 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

##### Positions in Listed Companies in SET

2011 - Present ▶ Independent Director, Intouch Holdings Plc  
2013 - Present ▶ Director, PTT Plc  
2012 - Present ▶ Chairman of the Board of Directors Thoresen,  
Thai Agencies Plc  
2011 - Present ▶ Director, Krung Thai Bank Plc  
▶ Chairman of the Board of Director, PTT Global Chemical Plc

##### Positions in Other Companies/Organizations

2014 - Present ▶ Member, The National Legislative Assembly  
2012 - Present ▶ Chairman of the Board of Directors, Mermaid Maritime Plc  
2011 - Present ▶ Chairman, Thailand Business Council for Sustainable  
Development

##### Past Experience

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 ▶ Director, Thai Oil Plc  
2006 - 2008 ▶ Member, The National Legislative Assembly

**Relationship with Directors and Management** None



#### Mr. Vithit Leenutaphong

59 / Nationality Thai

##### Title

Director,  
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 Social Responsibility Committee

**Appointment Date as the Director** 16 October 2000

**Shareholding <sup>1/</sup>** None

##### Highest Education

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

##### Governance Training of IOD

RCP: Role of the Chairman Program Class 34/2014  
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

##### Positions in Listed Companies in SET

2001 - Present ▶ Director, Intouch Holdings Plc  
2014 - Present ▶ Chairman of the Board of Directors, Advanced Info Service Plc

##### Positions in Other Companies/Organizations

2011 - Present ▶ Director, National Press Council of Thailand  
2005 - Present ▶ President, Thai Yarnyon Co., Ltd.  
▶ Director, Saha Thai Steel Pipe Plc  
▶ Director, The Queen's Gallery  
▶ Director, The Bangkok Bank Foundation

##### Past Experience

2001 - 2014 ▶ Independent Director and Member of the Audit  
Committee, Intouch Holdings Plc  
1995 - 2013 ▶ Director, Barcelona Motor Co., Ltd.  
2002 - 2010 ▶ Director, German - Thai Chamber of Commerce  
2005 - 2009 ▶ Director, Yontrakit Volkswagen Marketing Co., Ltd.  
1999 - 2009 ▶ Director, Worldclass Rent a Car Co., Ltd.  
2001 - 2008 ▶ Vice Chairman, Yontrakit Group

**Relationship with Directors and Management** None



#### Mr. Boon Swan Foo

59 / Nationality Singaporean

##### Title

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**<sup>1/</sup> None

##### Highest Education

Master Degree in Business Administration, National University of Singapore

##### Governance Training of IOD

Director Examination Class 40/2014

DCP: Directors Certification Program Class 182/2013

##### Positions in Listed Companies in SET

2007 - Present ➤ Director, Intouch Holdings Plc

##### Positions in Other Companies/Organizations

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

##### Past Experience

2005 - 2014 ➤ 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.

**Relationship with Directors and Management** None



#### Mr. Somprasong Boonyachai

59 / Nationality Thai

##### Title

Director, Chief Executive Officer  
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 Social Responsibility Committee,  
Authorized Director and Acting-President

**Appointment Date as the Director** 25 April 2007

**Shareholding**<sup>1/</sup> 0.0236%

##### 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

##### Positions in Listed Companies in SET

2010 - Present ➤ Acting-President, Intouch Holdings Plc

2008 - Present ➤ Chief Executive Officer and Chairman of the Executive Committee, Intouch Holdings Plc

2007 - Present ➤ Director, Intouch Holdings Plc

2008 - Present ➤ Vice Chairman of the Board of Director, Advanced Info Service Plc

2006 - Present ➤ Director, Thaicom Plc

2002 - Present ➤ Independent Director and Member of the Audit Committee, Power Line Engineering Plc

##### Positions in Other Companies/Organizations

2004 - Present ➤ Director, Praram 9 Hospital Co., Ltd.

##### Past Experience

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

**Relationship with Directors and Management** None

Remark <sup>1/</sup> As at 31 December 2014, the number of ordinary share includes holding by spouse and minor children.





**Mr. Wichian Mektrakarn**

60 / Nationality Thai

**Title**

Member of the Executive Committee

**Appointment Date as the Management** 17 February 2011

**Shareholding**<sup>1/</sup> 0.0012%

**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

**Positions in Listed Companies in SET**

2011 - Present ▶ Member of the Executive Committee, Intouch Holdings Plc  
2014 - Present ▶ Advisor, Advanced Info Service Plc  
▶ Director, Prukso Real Estate Plc

**Positions in Other Companies/Organizations**

2014 - Present ▶ Director, International School of Engineering, Chulalongkorn University  
▶ Director and Member of the Audit Committee, Thanachart Insurance Plc

**Past Experience**

2009 - 2014 ▶ Chief Executive Officer, Advanced Info Service Plc  
2010 - 2012 ▶ Acting Chief Marketing Officer, Advanced Info Service Plc  
2006 - 2009 ▶ President, Advanced Info Service Plc

**Relationship with Directors and Management** None



**Mrs. Suphaje Suthumpun**

50 / Nationality Thai

**Title**

Member of the Executive Committee and Chairman of the Management Committee - Media & New Business

**Appointment Date as the Management** 11 August 2011

**Shareholding**<sup>1/</sup> 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

**Positions in Listed Companies in SET**

2011 - Present ▶ Member of the Executive Committee and Chairman of the Management Committee - Media & New Business, Intouch Holdings Plc  
2012 - Present ▶ Chairman of the Executive Committee, Thaicom Plc  
2011 - Present ▶ 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

**Past Experience**

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

**Relationship with Directors and Management** None



**Mrs. Suwimol Kaewkoon**

59 / Nationality Thai

**Title**

Member of the Executive Committee

**Appointment Date as the Management** 1 July 2007

**Shareholding <sup>1/</sup>** None

**Highest Education**

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

**Governance Training of IOD**

DCP: Directors Certification Program Class 102/2008

**Positions in Listed Companies in SET**

2007 - Present ▶ Member of the Executive Committee, Intouch Holdings Plc  
2013 - Present ▶ Chief Organization Development Officer, Advanced Info Service Plc

**Past Experience**

2007 - 2012 ▶ Chief Customer Officer, Advanced Info Service Plc

**Relationship with Directors and Management** None



**Mr. Anek Pana-apichon**

49 / Nationality Thai

**Title**

Executive Vice President - Finance & Accounting

**Appointment Date as the Management** 16 November 2000

**Shareholding <sup>1/</sup>** 0.0016%

**Highest Education**

Master Degree in Business Administration, Chulalongkorn University

**Governance Training of IOD**

DCP: Directors Certification Program Class 111/2008

**Positions in Listed Companies in SET**

2010 - Present ▶ Executive Vice President - Finance & Accounting, Intouch Holdings Plc  
2010 - Present ▶ Director and Executive Director, Thaicom Plc

**Past Experience**

Feb - Sep 2011 ▶ Acting Chief Finance Officer, Thaicom Plc  
2004 - 2010 ▶ Vice President - Finance & Accounting, Intouch Holdings Plc

**Relationship with Directors and Management** None

Remark <sup>1/</sup> As at 31 December 2014, the number of ordinary share includes holding by spouse and minor children.



#### Mr. Wichai Kittiwittayakul

53 / Nationality Thai

##### Title

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

**Appointment Date as the Management** 1 July 2007

**Shareholding <sup>1/</sup>** 0.0000%

##### 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

##### Positions in Listed Companies in SET

2013 - Present ▶ Executive Vice President - Company Secretary and  
Internal Audit, Intouch Holdings Plc

2008 - Present ▶ Company Secretary, Intouch Holdings Plc

##### Positions in Other Companies/Organizations

2011 - Present ▶ Member of the Accounting Educational and Technology  
Committee, Federation of Accounting Professions

##### Past Experience

2011 - 2013 ▶ Senior Vice President - Company Secretary and Internal  
Audit, Intouch Holdings Plc

2004 - 2011 ▶ Vice President - Company Secretary and Internal Audit,  
Intouch Holdings Plc

2010 - 2013 ▶ Advisor, The Institute of Internal Auditors of Thailand (IIA)

2007 - 2009 ▶ Chairman of the Board, The Institute of Internal Auditors  
of Thailand (IIA)

2003 - 2008 ▶ Secretary to the Board of Directors, Intouch Holdings Plc

**Relationship with Directors and Management** None



#### Mr. Kim Siritaweechai

46 / Nationality Thai

##### Title

Executive Vice President - Portfolio Management

**Appointment Date as the Management** 1 April 2014

**Shareholding <sup>1/</sup>** None

##### Highest Education

Master of Business Administration, Thammasat University

##### Governance Training of IOD

DCP: Directors Certification Program Class 116/2009

##### Positions in Listed Companies in SET

2014 - Present ▶ Executive Vice President - Portfolio Management,  
Intouch Holdings Plc

2010 - Present ▶ Member of the Executive Committee,  
Advanced Info Service Plc

##### Positions in Other Companies/Organizations

2014 - Present ▶ Director, I.T. Applications and Services Co., Ltd.

2013 - Present ▶ Director, Intouch Media Co., Ltd.

▶ Director, Touch TV Co., Ltd.

2012 - Present ▶ Director, Ookbee Co., Ltd.

##### Past Experience

2011 - 2014 ▶ Senior Vice President - Portfolio Management,  
Intouch Holdings Plc

2008 - 2011 ▶ Vice President - Portfolio Management,  
Intouch Holdings Plc

2007 - 2008 ▶ Assistant Vice President - Portfolio Management,  
Intouch Holdings Plc

**Relationship with Directors and Management** None

Remark <sup>1/</sup> As at 31 December 2014, the number of ordinary share includes holding by spouse and minor children.

## Awards and Recognition



In addition to the Company's successful performance, we are proud of our achievement awards and accolades, which were given by many reputable institutions for the dedication and collaboration among its directors, management and employees.

**The SET Awards 2014:** INTOUCH was delighted to be "Top Corporate Governance Report Awards". This award was 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.

**The Best of Asia 2014:** The Company was honored to receive in the two categories of "Asia Outstanding Company on Corporate Governance Award" for upholding

good corporate governance in Asia and "Asian Corporate Director Recognition Award 2014" to honor Mr. Somprasong Boonyachai, the CEO and Chairman of the Executive Committee, for his contribution to maintain the growth of the Company and the ethical conduct of the board. This 10<sup>th</sup> Corporate Governance Asia Recognition Awards was held in Hong Kong.

**FinanceAsia Awards,** Asia's authoritative source for financial and investment markets, recognized the region's most best companies poll as voted by institutional investors and analysts around Asia. In 2014, the Company was awarded "3<sup>rd</sup> Most Committed to a Strong Dividend Policy", "9<sup>th</sup> Best Managed Company", 10<sup>th</sup> Best Investor Relations" and "10<sup>th</sup> Best Corporate Social Responsibilities".

# Milestones

## 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 young entrepreneurs who have great potential and performance in telecom, media, IT and digital content. This will support Thai young entrepreneurs to gain competitiveness and also expanding the Company’s investment portfolio.
- › The Company invested in the first InVent investment, Ookbee Co., Ltd. (Ookbee) by taking 25.03% stake with total investment of 57.48 million baht.
- › Advanced Wireless Network Co., Ltd. (AWN), 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 satellite operations. Thaicom 7 is the first satellite under a license system.

## 2013

- › The Company made new investments in InVent project which are Meditech Solution Co., Ltd. by taking 30% stake with total investment of 4.99 million baht, and Computerlogy Co., Ltd. by taking 25% stake with total investment of 29.01 million baht.
- › AWN officially launched the 3G mobile telephone services on 2.1GHz band.

## 2014

- › INTOUCH changed the Company’s name and seal to “Intouch Holdings Public Company Limited” on 31 March 2014.
- › Transcosmos Inc. in Japan purchased newly-issued shares from Ookbee, equivalent to 11.11% of the paid-up capital, in the amount of 5 million USD (approximately 161.6 million baht), which resulted to a decrease in percentage of investment of INTOUCH to 22.26%.
- › The Company changed a dividend policy from “not less than 40% of the Company’s net profits” to “pass through dividend received from its associates and subsidiaries after the deduction of operating expenses” in order to support the clarity of intent for the benefit to INTOUCH’s shareholders.
- › Intouch Media Co., Ltd., a 99.99% owned subsidiary of the Company, invested in a joint venture with Kantana Group Plc. The initial investment is 40 million baht by 50% each in order to produce the digital television content and leverage the potential of its existing businesses.
- › AIS announced its success in 3G 2100 network expansion reaching nationwide coverage within 1 year, wider than existing 2G network and faster than the target required by the NBTC.
- › On 6 January 2014, Thaicom 6 satellite was successfully launch into orbit at the 78.5 degrees East orbital slot. The satellite has provided communication service to Thailand, Southeast Asia and Africa with its design life of 15 years.
- › Launched on 7 September 2014 at the 120 degrees East orbital slot, Thaicom 7 has provided service in Asia Pacific, Australia and New Zealand.



# Nature of **Business**



# INTOUCH Group's Investment Structure

as of 31 December 2014

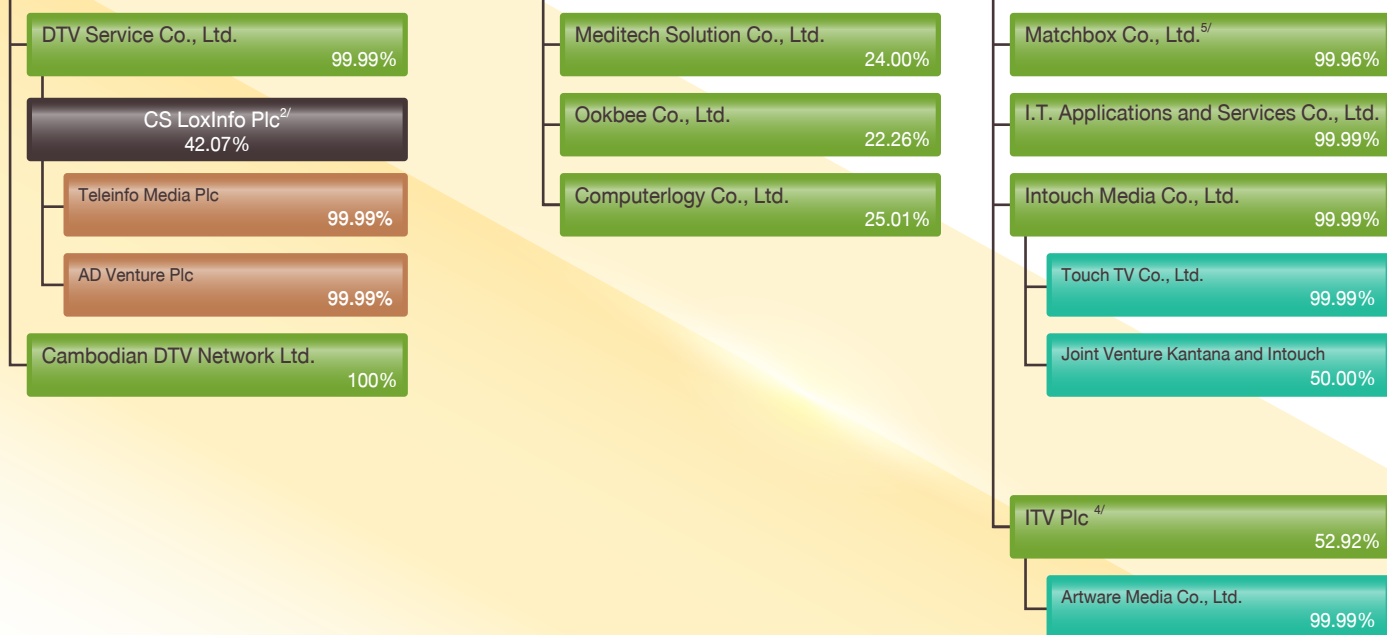
## Intouch Holdings Plc <sup>1/2/</sup>



Local Wireless Telecommunications

Satellite and International Businesses

## Internet and media services



## Other Businesses

Venture Capital

Others

1/ Holding Company

2/ Listed Company on the Stock Exchange of Thailand

3/ On process of liquidation

4/ The Board of Governors of the Stock Exchange of Thailand has resolved to delist ITV's common stocks, effective 24 July 2014 onwards.

ITV is involved in a legal dispute with the Prime Minister's Office, which is currently under arbitration.

5/ MB is planning to cease its operations as it has been posting continuous losses.

# Summary of Operating Results

Business Segment	Operated by	Operation interest as at 31-Dec-14	2014		2013 (Restated)		2012 (Restated)	
			Baht Million	%	Baht Million	%	Baht Million	%
Wireless telecommunications - domestic	AIS and its subsidiaries	40.45	14,538	98.49	14,644	100.53	14,171	102.78
Satellite and international businesses								
- Share of profit, excluding loss of Mfone			841	5.70	484	3.33	355	2.56
- Share of loss from discontinued operation of Mfone <sup>1/</sup>	THAICOM and its subsidiaries	41.14	-	-	(21)	(0.15)	(209)	(1.51)
- Share of loss from impairment on assets of Mfone			-	-	-	-	(72)	(0.52)
Other businesses:								
- Loss from operation, excluding Matchbox	Operated by Intouch Holdings PLC and its subsidiaries <sup>2/</sup>		(553)	(3.75)	(534)	(3.66)	(461)	(3.34)
- Discontinued operation of Matchbox			(65)	(0.44)	(5)	(0.05)	3	0.03
Net profit to owners of the parent			14,761	100	14,568	100	13,787	100

## Remark:

<sup>1/</sup> On 14 February 2013, Mfone is under of the Court and the administrator, as a result THAICOM lose the control over Mfone. Since then, Intouch Group has not recognised the financial statements and the operating result of Mfone in the consolidated financial statements.

<sup>2/</sup> Comprised of ITAS Co., Ltd., Matchbox Co., Ltd. (Regarding to the continued operation loss, Matchbox has a plan to close down its operation), ITV PLC. (ITV ceased operations on 7 March 2007 and still recognizes a loss on provision for interest of the unpaid operating agreement fees) and business under Venture Capital Project.

## Nature of Business

Telecommunication is a foundation and be more important for all consumers in the present day. Over the past 30 years, INTOUCH has been foreseeing in the growth opportunities of the telecommunication-related business and continuing expand those businesses in telecom, media, IT, and digital content. The new investments are under InVent Project and new business department. INTOUCH Group businesses are divided as follow.

Advanced Info Service Public Company Limited or AIS successfully provides mobile business for more than 20 years and continually sustains its mobile operator leader in Thailand with the number one revenue and subscriber market shares. The change toward digital consumption, AIS prepares itself to be a digital life service provider, including variety of contents and new applications, which will certainly elevate the modern daily lifestyle and generate new source of income.

Thaicom Public Company Limited or THAICOM is the transponder leasing provider for both domestic and international market. In 2014, THAICOM expanded its territory to African market via Thaicom 6 at 78.5 degree East and reserved national slot on 120 degree East by launching Thaicom 7. The footprint of Thaicom 7 covers Indochina, South Asia, and Australia regions. THAICOM believes in boundless connection, then, it offers mobility services to people on the move at sea, on land, and in the air with high speed internet.

As INTOUCH believes in the innovation and creativity that be inherent in young entrepreneur, InVent was set to support and promote high potential start-ups companies by facilitating capital, which is needed for business expansion to the rapid change of the World. The shareholding proportion in each project is targeted at 25-30% and the total investment per year is set at 200 million baht. Furthermore, INTOUCH had put extensive effort to explore new business opportunities, which will be the new source of revenue stream. INTOUCH is a debt free company and also have more than 2,000 million baht cash on hand. So we are ready for the new

investment opportunities. However, if our cash on hand is shortage, the source of fund will be from financial institutions.

## Local Wireless Telecommunication Business by AIS

Mobile services remain AIS's core business as a result of a mobile penetration in Thailand has climbed up to 140% and is expected to grow further with the acceleration of data adoption. This drives AIS's determination to continuously enhance its 3G-2.1GHz capacity to serve the rapid increase in customer usage. The change toward digital consumption also means the 4G technology will become more prevalent in the near future. This prescribes the importance of additional spectrum requirements, in particular the 1800MHz and 900MHz that will soon be available for auction.

In early 2015, AIS will start a *fixed broadband business*, providing internet to households to respond to customer usage both in and out of homes. AIS can leverage from extensive amounts of high-quality fiber optics (FTTx) nationwide deployed under 3G-2.1GHz network, which can provide higher speeds on both upload and download. As the market penetration remains low, this business will develop into a new important source of revenue for AIS as they plan to become one of the major providers in the market. Ultimately, this business will create defensive value to its large subscriber base of mobile business going forward.

A variety in *digital contents* will be an essential propeller for AIS as a Digital Life Service Provider. Digital contents will be a medium from which they can generate a new form of revenue, differing from the current voice and data services. AIS will focus on partnering with various content providers such as football broadcasting and reading platform contents to support creating an integrated digital environment. This will change the ordinary way of data consumption unprecedentedly. Due to the accelerating data uptake trend, it is a crucial indication for AIS to seek new and interesting contents to serve high-demand





customers. This will include not only entertainment media but also games, cloud computing, online financial transactions and machine to machine services, which will certainly elevate the modern daily lifestyle.

### Industry and competition in 2014

The year 2014 is the second year in which mobile operators have been providing services on the 2.1GHz spectrum under the licensing scheme, in addition to other spectra which are under the BTO agreements for operations. Operators have been attracting customers to the 2.1GHz spectrum which are run for both 3G and 4G. There has been a concentration in marketing campaigns to encourage customers, particularly the mid- to low-tier segments, to adopt 3G-enabled handsets. To support that, operators started to bring in various handsets costing less than 5,000 baht to the market. As these new mid-tier handsets were successfully sold, operators found that the market was more urging to be online -- data uptake has tripled in 1 year -- than concerning about handsets' brands. However, from the heightened competition, ARPU trends of all operators are sloping downward from the decrease in price per unit and more package-bundled discounted handsets. With the effect from political uncertainties during the first half of the year, the overall industry grew less than 2%.

Regulatory issue in 2014 has been the key moving and debatable factor. In July 2014, there was a postponement of the 1800MHz and 900MHz spectra, which caused a one-year extension of the 1800MHz remedy period until July 2015. The remedy period was for the continuity

in providing services to protect public benefits and to seamlessly secure customers subscription while the spectra are to be allocated.

### Mobile industry trend in 2015

The competition is expected to remain intense as operators continue to launch campaigns to attract customers to use 3G-2.1GHz network. Cheaper 3G-enabled smartphones and featured phones bundling with persuasive packages to encourage 3G adoption will approach the low-end customers which are the majority of the country. However, it is expected that operators will maintain rational pricing while keeping improving their networks to serve the strong data consumption growth. Beside capacity investments, operators will also seek partners to supply more digital contents, which will generate a new form of revenue, to foster the digital life.



In addition, we expect that the NBTC will hold the delayed auction midst 2015 on both 1800MHz, which has been under the remedy period, and 900MHz which will expire in September 2015. The auction will develop new dynamics in the industry as operators will be able to invest in 4G in addition to the current 3G services. We also expect that 4G-enabled handsets will be about 10% of new handset sales in 2015.

### Business direction over the next 3-5 years

Over the next 3-5 years, the behavior shift of consumers toward digital lifestyle will change the face of telecom business in Thailand from today. Customers will easily and quickly reach news, information, and entertainment media to fulfill their needs in many ways through more advanced services and networks provided by operators. For AIS, they find this as a compelling opportunity to transform themselves to be a "Digital Life Service



Provider” who focuses on servicing the always-connected lifestyle via its quality networks - our strong core fundamental. To achieve that, AIS puts an emphasis on 3 key strategic elements: mobile services, fixed broadband services, and digital contents.

## Satellite and International Businesses by THAICOM

The satellite’s footprint allows broadcasters and telecommunication operators to benefit from the satellite’s nationwide and cross-regional coverage. As a result, the satellite operators can support the demands of government and enterprise markets, as well as the broadcasters and terrestrial cellular network operators who face growing demand for broadband backhaul solutions.

Thanks to the overwhelming demand for satellite transponder leasing, THAICOM has succeeded on launching Thaicom 6 on 6 January 2014 and Thaicom 7 on 7 September 2014. THAICOM currently operates 4 satellites, including 3 conventional satellites (Thaicom 5, Thaicom 6 and Thaicom 7) and 1 broadband satellite (Thaicom 4 (IPSTAR)).

THAICOM, in addition, plans to launch a new satellite, Thaicom 8. This satellite will be located on the same orbital slot as Thaicom 5 and Thaicom 6 at 78.5 degrees East. It is aimed to provide services for Thailand and Indochina, South Asia and Africa markets, with 24 Ku-band transponders. By having Thaicom 8, THAICOM will strengthen its broadcast platform at 78.5 degrees East by increasing number of satellite television channels and eyeballs. Presently, Thaicom 8 is under construction and is scheduled to be launched in the first half of 2016.

In addition to support Direct-To-Home (DTH) broadcasters and channel operators, THAICOM provides **Digital Cinema Package (DCP)**, which is a cost-effective and

secure solution to facilitate cinema playout virtually anywhere in the satellite’s coverage area, and also offers **Mobility** services to people on the move at sea, on land, and in the air. THAICOM’s mobility platform took shape in year 2014, with the launch of In-Flight Entertainment and Connectivity (IFEC) services in Thailand, providing broadband at 3G like speeds on Commercial flights. On the Maritime front, THAICOM joined hands with AIS to provide 3G-2.1GHz via a THAICOM satellite on the Royal Thai Navy’s H.T.M.S Krabi, communicated with naval operation center and their families while they were on the mission along seaport cities of countries in Asia-Pacific.

### Industry outlook and Competition in 2015

**Broadcast and Media** - Northern Sky Research (NSR) expects strong bifurcation global growth of C-band and Ku-band transponders demand for the next decade. DTH market will score the biggest Ku-band demand gains, primarily for carriage of new Standard Definition (SD) and High Definition (HD) channels as well as an emerging Ultra High Definition (Ultra HD) segment, which strongest regions are Southeast Asia, South Asia, East Asia, and North America.

In recent years, despite the increasing demand, there has been a shortage of satellite capacity in the **Asia-Pacific region**, especially on standard C-Band and Ku-band transponders resulting in the increase in market prices. In the next few years, it is expected to see sustainable growth in demand for satellite TV DTH platforms, HD, and Ultra HD television, which will continue to boost up the demand for C-band and Ku-band transponders in Asia-Pacific.

In **Thailand**, NBTC has announced the new regulation that satellite TV channels must have the pay TV license for broadcasting. This regulation will encourage the content provider to broadcast high quality contents and create level playing field among broadcasters which will raise the



Thaicom 4  
Launched : 2005



Thaicom 5  
Launched : 2006



Thaicom 6  
Launched : 2014



Thaicom 7  
Launched : 2014



Thaicom 8  
Target Launch :  
1H16

local broadcast market growth sustainably. Additionally, in April 2014, the deployment of Digital Terrestrial Television (DTT) create additional demand for the conventional satellite market due to the must carry regulation issued by NBTC, since the must carry regulation requires every household in Thailand to be able to access DTT channels.

THAICOM believes that the competitions in the industry will be minimized due to its long-term reputation, relationship with the customers and the selective neighborhood channels on THAICOM satellites. In Thailand, at present, there is 70% of total population receiving satellite TV and cable TV through our satellites at 78.5 degrees East building barriers to entry for other satellite operators. For international markets, THAICOM still owns a leading position in market share in Indochina and is one of the key players in South Asia.

**Africa** is an emerging market with full of potential. There are two key drivers for satellite services which are the growth of video distribution market, due to a trend of African content localization, and high demand for telecommunication applications. VSATs in Africa connect enterprises and several vertical markets such as oil and gas, and support applications such as distance learning, internet access, telemedicine and e-government projects. THAICOM will compete in African market by cooperation with strategic partners and the expansion of the existing customers' networks.

**Broadband and Data** - Thaicom 4 (IPSTAR) will maintain its competitiveness as the first mover with a more reliable Ku-band HTS system. THAICOM has been in the broadband satellite business for almost ten years and has presence and landing rights in more than ten countries in Asia-Pacific which are the key success factors for providing broadband services in the region. In addition, THAICOM has maintained good relationships with customers and business partners to ensure customer satisfaction and a win-win cooperation framework.

Globally, demand for broadband satellite is expected to grow exponentially in the next decade. There were nearly 3 billion Internet users worldwide at the end

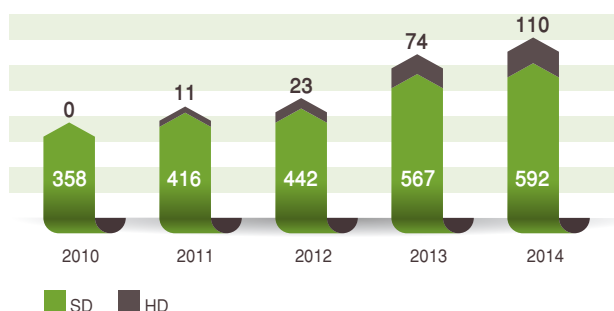
of 2014. In addition, the increase of deployments in the aeronautical and maritime sectors will drive the growth of commercial mobility segment, forecasting that by 2023 commercial aircrafts will offer In-Flight Entertainment and Connectivity to reach 2,500 connected aircrafts in Asia-Pacific region.

## Strategies in 2015

### Broadcasting satellite

THAICOM will continue to strengthen its "Hot bird" strategy for Thaicom 5 and Thaicom 6. The number of satellite TV channels increased from 641 channels (567 SD and 74 HD channels) in 2013 to 702 channels (592 SD and 110 HD channels) in 2014. Scheduled to be launched in the first half of 2016, Thaicom 8 will further increase capacity and number of channels at this prime orbital slot. For Thaicom 7, THAICOM initially focuses on the telecommunication segment and will strive to create the "Hot bird" strategy at this new orbital slot in the medium-to long-term.

Number of Sattelite TV channels on Thaicom @ 78.5 °E



### Broadband satellites

In order to understand customers in different countries and satisfy their needs precisely, THAICOM will focus on a particular market segment in each country and offer solutions to serve the customers' needs to drive Thaicom 4 (IPSTAR) capacity utilization in countries that still have room to grow such as India, Indonesia and Philippines. For countries that are currently fully utilized, THAICOM will work with customers to determine a possibility of a follow on satellite after Thaicom 4 (IPSTAR) reaches its end of life in 2021.

### New service platform

In 2014, THAICOM introduced new service platforms including In-Flight Entertainment and Connectivity, Content Delivery Network (CDN) and Broadcast & Broadband Convergence platforms.

Additionally, THAICOM cooperates with CS LoxInfo Public Company Limited or **CSL** provides an integrated uplink/downlink services including TV signal uplink/downlink, live broadcast, and tape playback (analog and digital).

**LTC** is the leading cellular phone operator in Laos from 4 operators in the market. It is also the leader in internet service providers with 50% market share from 6 major internet service providers. LTC is the first mobile operator to provide 3G cellular phone service in the Lao P.D.R., with the network now covering all provinces of the country. In 2014, the system was improved significantly to allow for higher data usage by customers. In addition, LTC also introduced 4G service in central and south area, which it could be completed in first quarter of 2015.

## Venture Capital Project under “InVent”

InVent was launched in 2012 by INTOUCH which aim to support and promote high potential start-ups companies in telecom, media, IT and digital content market and also other businesses which create value to INTOUCH Group businesses. It was a new paradigm shift for Thai corporate to have an investment of corporate funds. INTOUCH believes that this will support start-ups companies to gain their competitiveness for the coming AEC in 2015 and also benefit INTOUCH Group growth direction.

In the recent year, we have done a lot of activities to promote entrepreneurship of Thai people through our Venture Capital activities. Firstly, we have initiated the partnership with incubation centers of major Thai universities to promote the entrepreneurship of the students. We believe in the innovation and creativity that reside in a new generation so we are trying to push on them to have successions in their businesses as early as possible.

In addition, we have setup a private InVent Accelerate Program to help start-ups companies who still not ready for real business to be prepared and learn how to operate their businesses properly. Some of the qualified candidates were selected from the university incubation centers which we have partnered with. Then, we funded every teams a substantial amount to kick start their businesses. The result of this program is outstanding. We hope to continue increasing the success rate of start-ups companies through this program.

Lastly, after went through the arduous process of selection from incubation and Accelerate Program, we have offered them the seed funding to help drive their business further to success. We also now open for the seed investment to every start-ups who are in need of funding but do not ready for the Series A financing.

By using the aforementioned activities, we are strengthening the upstream of Thai start-ups’ ecosystem and hope that the strengthened upstream will, consequently, flourish the entire ecosystem. After careful consideration by InVent Committee, INTOUCH invested in four companies so far: Ookbee Co., Ltd., Meditech Solution Co., Ltd., Computerlogy Co., Ltd. and Infinity Levels Studio PTE. LTD.

“Ookbee”, our first investment in 2012, is the largest application platform provider for e-publication in Thailand, and expanding into Vietnam, Singapore, and Malaysia. In April 2014, Ookbee successfully secured funding from Tokyo-based IT outsourcing firm, transcosmos. transcosmos invested 5 million USD (approximately 161.6 million baht) or equivalent to 11.11% of the paid-up capital. As a result, the investment of INTOUCH in Ookbee decrease to 22.26%.

In 2013, INTOUCH invested in “Meditech Solution”, a 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. In the same year, INTOUCH invested

in “Computerlogy”. It is one of the leading social media management tool providers who currently providing the solution to many large corporates and enterprises in Thailand. In 2014, Computerlogy launched a new product “TH3RE” to serve big corporations on the demand of big data analysis, including capture, search, sharing, storage, transfer, and visualization.

Last but not least, INTOUCH has injected 15 million baht to “Infinity Levels Studio”, a famous Thai mobile game studio, in 2014. The funding is for supporting the development of its outstanding game “Ranch Run” and other future game development. Infinity Levels Studio is the first investment that we offered the seed funding.

InVent is valuable to the start-ups not only by facilitating financial support but also providing business opportunities and networking with INTOUCH Group. Therefore, it is a good opportunity for other young entrepreneurs to gain their long term competitiveness from InVent. Together, INTOUCH and the start-ups can create the synergies much more than the standalone entity. Ultimately, this will be beneficial to the economy of our country.

## New Business

In 2014, INTOUCH had put extensive effort to explore relevant new business under telecom, media, IT, and digital content. For any new investment, INTOUCH will go through well-established assessment processes professionally and make prudent decision to ensure the new business align with INTOUCH’s core value. INTOUCH had identified few business opportunities in 2014 and are under the above-mentioned process of study.

For 2015, we will continue carry on the study, at the same time, explore more new business opportunities to support INTOUCH strategy direction for creation

of shareholder value and expansion of business sustainability. The focus will remain around digital services which also align with government’s Digital Economy initiative.

# Risk Factors

INTOUCH Holdings Plc (the Company) 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 98.59% 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) and Thaicom Plc. (THAICOM) 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. Loss of Key Personnel

**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 and 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. The assessment criteria and leadership competencies are identified for the successors, and individual development plans are drawn up and regularly monitored to ensure their readiness. The succession planning 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 2014, the Company and its subsidiaries had outstanding foreign currency assets and liabilities of 974 million baht and 7,099 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 2014, Thailand's economy was affected by a slowdown in the export and tourism sectors due to the economic downturn in major economies such as the US, Europe and Japan along with political instability in Thailand. Although many analysts have predicted there will be a gradual upswing in Thailand's economy in 2015, since the US economy has started to grow again and the Thai government will be able to introduce more stimuli as the political situation becomes stable, there is still a downside risk from fiscal policy uncertainty in other major countries' economies. The fiscal stimulus measures in these countries are still unclear, which makes it possible for sudden capital



outflows resulting in big fluctuations in foreign exchange rates against the baht. Financial institutions may become more selective in extending 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

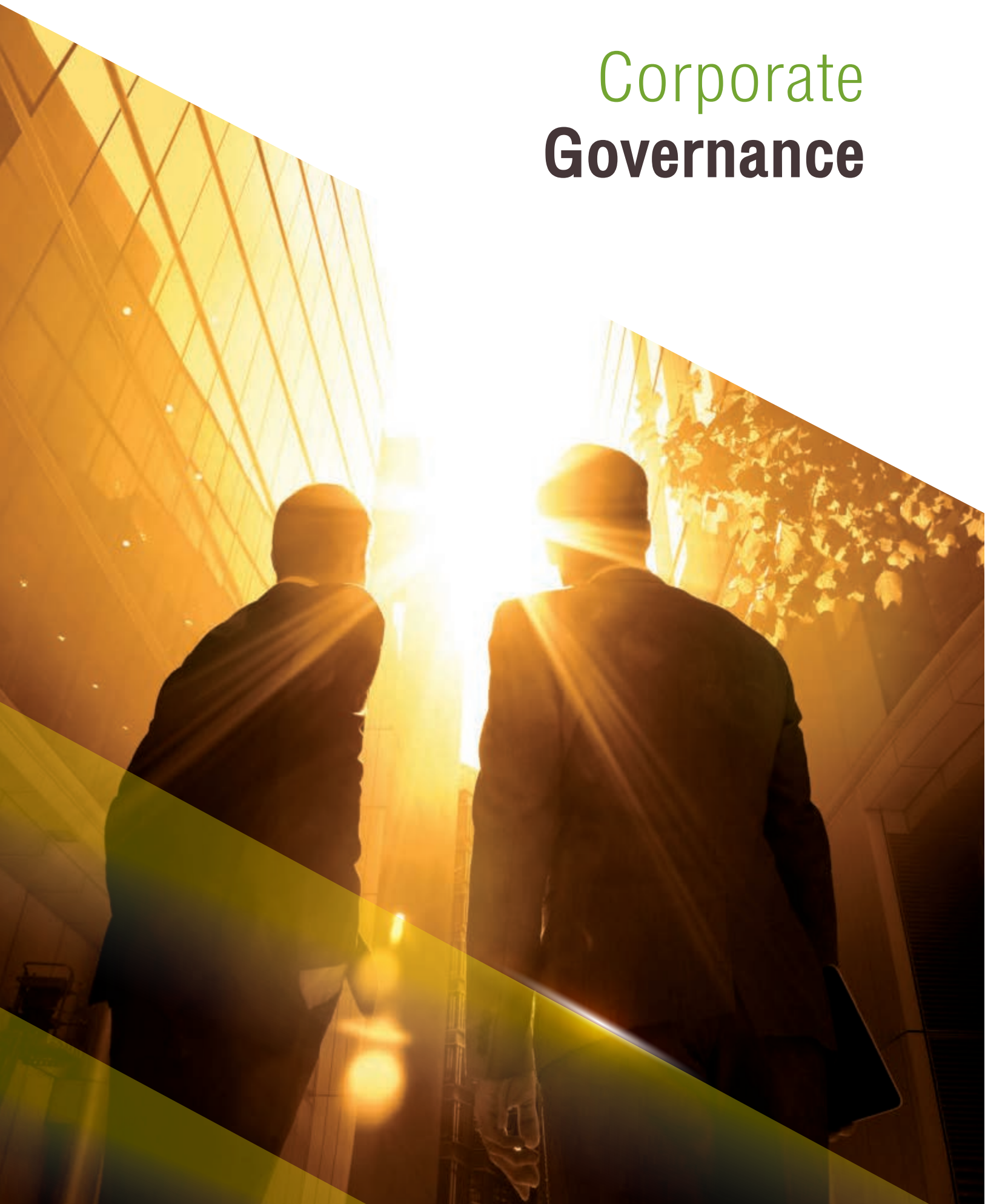
**Risk:** In year 2011, the Ministry of Information and Communication Technology (MICT) sent a letter to the Company demanding compliance with the resolutions of the Coordination Committee under Section 22 of the Act on Private Participation in State Undertaking, B.E. 2535 regarding the three provisions 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 transferred to the MICT; and 3) the Company's shareholding in THAIKOM be increased to not less than 51 percent. The Coordination Committee under Section 22 has now been superseded by a committee under Sections 43 and 72 of the Permission for the Private Sector to Jointly Undertake Work or Operate the Work of State Enterprises Act, B.E. 2556, which is currently reconsidering these matters.

**Risk mitigation:** With regard to the back-up satellite and insurance proceeds, the Company and THAIKOM 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 THAIKOM's actions pertaining to these issues had been approved by the MICT, and the Company had provided the

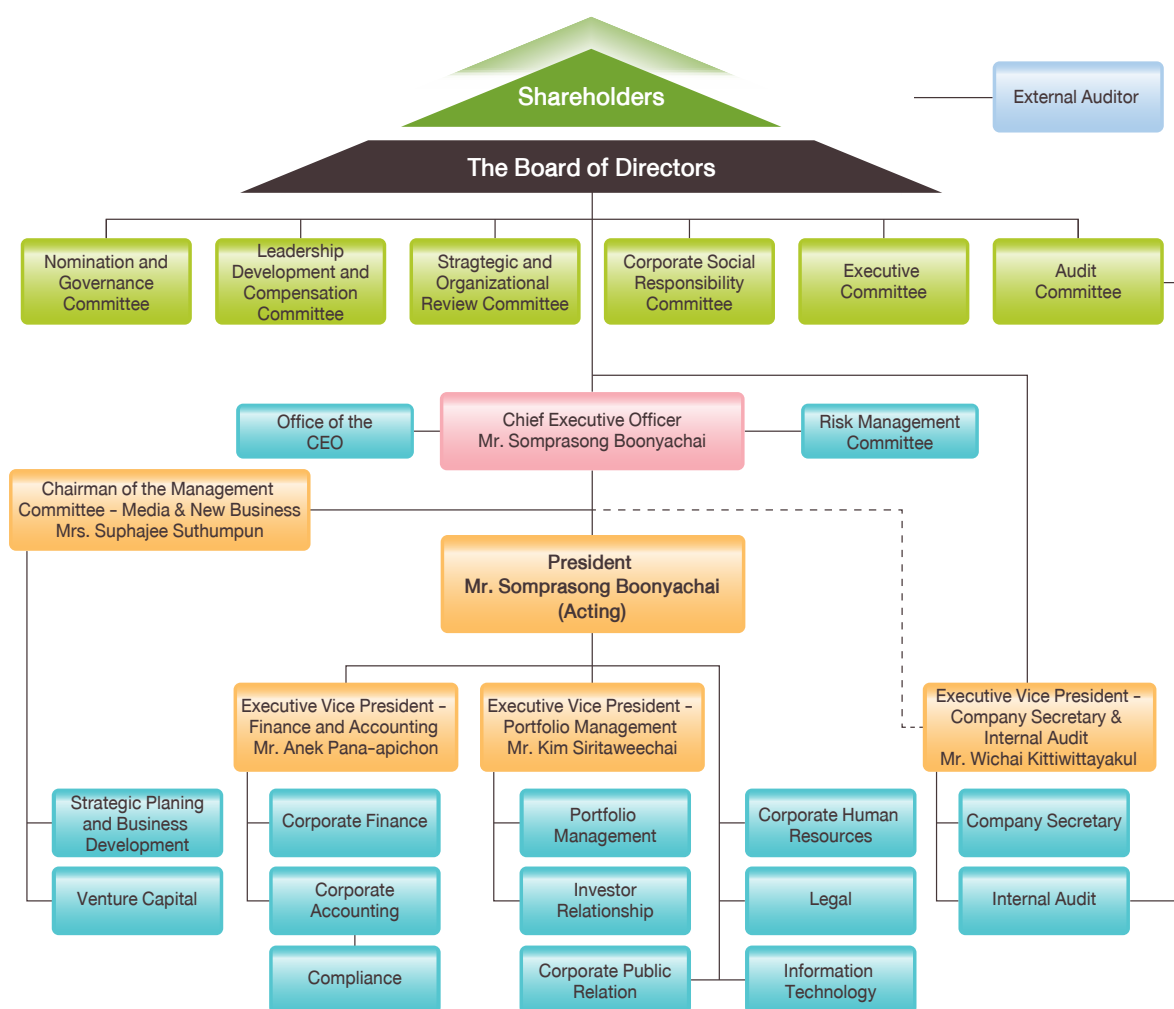
necessary facts and background information to find a solution that was mutually beneficial. Therefore, any dispute should be resolved under the dispute resolution clauses in the agreement.

As for the reduction in the Company's shareholding in THAIKOM 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



# Governance Structure



Management Team as defined by Capital Market Supervisory Board

The diagram above shows the Company's current governance structure. The key roles and responsibilities of the Board of Directors and its committee are outlined in the corporate governance report.

# Corporate Governance Report

## Introduction

The Board of Directors (the “Board”) of Intouch Holdings Plc (the “Company” or “Intouch”) believes that a good corporate governance system, which consists of qualified and accountable directors, competent management, 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 to its shareholders.

Therefore, the Board has developed and adopted the Corporate Governance Policy to assist it in the proper exercise of its responsibilities. 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 directors, executives and employees. The last revision was undertaken on 31 March 2014.

This section of the annual report describes the Company’s corporate governance framework, policies and practices that have been applied throughout the year 2014.

 The Corporate Governance Policy can be found in the “Corporate Governance” section of our website at [www.intouchcompany.com](http://www.intouchcompany.com).

## Compliance with the Set’s Principles of Good Corporate Governance

The Stock Exchange of Thailand recommends that listed companies comply with the *Principles of Good Corporate Governance for Listed Companies 2012*. These principles can be adapted by each company to best fit its individual firm’s functional needs. If a company chooses not to comply with any of these principles, it should thoroughly explain the reasons for not doing so (“Comply or Explain” principle).

The Board of Directors has concluded that the Company complied with the SET’s Principles of Good Corporate Governance throughout the year 2014, with the exception of certain deviations set out and explained 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. However, he is able to exercise his judgment independently.
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 2014, an independent director accounted for 25% of the Nomination and Governance Committee and non-executive directors accounted for 50%. The Board considers that non-executive directors are able to exercise their judgment independently.

SET Recommendation	The Company's Explanation
The majority of the compensation committee should be independent directors.	As at 31 December 2014, an independent director accounted for 25% of the Leadership Development and Compensation Committee and non-executive directors accounted for 50%.  The Board considers that non-executive directors are able to exercise their judgment independently.
The chairman of the compensation committee should be an independent director.	The chairman of the Leadership Development and Compensation Committee is a non-executive director. The Board considers that he is able to exercise his judgment independently.
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 of the Board and Management

The Board of Directors represents all shareholders and is responsible for govern 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 Board and 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.

The Board has delegated responsibility for managing the Company's day-to-day business and operations to the management through the Chief Executive Officer within the limits set out in delegations of authority approved by the Board while reserving key matters for the Board.

The roles and responsibilities of the Board are as follows:

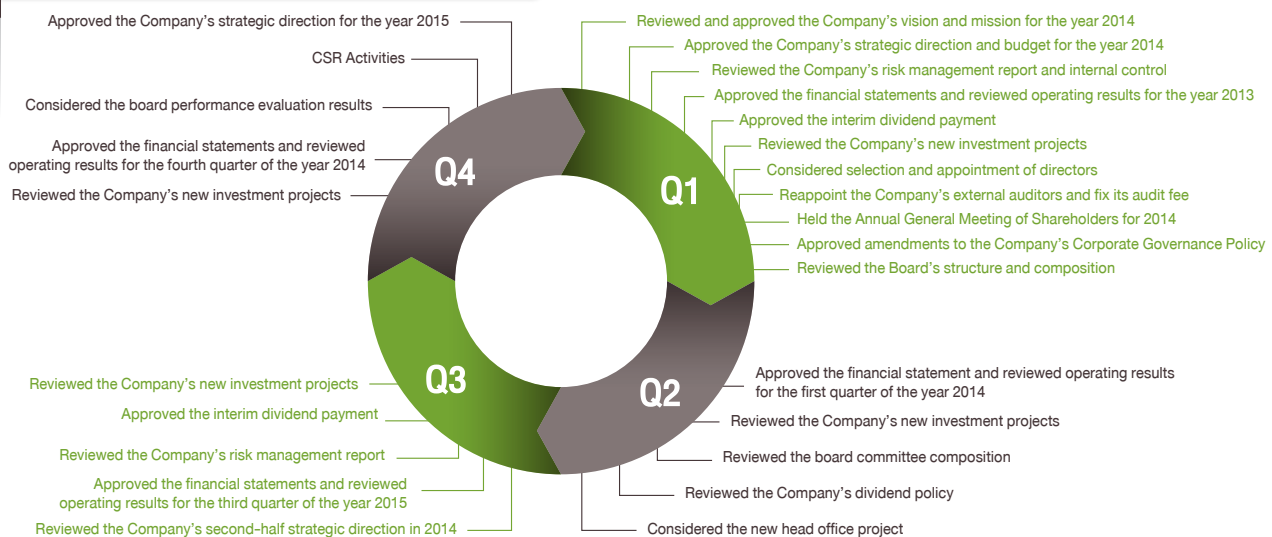
- Approve and review and the Company's vision, mission and values with a focus on creating long-term value for the shareholders.
- Approve and review the Company's strategic direction, annual business plan and budget, and monitor the implementation of its strategic direction and the performance against business plan and budget.
- Consider and approve major issues such as large investments, policy, management authority, and any transactions as prescribed by law.
- Approve and/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 Chief Executive Officer and the other executives, and determine appropriate remuneration.
- Be responsible for overseeing operational results and the management's performance 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.

### Key matters reserved for the Board's approval include:

- › Strategy, business plan, key performance indicators and budget
- › Capital expenditures and expenses exceeding certain material limits
- › Strategic investments in new businesses and divestments
- › Organization structure and the appointment of the CEO and executives
- › Significant business policies
- › Material contracts
- › Material litigation
- › Loan commitments and lines of credit from banks and other financial institutions
- › Dividend policy, declaration of interim dividends and proposal of final dividends to the annual general meeting of shareholders

### The Board Works in 2014





## 2. Authorized Signatories

Mr. Virach Aphimeteetamrong and Mr. Somprasong Boonyachai have been designated as the Company's authorized signatories. Validation of all documents requires the signatures of both directors along with the Company's seal.

## 3. Board Size and Composition

All the Company's directors have a broad knowledge and experience of business. As at 31 December 2014, the Board comprised eight (8) members, while a replacement for Mr. Bodin Asavanich\*, who resigned on 7 October 2013, is still being sought. All their biographies are shown in the Annual Report for 2014, pp. 14-17.

Name of Director	Nationality	Position	Date First Appointed
1. Dr. Virach Aphimeteetamrong	Thai	Chairman of the Board of Directors	7 November 2001
2. Mr. Somchai Supphatada	Thai	Independent Director	30 June 2006
3. Mr. Chalaluck Bunnag	Thai	Independent Director	14 August 2007
4. Miss Sopawadee Lertmanaschai	Thai	Independent Director	28 March 2014
5. Mr. Prasert Bunsumpun	Thai	Independent Director	26 December 2011
6. Mr. Vithit Leenutaphong	Thai	Non-Executive Director	16 October 2000
7. Mr. Boon Swan Foo	Singaporean	Non-Executive Director	26 September 2007
8. Mr. Somprasong Boonyachai	Thai	Executive Director	25 April 2007

\* Mr. Kwek Buck Chye was appointed to the Board of Directors on 28 January 2015 to fill the vacant position left by Mr. Bodin Asavanich.

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 composition 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.

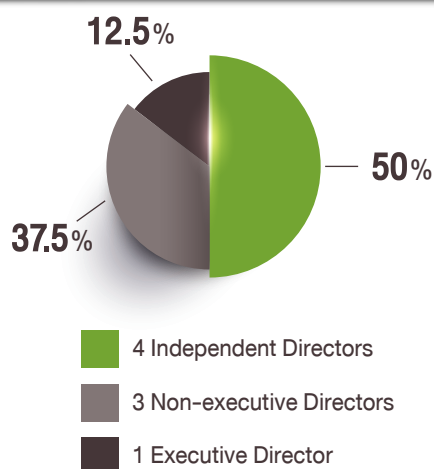
 The Articles of Association can be found in the "Corporate Governance" section of our website at [www.intouchcompany.com](http://www.intouchcompany.com).

## 5. Board Diversity

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.

### Proportion of Independent Directors on the Board



#### Male/Female



#### Length of Directors' Tenure



### Skill and Experience (Number of directors)



## 6. Board Membership Criteria

All directors must satisfy the following minimum requirements:

- Demonstrate capability, display the utmost integrity, and uphold ethical business practices.
- Devote sufficient time to the Company in order to perform their duties professionally.
- Possess the necessary qualifications for their positions and not be disqualified in any way under the *Public Limited Companies, Act BE 2535* or other related laws.

## 7. Board Selection and Appointment

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 nomination processes are shown below.

### 7.1 Selection and appointment of new directors

When the Board decides to appoint a new director, the Nomination and Governance Committee proceeds as follows:

- 1) The 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.
- 2) The committee identifies potential candidates who would best meet the selection criteria from the sources below:
  - a. Recommendations from current Board members.
  - b. 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.
  - c. Professional search firms.
  - d. The IOD director pool.
- 3) The committee conducts an initial assessment of candidates' qualifications, and then interviews people it has short-listed.
- 4) The 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.

In 2014, a professional search firm was engaged to find a new director, and this procedure was followed when Miss Sopawadee Lertmanaschai was recruited.

### 7.2 Re-appointment of directors

In deliberations on the re-appointment of existing directors, 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 2014, this procedure was followed when Mr. Vithit Leenutaphong, Mr. Chalaluck Bunnag and Mr. Somprasong Boonyachai were re-appointed as directors.

## 8. 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.

## 9. Independent Directors

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.

#### 10. Chairman of the Board and Chief Executive Officer

The Board has a policy to separate the positions of the Chairman of the Board and the Chief Executive Officer. The Chairman of the Board, Dr. Virach Aphimeteetamrong, is a non-executive director, while the Chief Executive Officer, Mr. Somprasong Boonyachai, is an executive director.

There is a clear division of roles and responsibilities between the Chairman and the Chief Executive Officer, which ensures a balance of power and authority at the highest level of the Company.

#### The Chief Executive Officer

- › Leads the Board to ensure it functions effectively.
- › Consults with the Chief Executive Officer and Company Secretary to draw up meeting agendas.
- › Ensures that all board members receive timely information needed to deliberate on agenda items.
- › Encourages all board members to debate issues vigorously during meetings, ask questions and express opinions.
- › Encourages constructive relations within the Board and between the Board and management.
- › Ensures that the Company has effective communication with the shareholders.
- › Be leader in the non-executive meeting.

#### The Chairman of the Board

- › Establish with the Board the vision and values of the Company with a focus on creating value of the shareholders.
- › Develop and recommend the Company's the Company's strategic direction, annual business plan and budget for the Board approval, and monitor progress against plan and budget and report regularly to the Board on progress.
- › Manage the Company in accordance with the strategic direction approved by the Board and within the limits of authority delegated by the Board.
- › Identify business opportunities which are consistent with the vision, value and strategic direction of the Company.
- › Acts as a liaison between management and the Board.
- › Communicates effectively with shareholders, investors and other stakeholders.



## 11. 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 53 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 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 (Fourth Revision) B.E. 2551 or related laws and regulations including notifications from the Capital Market Supervisory Board.

## 12. Board Committees

As of 31 December 2014, the Board had established six (6) standing board committees to assist it in discharging its responsibilities. Each board committee perform its duties in accordance with a written charter approved by the Board. The board committees provide advice and recommendations to the Board in relation to their areas of expertise and make decisions on specific matters that have been delegated to them by the Board.

The Chairman of each Board Committee reports to the Board at the next scheduled meeting on any matters relevant to that committee's duties and responsibilities.

Each committee's charters can be found in the "Corporate Governance" section of our website at [www.intouchcompany.com](http://www.intouchcompany.com).

### 12.1 The Audit Committee

#### Membership and Meeting Attendance in 2014

Name	Position	Status	Meetings Attended
1. Mr. Somchai Supphatada	Chairman	Independent Director	7/7
2. Mr. Chalaluck Bunnag	Member	Independent Director	4/4
3. Miss Sopawadee Lertmanaschai*	Member	Independent Director	7/7

\* Ms. Sopawadee Lertmanaschai was appointed to the Audit Committee on 12 May 2014, replacing Mr. Vithit Leenutaphong who had resigned from the committee on the same day.

The Audit Committee 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 and Miss Sopawadee Lertmanaschai have an accounting background and related financial management expertise with the competence to review the reliability of financial statements.

#### 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 appropriate and effective.
- 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, and make recommendations on, the appointment, reappointment, termination and remuneration of the Company's external auditor.
- Meet separately with the external auditor at least once a year to discuss any matters that the Committee or the auditor believes should be considered privately.
- Review the auditor's independence, and establish a policy on the engagement of audit firm to provide non-audit service 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.

Details of the Audit Committee's performance in 2014 can be found in the Audit Committee Report on pp. 92-93 of the Annual Report 2014.

#### 12.2 The Nomination and Governance Committee Membership and Meeting Attendance in 2014

Name	Position	Status	Meetings Attended
1. Mr. Prasert Bunsumpun	Chairman	Independent Director	7/7
2. Mr. Vithit Leenutaphong	Member	Non-Executive Director	7/7
3. Mr. Boon Swan Foo	Member	Non-Executive Director	7/7
4. Mr. Somprasong Boonyachai	Member	Executive Director	7/7

### Role and responsibilities

- › Annually review with the Board the criteria for membership which are set forth in the Company's Corporate Governance Policy.
- › Review the size, structure, composition, term, processes and practices of the Board and its committees and make recommendations.
- › Identify, evaluate and recruit individuals qualified for membership.
- › Consider director nominees proposed by the Company's shareholders.
- › Nominate candidates to be proposed for election by the shareholders or the Board to fill vacancies or newly-created directorships.
- › Nominate candidates (including chairpersons) for appointment to 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 qualification of director independence and recommend any proposed changes to the Board for approval.
- › Oversee the orientation program for new board members.
- › Review the Company's process for the continuing education of board members, and make recommendations.
- › Implement and oversee the annual performance evaluations of the Board, board committees and each board member; review the evaluation results (including its own performance); and report the full results to the Board, including individual director evaluations when appropriate.
- › 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 board members or executive management, and make recommendations.
- › In consultation with the Chairman of the Board and the Chief Executive Officer, evaluate potential successors for board position and report annually to the Board on succession planning.

The Nomination and Governance Committee reviewed and evaluated its performance in 2014, and concluded that it had completely discharged its duties as set forth in its charter.

### 12.3 The Leadership Development and Compensation Committee

#### Membership and Meeting Attendance in 2014

Name	Position	Status	Meetings Attended
1. Mr. Vithit Leenutaphong	Chairman	Non-Executive Director	12/12
2. Mr. Prasert Bunsumpun	Member	Independent Director	11/12
3. Mr. Boon Swan Foo	Member	Non-Executive Director	12/12
4. Mr. Somprasong Boonyachai	Member	Executive Director	12/12

### 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.

The Leadership Development and Compensation Committee reviewed and evaluated its performance in 2014, and concluded that it had completely discharged its duties as set forth in its charter.

#### 12.4 The Corporate Social Responsibility Committee Membership and Meeting Attendance in 2014

Name	Position	Status	Meetings Attended
1. Mr. Chalaluck Bunnag	Chairman	Independent Director	9/9
2. Mr. Vithit Leenutaphong	Member	Non-Executive Director	9/9
3. Mr. Somprasong Boonyachai	Member	Executive Director	9/9

#### 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.

The Corporate Social Responsibility Committee reviewed and evaluated its performance in 2014, and concluded that it had completely discharged its duties as set forth in its charter.

#### 12.5 The Strategic and Organizational Review Committee Membership and meeting attendance in 2014

Name	Position	Status	Meetings Attended
1. Mr. Boon Swan Foo	Chairman	Non-Executive Director	5/5
2. Mr. Vithit Leenutaphong	Member	Non-Executive Director	5/5
3. Mr. Prasert Bunsumpun	Member	Independent Director	3/5

Name	Position	Status	Meetings Attended
4. Miss Sopawadee Lertmanaschai*	Member	Independent Director	4/4
5. Mr. Somprasong Boonyachai	Member	Executive Director	5/5

\* Miss Sopawadee Lertmanaschai was appointed to the Strategic and Organizational Review Committee on 12 May 2014.

#### Role and responsibilities

- › Establish and guide the strategic direction of 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.
- › 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.

The Strategic and Organizational Review Committee reviewed and evaluated its performance in 2014, and concluded that it had completely discharged its duties as set forth in its charter.

## 12.6 The Executive Committee

### Membership and Meeting Attendance in 2014

Name	Position	Status	Meetings Attended
1. Mr. Somprasong Boonyachai	Chairman	CEO	15/15
2. Mr. Wichian Mektrakarn	Member	Advisor of AIS	15/15
3. Mrs. Suphatee Suthumpun	Member	CEO of Thaicom	13/15
4. Mrs. Suwimol Kaewkoon	Member	Chief Organization Development Officer of AIS	14/15

#### 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 system.
- › The Committee may delegate its authority to any member of the management or staff as it deems appropriate. However, such authority does not permit the Committee or appointed persons to approve any transaction between them or related persons having mutual benefits or conflicts of interest (as prescribed in the Company's articles of association and Notifications of the Securities Exchange Commission). The approval for transactions shall be in accordance with the policies and principles already determined by the Board and regulatory bodies.

The Executive Committee reviewed and evaluated its performance in 2014, and concluded that it had completely discharged its duties as set forth in its charter.

### 13. Succession Planning

The Board has set out a succession plan for top executives, especially the CEO. 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. An external consultant has been engaged to assist in the assessment and development of the succession plan.

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.

### 14. Board Meetings

#### 14.1 Number of meetings and schedules

The Board has adopted a timetable of eight (8) scheduled board meetings a 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.

#### 14.2 Quorum and meetings

At least two-thirds of the directors must be present at a meeting to constitute a quorum. Each meeting generally lasts two to three hours. The Chairman of the Board allocates sufficient 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 each agenda.

### 14.3 Agenda

The Chairman of the Board in consultation 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.

### 14.4 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 iPad.

### 14.5 Meeting attendance

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

The directors' attendance record is shown below.

Name	2014 Annual General Meeting	(Number of meetings attended / Total meetings held) Board Meeting			
		2014	%	2013	%
1. Dr. Virach Aphimeteetamrong	Yes	10/10	100.00	10/10	100.00
2. Mr. Somchai Supphatada	Yes	9/10	90.00	10/10	100.00
3. Mr. Chalaluck Bunnag	Yes	9/10	90.00	9/10	90.00
4. Miss Sopawadee Lertmanaschai*	N.A.	5/5	100.00	-	-
5. Mr. Prasert Bunsumpun	Yes	9/10	90.00	10/10	100.00
6. Mr. Vithit Leenutaphong	Yes	10/10	100.00	9/10	90.00
7. Mr. Boon Swan Foo	No	9/10	90.00	10/10	100.00
8. Mr. Somprasong Boonyachai	Yes	10/10	100.00	10/10	100.00

\* Miss Sopawadee Lertmanaschai was appointed to the Board on 28 March 2014.

### 14.6 Board minutes

The Company Secretary 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.

### 14.7 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 29 November 2014 to discuss the results of the last board performance evaluation and consider other issues that had arisen.

## 15. Board Orientation and Continuous Development

### 15.1 Orientation

All new directors must attend in the Company's director orientation program prior to assuming their responsibilities. The intention of this program is to enable new directors to gain thorough understanding of the Company's management, business and governance practices through a series of detailed briefings by the Company Secretary and the Company's executives on the various aspects of the different businesses and their support functions.

The new director appointed in 2014, Miss Sopawadee Lertmanaschai, followed this procedure.

### 15.2 Continuous training and development program

A continuous 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. The Company Secretary discuss this matter with each director in order to create an individual training and development program suitable for his or her needs. 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 2014 are shown below.

Name	Training/Seminar/Exhibition			Board Seminar		Site Visit
	IOD <sup>1/</sup>	IIA's International Conference <sup>2/</sup>	Microsoft CEO Summit	TMT Prediction <sup>3/</sup>	Immunity to Change <sup>4/</sup>	Satellite business (THCOM)
1. Dr. Virach Aphimeteetamrong	Chairman Forum 2014	✓		✓	✓	✓
2. Mr. Somchai Supphatada		✓		✓	✓	
3. Mr. Chalaluck Bunnag				✓	✓	
4. Ms. Sopawadee Lertmanaschai				✓		
5. Mr. Prasert Bunsumpun				✓		
6. Mr. Vithit Leenutaphong	RCP#34/2014	✓		✓	✓	✓
7. Mr. Boon Swan Foo	Director Examination #40/2014					
8. Mr. Somprasong Boonyachai			✓			

Remarks:

<sup>1/</sup> Chairman Forum 2014 (Clean Business: What is the Chairman's role?)

<sup>2/</sup> The IIA's 2014 International Conference, arranged by the Institute of Internal Auditors in London

<sup>3/</sup> The topics covered Technology, Media, and Telecommunications (TMT) Predictions 2014; Deloitte was the speaker.

<sup>4/</sup> Dr. Teerakiat Jareonsettasin, Director of the Center for Educational Psychology at the Foundation of Virtuous Youth, was the speaker.

## 16. 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 2014 are described below.

### 16.1 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"><li>• Creating an effective board</li><li>• Running an effective board</li><li>• Professional development</li><li>• Strategic foresight</li><li>• Stewardship</li></ul>	<ul style="list-style-type: none"><li>• Performance evaluation</li><li>• Managing management</li><li>• Value creation</li><li>• Corporate culture</li></ul>
Individual members	<ul style="list-style-type: none"><li>• Strategic thought and leadership</li><li>• Independence</li><li>• Corporate governance</li><li>• Competence</li></ul>	<ul style="list-style-type: none"><li>• Preparedness as a director</li><li>• Personal attributes</li><li>• Awareness of stakeholders</li><li>• Innovation</li></ul>

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

- › Instructed the management to present the human resource strategy to the Leadership Development and Compensation Committee and the Board for consideration.
- › Arranged non-executive directors' meetings on a quarterly basis before board meetings. The CEO's performance evaluation would be considered in these meeting.
- › Instructed the Company Secretary to review the delegation approval authority and submit it to the Audit Committee, the NGC, and the Board for consideration on an annual basis.
- › Arranged the group's CSR activities to support more interaction between the Board and the management. The CSR committees and management of each company in the group would be invited to join these events.

### 16.2 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 2014.

## 17. 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.

Furthermore, 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.

(The detail of outside board memberships held by each director and the Chief Executive Officer can be found in the Annual Report for 2014, pp. 14-17)

### 18. Conflicts of Interest

The Board has established rules and procedures for reporting of directors' and executives' interests in the Company and its affiliated companies to ensure the Company complies with the *Securities and Exchange Act (Fourth Revision)*, B.E. 2551 and other relevant laws. Directors and executives are 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.

No transaction involving a conflict of interest between directors or executives and the Company was reported in 2014.

### 19. 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 compensation.

### 20. Access to Information

Directors have separate and independent access to the 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 regular analyst reports on the Company, its subsidiaries and their competitors. These reports can be accessed via the Board Portal system and enable the Board to keep abreast of the key issues and developments in each industry related to the Company's core businesses.

## 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 through the channels below.



#### Mail to :

Intouch Holdings Plc.  
Company Secretary Office  
349 SJ Infinite One Business Complex,  
30<sup>th</sup> Floors, Vibhavadi-Rangsit Road,  
Chompol, Chatuchak, Bangkok, 10900



#### E-mail at:

AuditCommittee@intouchcompany.com  
(to contact the Audit Committee)  
  
companysecretary@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.



## Management Team

As at 31 December 2014, the Company's executives had five (5) executives, as defined by the Capital Market Supervisory Board, who are listed below.

Name	Position
1. Mr. Somprasong Boonyachai	Chief Executive Officer and Acting President
2. Mrs. Suphajee Suthumpun	Chairman of the Management 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. Kim Siritaweechai	Executive Vice President – Portfolio Management

## Rights and Equitable Treatment of Shareholders

### 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:

- › The right to receive share certificates and share transfers, and to be sufficiently informed of operating results and management policies on a timely basis.
- › The right to an equitable dividend.
- › 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.
- › The right to be furnished with information concerning connected transactions.
- › 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.
- › The right to elect directors.

The Company has also established criteria and procedures for minority shareholders to propose agenda items for the annual shareholders' meeting in advance (between 1 October and 30 December of the preceding year) and nominate candidates for directorship, as these procedures are recommended by the SET in *The Principles of Good Corporate Governance*.

In addition to the above right, every shareholder is entitled to the rights and equitable treatment stipulated in all relevant law and the Company's Articles of Association.

### 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.

### Annual Shareholders Meetings

The annual shareholders' meeting is an important part of effective communication with the shareholders. The meeting is held 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.

The notice of the meeting and related documents are sent to all shareholders at least 21 days before the meeting and are also published on the Company's website. Shareholders are encouraged to submit questions in advance and the Company will respond to these during the meeting.

The Company also encourages its shareholders, including institutional ones, to attend and participate in all shareholders' meetings. Shareholders who cannot participate in person may be represented by proxy. 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, executives and the external auditors attend each meeting to provide explanations and answer questions about items 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. The chairman of the meeting allots sufficient time to encourage shareholders to express their opinions and ask questions.

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.

### Meeting Resolution

For most items, the shareholders' meeting passes resolutions and elects directors with the absolute majority of the votes represented at the meeting. However, under the Company's Articles of Association, the following resolutions must be passed by not less than three-fourths of the total number of votes represented at the meeting:

- › The sale or transfer of whole or essential parts of business of the Company to other persons.
- › The purchase or acceptance of transfer of another company's business or a private company to the Company.
- › Entering into, amending or terminating the contract relating to the leasing out of business of the Company in whole or in essential parts; the assignment to anyone else to manage the businesses of the Company or the amalgamation of the businesses with other persons with an objective to share profit and loss.
- › Amendment to the Memorandum of Association or Articles of Association.
- › An increase in or reduction of the capital of the Company or the issuance of debentures.
- › The amalgamation or liquidation of the Company.

### Annual General Meeting of Shareholders for 2014

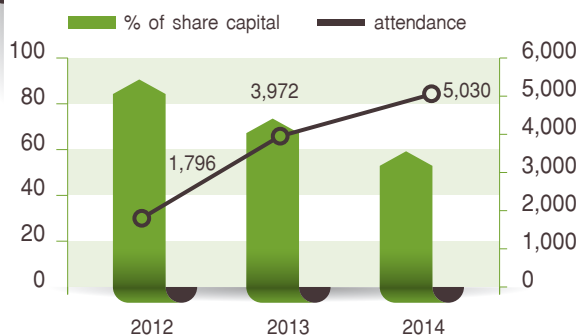
At the Annual General Meeting of Shareholders for 2014, held at Centara Grand Central Plaza Ladprao, Bangkok, on 28 March 2014, there were 5,030 shareholders present in person along with proxies acting for absent shareholders, representing 61.02% of the Company's total issued shares. All the Company's directors attended, with the exception of Mr. Boon Swan Foo, along with the Company's external auditor.

**The meeting passed the following resolutions:**

- Approved the financial statements for the year ended December 31, 2013.
- Approved the appropriation of the net profit for the period January 1 - March 27, 2014 to pay an interim dividend of 2.16 baht per share.
- Reappointed the auditors from KPMG Phoomchai Audit Co., Ltd. as the Company's external auditor, and fixed the audit fees for 2014 at an amount not exceeding 2.03 million baht.
- Reappointed Mr. Vithit Leenutaphong, Mr. Chalaluck Bunnag and Mr. Somprasong Boonyachai to the Board of Directors.
- Appointed Miss Sopawadee Lertmanaschai as a new member of the Board of Directors.
- Approved the remuneration for the Board of Directors and its sub-committees for 2014 at not more than 30 million baht.
- Approved the issuance of warrants, not exceeding 844,100 units, to be offered to employees of the Company and/or its subsidiaries in the year 2014.
- Approved the allotment of not more than 844,100 new ordinary shares at a par value of one (1) baht from the ordinary shares set aside for public offering, to be reserved for the exercise of the warrants.
- Allocated the warrants to the employees who will receive more than 5 percent issued under a long-term incentive plan.
- Approved changing the Company's name and seal, and an amendment to the Memorandum of Association in relation to the Company's name.
- Approved amendments to Articles 1, 2 and 43 of the Articles of Association in relation to the Company's name and seal.

 The minutes of shareholder meetings can be found in the "Investor Relation" section of our website at [www.intouchcompany.com](http://www.intouchcompany.com).

### Attendance at AGM 2012-2014



### Number of Shares Held

As 27 August 2014	Number of registered shareholders	% of registered share capital
1-100	3,951	0.01
101-1000	25,928	0.49
1,001-10,000	34,123	4.18
10,001-100,000	9,696	8.85
100,001-1,000,000	1,168	9.65
1,000,000-5,000,000	134	8.20
over 5,000,000	32	68.62
Total	75,032	100.00

## 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

### Disclosure of Material Information

The Company is committed to providing its shareholders and potential investors with accurate, adequate, timely and equal access to information, in accordance with legal and regulatory requirements in order to promote investor confidence in the Company's integrity.

The Company has adopted a Market Disclosure Policy to assist it in fulfilling the reporting obligations required by the Stock Exchange of Thailand (SET), and provide investors with information which may affect the price or value of its securities and influence decisions to buy or sell them.

Under this policy, the Company President, CFO and Head of Compliance have the primary responsibility of determining whether information must be disclosed to the SET; if so, an appropriate announcement will be prepared for the CEO's approval. Significant announcements are made directly to the SET and immediately posted on the Company's website.

 The Market Disclosure Policy can be found in the "Corporate Governance" section of our website at [www.intouchcompany.com](http://www.intouchcompany.com).

### Communication with Shareholders and Investors

The Company has maintained a regular and open dialogue with investors. 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.

In order to ensure fairness and prevent improper disclosure of information that might affect the Company's share price while the financial statements are being prepared, the Company observes a 30-day quiet period prior to its scheduled earnings release.



For more information about the Company and its activities, please contact Ms. Tomyantee Kongpoolsilpa in the Investor Relations Department (Tel. (66) 2118 6900, by e-mail at [investor@intouchcompany.com](mailto:investor@intouchcompany.com) or via the Company's website at [www.intouchcompany.com](http://www.intouchcompany.com)).

### Company Website

The Company's website contains a comprehensive overview of the Company's profile and businesses in both Thai and English. In particular, its "Investor Relations" section is kept up to date to maintain effective communication with shareholders and other stakeholders.

Information disclosed through the Company's website 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

## Risk Management and Internal Controls Systems

### Risk Management

The Board of Directors is ultimately responsible for overseeing the Company's risk management, which is an integral part of conducting 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 added value for 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 executives 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 raise a greater awareness of the importance of risk management.

📍 The Risk Management Policy can be found in the "Corporate Governance" section of our website at [www.intouchcompany.com](http://www.intouchcompany.com).

### Internal Controls Systems

The Board has the overall responsibility for arranging and maintaining sound and effective internal control system 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.

At Board Meeting No. 2/2015, held on 13 February 2015 with the Audit Committee present, the Board assessed the following five areas of the Company's internal control system (by using guidelines of COSO's **Internal Control-Integrated Framework** and the Office of the Securities and Exchange Commission): control environment; risk assessment; 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 2014 financial statements, concluded that there was no material deficiency in the Company's accounting and financial control system.

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 executives.
- › 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 executives. 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.

### 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 Chief Executive Officer. 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 2014 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 2014 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
Intouch Holdings Plc	2.03	-
Thaicom Public Company Limited and its group	3.26	4.48
ITV Public Company Limited and its group	0.49	0.05
Other subsidiaries	-	0.68
Total audit fees	5.78	5.21
Out-of-pocket expenses	0.46	0.06
Total audit fees and out-of-pocket expenses	6.24	5.27

### 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 the external auditor 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.

 The Non-audit Services Policy can be found in the "Corporate Governance" section of our website at [www.intouchcompany.com](http://www.intouchcompany.com).

### Non-audit Fees

In 2014, the Company and its subsidiaries paid non-audit fees for workshop training, updating the group accounting policies, and auditing the revenue report and other related information, as follows:

(Unit: million Baht)

Company	The Company under KPMG	The KPMG's related firms
Intouch Holdings Plc	0.23	0.96
Other subsidiaries	1.15	-
Total	1.38	0.96

## Ethical Standards

### 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, executives 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](http://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. An online test was introduced in 2014 to evaluate the employees' understanding and adherence to the Code of Conduct, and the aggregate score met the required standard.

Any violation of the Code of Conduct 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.

 The Code of Conduct can be found in the "Corporate Governance" section of our website at [www.intouchcompany.com](http://www.intouchcompany.com).




### Whistle-Blowing and Whistleblower Protection Policy

The Company has established a policy and procedures including an “Ethics Hotline” whereby any director, executive or employee 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. Anyone who threatens to punish or dismiss an employee assisting an investigation will be subject to disciplinary action.

During the year 2014, no case of misconduct or fraud at the Company was reported to the Ethics Committee or the Audit Committee.

 The Whistle-Blowing and Whistleblower Protection Policy can be found in the “Corporate Governance” section of our website at [www.intouchcompany.com](http://www.intouchcompany.com).

### Dealing in Securities

The Board has adopted a Security Trading Policy to assist the Company’s directors, executives and employees in complying with the *Securities and Exchange Act, B.E. 2535* regarding insider trading. Under this policy, they are prohibited from trading Intouch Group’s securities and other financial instruments if they possess inside information. They are also prohibited from passing on inside information to anyone else.

Directors, executives and any employee who, because of their positions or responsibilities, have access to material non-public information about the Company (“designated persons”) are prohibited from trading Intouch Group’s securities for a period of thirty (30) days (the “black-out period”) prior to the disclosure or publication of the quarterly and annual financial statements, or any other period that the Company might specify from time to time.

Designated persons are required to report any changes in their holdings of Intouch Group’s securities (including securities held by their spouses and minor children) to the Company Secretary within seven (7) business days of the trading date. The Company Secretary reports every change in the Company’s securities held by directors and management at the next board meeting.

Moreover, all designated persons are encouraged to make long-term investments in Intouch Group’s securities (rather than speculative or short-term trading) and should avoid the following transactions: short selling of Intouch Group’s securities; trading derivatives (i.e. futures and options) in relation to Intouch Group’s securities; and holding Intouch Group’s securities in a margin account.

 The Securities Trading Policy can be found in the “Corporate Governance” section of our website at [www.intouchcompany.com](http://www.intouchcompany.com).

### 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 has implemented 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.

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.

## Corporate Governance of Subsidiaries and Affiliates

### 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.

### 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

It is the Company's policy to compensate its directors in a manner equitable with the market and industry standards by benchmarking with the top 30 listed companies by market cap, and commensurate with each director's responsibility and performance, in order to attract and retain qualified people.

At Annual General Meeting of Shareholders for 2014, held on 28 March 2014, the shareholders approved a total remuneration for the Board and its sub-committees not more than 30 million baht. Each board member's compensation consists of a monthly retainer, annual retainer ("bonus"), and meeting allowance as specified below:

Unit : Baht

	Monthly Retainer	Meeting Fee	Annual Retainer
<b>The Board of Directors</b>			
Chairman	300,000	-	✓
Member	75,000	25,000	✓
<b>Audit Committee</b>			
Chairman	25,000	25,000	✓
Member	-	25,000	✓
<b>Other Board Committees</b>			
Chairman	10,000	25,000	✓
Member	-	25,000	✓

Remark: Executive Directors shall not receive any compensation as members of the Board.

In addition, each board committee member is eligible for per diem while traveling on the Company's business, at the same rate as the Chief Executive Officer and in accordance with the Company's regulations.

During 2014, the total compensation paid to the Board and board committee members was 26,280,589 baht (including accrued annual retainers of 12,300,000 baht paid in February 2015), an increase of 4,335,589 baht, or 19.76%, from 21,945,000 baht in 2013.

Name	Position	Compensation for 2014 (Baht)
1. Dr. Virach Aphimeteetamrong	▷ Chairman of the Board of Directors	5,216,661
2. Mr. Somchai Supphatada	▷ Director ▷ Chairman of the Audit Committee	3,575,459
3. Mr. Chalaluck Bunnag	▷ Director ▷ Chairman of the Corporate Social Responsibility Committee ▷ Member of the Audit Committee	3,470,000

Name	Position	Compensation for 2014 (Baht)
4. Miss Sopawadee Lertmanaschai	<ul style="list-style-type: none"> <li>» Director</li> <li>» Member of the Audit Committee</li> <li>» Member of the Strategic and Organizational Review Committee</li> </ul>	2,234,677
5. Mr. Prasert Bunsumpun	<ul style="list-style-type: none"> <li>» Director</li> <li>» Chairman of the Nomination and Governance Committee</li> <li>» Member of the Leadership Development and Compensation Committee</li> <li>» Member of the Strategic and Organizational Review Committee</li> </ul>	3,720,000
6. Mr. Vithit Leenutaphong	<ul style="list-style-type: none"> <li>» Director</li> <li>» Chairman of the Leadership Development and Compensation Committee</li> <li>» Member of the Audit Committee*</li> <li>» Member of the Nomination and Governance Committee</li> <li>» Member of the Strategic and Organizational Review Committee</li> <li>» Member of the Corporate Social Responsibility Committee</li> </ul>	4,343,792
7. Mr. Boon Swan Foo	<ul style="list-style-type: none"> <li>» Director</li> <li>» Chairman of the Strategic and Organizational Review Committee</li> <li>» Member of the Nomination and Governance Committee</li> <li>» Member of the Leadership Development and Compensation Committee</li> </ul>	3,695,000
8. Mr. Youg Lum Sung**	<ul style="list-style-type: none"> <li>» Member of the Strategic and Organizational Review Committee</li> </ul>	25,000
Total		26,280,589

\* Mr. Vithit Leenutaphong had resigned from the Audit Committee on 12 May 2014.

\*\* Mr. Yong Lum Sung had resigned from the Strategic and Organizational Review Committee on 12 May 2014.

## 1.2 Executives' Compensation

As delegated by the Board, the Leadership Development and Compensation Committee annually reviews and approves the Executives' Compensation policy. This policy is based on the following principles:

- » Providing competitive compensation to attract and retain key executives who are essential to the Company's long-term success.
- » Aligning each executive's compensation with the Company's short- and long-term performance.
- » Aligning the interests of the Company with its management and shareholders.

The compensation paid to the CEO and executives as approved by the Board consist of three components:

	Reward element	Purpose and linkage to compensation principles
Fixed Pay	Base salary/ Benefits/ Provident Fund	To attract and retain high caliber executives.
Short-term Incentive	Annual Bonus	To reward the achievement of defined annual scorecard performance objectives (including both financial and non-financial key performance indicators)
Long-term Incentive	Performance Share Plan	<ul style="list-style-type: none"> <li>To attract and retain high caliber executives.</li> <li>To align the interest of the executives and with shareholders.</li> <li>To encourage the delivery of long-term growth and shareholder value.</li> </ul>

In 2014, the total monetary compensation for the five (5) members of the management team (as defined by Capital Market Supervisory Board) was 65.20 million baht, which comprised salaries, bonus, 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.

Exercise Price (per share) Name	Grant 1		Grant 2	
	68.072 Baht		72.732 Baht	
	Units	%	Units	%
1. Mr. Somprasong Boonyachai	234,200	54.13	351,400	41.63
2. Mrs. Suphajee Suthumpun	21,700	5.02	32,400	3.84
3. Mr. Anek Pana-apichon	45,600	10.54	69,857	8.28
4. Mr. Wichai Kittiwittayakul	24,600	5.69	69,857	8.28
5. Mr. Kim Siritaweechai	18,800	4.34	69,857	8.28

## 2. Compensation for Core Subsidiaries' Directors and Executives

### 2.1 Compensation for Thaicom's Directors

During 2014, Thaicom paid its directors total compensation of 13,311,505.50 baht (including accrued annual retainer of 3,460,000 million baht paid in February 2015 and other benefits), an increase of 2,671,505.50 baht, or 25.11%, from 10,640,000 baht in 2013.

Name	Position	Compensation for 2014 (Baht)
1. Mr. Paron Isarasena Na Ayudhaya*	▷ Chairman of the Board of Directors	2,330,000
2. Prof. Hiran Radeesri	▷ Director ▷ Chairman of the Audit Committee	2,500,000



Name	Position	Compensation for 2014 (Baht)
3. Mrs. Charintorn Vongspootorn	<ul style="list-style-type: none"> <li>» Director</li> <li>» Chairman of the Governance and Nomination Committee</li> <li>» Chairman of the Compensation Committee</li> <li>» Member of the Audit Committee</li> </ul>	2,540,000
4. Mr. Samrieng Mekkiengkrai	<ul style="list-style-type: none"> <li>» Director</li> <li>» Member of the Audit Committee</li> <li>» Member of the Governance and Nomination Committee</li> <li>» Member of the Compensation Committee</li> </ul>	2,300,000
5. Mr. Youg Lum Sung	<ul style="list-style-type: none"> <li>» Director</li> <li>» Member of the Executive Committee</li> </ul>	1,830,000
Total		11,500,000

\* Mr. Paron Isarasena Na Ayudhaya has received other benefits which are includes company car with driver and health care cost totalling 1,811,505.50 baht.

## 2.2 Compensation for Thaicom's Executives

In 2014, the total compensation for the six (6) members of the management team (as defined by Capital Market Supervisory Board) was 45.61 million baht, which comprised salaries, bonus, and other benefits.

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

Exercise Price (per share) Name	Grant 1		Grant 2	
	23.266 Baht		38.265 Baht	
	Units	%	Units	%
1. Mrs. Suphajee Suthumpun	111,600	16.36	167,900	14.02
2. Mr. Paiboon Panuwattanawong	77,122	11.31	116,400	9.72
3. Mr. Vuthi Asvasermcharoen	70,022	10.27	84,600	7.06
4. Mr. Patompop Suwansiri	32,111	4.71	116,400	9.72
5. Mr. Pradeep Unni	47,800	7.01	105,800	8.83
6. Dr. Nongluck Phinainitisart*	55,904	8.20	84,600	7.06

\* Management who had resigned during the year 2014.

# Securities Holding of the Directors and Executives

Name <sup>1/</sup>	Position	Intouch Holdings Plc				Advanced Info Service Plc				Thaicom Plc							
		Ordinary Shares (shares)				Ordinary Shares (shares)				Ordinary Shares (shares)				Debentures (units)			
		Changes during 2014				Changes during 2014				Changes during 2014				Changes during 2014			
		31 Dec 2013	Increase	Decrease	31 Dec 2014	31 Dec 2013	Increase	Decrease	31 Dec 2014	31 Dec 2013	Increase	Decrease	31 Dec 2014	31 Dec 2013	Increase	Decrease	31 Dec 2014
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. Chalaluck Bunnag	Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Ms. Sopawadee Lertmanaschai	Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Mr. Prasert Bunsumpun	Independent Director	20,000	-	-	20,000	-	-	-	-	50,000	-	-	50,000	-	-	-	-
6 Mr. Vithit Leenutaphong	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Mr. Boon Swan Foo	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Mr. Somprasong Boonyachai	Director and Chief Executive Officer	956,459	-	(200,000)	756,459	-	-	-	-	-	-	-	-	-	-	-	-
9 Mr. Wichian Mektrakarn	Member of the Executive Committee	30,000	7,000	-	37,000	17,025	-	-	17,025	-	-	-	-	-	-	-	-
10 Mrs. Suphajee Suthumpun	Member of the Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Mrs. Suwimol Kaewkoon	Member of the Executive Committee	-	-	-	-	104,357	1,000	-	105,357	-	-	-	-	-	-	-	-
12 Mr. Anek Pana-apichon	Executive Vice President-Finance & Accounting	50,000	-	-	50,000	-	20,000	(20,000)	-	-	-	-	-	-	-	-	-
13 Mr. Wichai Kittiwattayakul	Executive Vice President-Company Secretary & Internal Audit	10,087	-	(10,000)	87	-	-	-	-	50	-	-	50	-	-	-	-
14 Mr. Kim Siritaweechai <sup>2/</sup>	Executive Vice President-Portfolio Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Remark <sup>1/</sup> The number of ordinary shares and debentures includes holdings by spouse and minor children.

<sup>2/</sup> Mr. Kim Siritaweechai was appointed as Executive Vice President-Portfolio Management as of 1 April 2014.

# Securities Holding of the Directors and Executives

Name <sup>1/</sup>	Position	Matchbox Co., Ltd.				I.T.Applications and Services Co., Ltd.				Intouch Media Co., Ltd.				ITV Plc <sup>3/</sup>			
		Ordinary Shares (shares)				Ordinary Shares (shares)				Ordinary Shares (shares)				Ordinary Shares (shares)			
		31 Dec 2013	Changes during 2014		31 Dec 2014	31 Dec 2013	Changes during 2014		31 Dec 2014	31 Dec 2013	Changes during 2014		31 Dec 2014	31 Dec 2013	Changes during 2014		31 Dec 2014
			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. Chalaluck Bunnag	Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Ms. Sopawadee Lertmanaschai	Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Mr. Prasert Bunsumpun	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Mr. Vithit Leenutaphong	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Mr. Boon Swan Foo	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Mr. Somprasong Boonyachai	Director and Chief Executive Officer	260	-	-	260	4	-	-	4	-	-	-	-	-	-	-	-
9 Mr. Wichian Mektrakarn	Member of the Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Mrs. Suphajee Suthumpun	Member of the Executive Committee	-	-	-	-	-	-	-	-	1	-	-	1	-	-	-	-
11 Mrs. Suwimol Kaewkoon	Member of the Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Mr. Anek Pana-apichon	Executive Vice President-Finance & Accounting	10	-	-	10	2	-	-	2	-	-	-	-	20	-	-	20
13 Mr. Wichai Kittiwittayakul	Executive Vice President-Company Secretary & Internal Audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Mr. Kim Siritaweechai <sup>2/</sup>	Executive Vice President-Portfolio Management	-	-	-	-	-	-	-	-	1	-	-	1	20	-	-	20

Remark <sup>1/</sup> The number of ordinary shares and debentures includes holdings by spouse and minor children.

<sup>2/</sup> Mr. Kim Siritaweechai was appointed as Executive Vice President-Portfolio Management as of 1 April 2014.

<sup>3/</sup> The Board of Governors of the Stock Exchange of Thailand has resolved to delist ITV's commons stocks, effective 24 July 2014 onwards.

# Financials Report



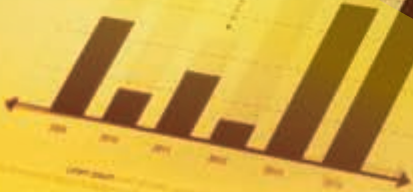
## Statistics

TOTAL RESULTS

### DATA

70%

0.49



# Related-Party Transactions

During the year 2014, 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 2014.

## Transactions with related companies that may cause conflicts of interest

In 2014, 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 2014 (in million Baht)				Rationale and Price Policy
		The Company	THAICOM and its Subsidiaries	Other Companies	Total	
1. 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	1.58	5.68	-	7.26	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	14,180	-	-	14,180	INTOUCH receives dividend income, as per the resolutions of the AIS shareholders' or the Board of Directors' meetings.
	2. Income from computer services	-	-	112.31	112.31	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 2014 (in million Baht)				Rationale and Price Policy
		The Company	THAICOM and its Subsidiaries	Other Companies	Total	
	3. Income from advertising	-	1.20	173.35	174.55	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.
	4. Income from transponder rental and others	-	58.11	-	58.11	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.
	5. Interest income	0.42	-	-	0.42	INTOUCH invested in AWN debentures, through private funds managed by independent fund manager. The interest rate was the same rate as other debenture holders were offered.
	6. Income from sale satellite equipment and 3G mobile vehicle	-	10.64	-	10.64	A subsidiary (THAICOM) sells satellite equipment and 3G mobile vehicle. This is normal business practice and internal customers pay the same prices as external customers.

## 2. 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	37.03	0.12	37.86	CSL provides uplink transmission and monthly internet in general. This is normal business practice and internal customers are normally charged at the market rate.
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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 2014 (in million Baht)				Rationale and Price Policy
		The Company	THAICOM and its Subsidiaries	Other Companies	Total	
	2. Advertising	0.12	-	-	0.12	INTOUCH 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	-	-	5.79	5.79	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	-	-	0.14	0.14	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.
	3. Income from transponder rental	-	10.08	-	10.08	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. Dividend income	-	190.08	-	190.08	A subsidiary of THAICOM (DTV) receives dividend income, as per the resolutions of the CSL shareholders' or the Board of Directors' meetings.
<b>3. Shenington Investment Pte Limited (SHEN)</b> SHEN is held by THAICOM and AMH 51% and 49%, respectively. AMH has the same major shareholder as the Company.	Expenditure: INTOUCH Group paid for gateway rental.	-	0.74	-	0.74	A jointly-control entity of SHEN (LTC) provides gateway in Laos. This is normal business practice and internal customers are normally charged the same rates 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 2014 (in million Baht)				Rationale and Price Policy
		The Company	THAICOM and its Subsidiaries	Other Companies	Total	
	Income: INTOUCH Group provided business consultancy and other services.	-	4.19	-	4.19	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.
<b>4. Asia Mobile Holding Pte Limited (AMH)</b> AMH has the same major shareholder as the Company.	Expenditure: AMH provided financial Interest paid	-	3.95	-	3.95	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.
	Income: INTOUCH Group received interest income	-	4.29	-	4.29	A subsidiary (THAICOM) 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.
<b>5. Aspen</b> Aspen is major a shareholder of the Company	Dividend paid	5,858	-	-	5,858	INTOUCH pays dividends, as per the resolutions of its shareholders' or the Board of Directors' meetings.
<b>6. Thai Yarnyon Group</b> Thai Yarnyon Group has a joint director as the Company.	INTOUCH Group purchased and maintenance cars.	2.23	0.83	-	3.06	INTOUCH Group purchased a car for executive and paid for repairs and maintenance. Prices are normally charged at the same rates as external customers.

### The Purpose, Policy and Procedure of Related-party Transaction

The Company has intention to ensure that all transactions between the Company or its subsidiaries and related persons comply with the relevant laws along with the regulations and guidelines of the regulatory agencies. All transactions must be transparent and reasonable, and provide the highest benefit to the Company similar to entering into transactions with independent third parties (on an arm's-length basis). Also, defining the process of identification, review, approval and disclosure of all related-party transactions made by the Company and its subsidiaries and ensure that all related-party transactions are disclosed in compliance with the notifications issued by the regulatory agencies.

The policy for all related-party transactions must be complied with the Securities Exchange Act, B.E. 2535, and the notifications issued by the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand, and/or other regulations determined by the regulatory agencies. In entering into related-party transactions, which are normal business transactions with general trading conditions, or supporting normal business transactions with general trading conditions as determined by the regulatory agencies, the management can approve these transactions according to the Company's Approval Authority. Any director or executive with a conflict of interest in a transaction involving the Company or its subsidiaries is prohibited from participating in the approval process for that transaction.

Based on the Company's procedure and approval of related-party transactions, any department entering into a transaction or responsible for entering into a transaction must consider whether that transaction involves a related person or not and proceed to:

- 1) If the related-party transaction is exempt from any obligations in notifications issued by the regulatory agencies, or this transaction can be approved by the management, the responsible department seeks for an approval according to the Company's Approval Authority.
- 2) If any related-party transaction requires approval from the Board of Directors, the responsible department shall provide the Audit Committee with complete and adequate information in order to ensure that the transaction is reasonable and creates the highest benefit for the Company, prior to submitting the proposal to the Board of Directors or the shareholders (if required).
- 3) If any related-party transaction requires approval from the shareholders, the Board of Directors will call a shareholders' meeting and engage independent financial advisors to provide an opinion on the transaction regarding its reasonableness, benefits, fairness of price and conditions, and whether or not the shareholders should approve it.

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 2014).

### 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 fairness of price and conditions.

# Management Discussion and Analysis of Financial Results of Operations

## 2015 Management Outlook and Guidance

Revenue from sales and rendering of services	» Expected to increase 5-7% YoY
Share of profit of associates	» 40.45% of AIS results
CAPEX for Venture capital	» Not more than 200 million baht per year
Dividend payout	» Maintain pass through dividend

**Revenue from sales and rendering of services:** The consolidated financial statements are prepared on a basis in accordance with Thai Accounting Standards. The companies are controlled directly or indirectly and are governed the financial and operating policies by INTOUCH, those financial statements are included in the consolidated financial statements. Thus, the revenue from THAICOM Group and ITAS are included in the consolidated revenue. The revenue from the satellite business has been increasing due to a rising demand for bandwidth from telecom and broadcasting operators in Thailand, around the region and Africa. THAICOM currently operates three conventional satellites (Thaicoms 5, 6 & 7), with a total capacity leasing of 87 transponders, and one broadband satellite (Thaicom 4 (IPSTAR)).

**Share of profit of associates:** Under the basis of consolidation in Thai Accounting Standards, the entities in which INTOUCH has significant influence over financial and operating policies are accounted for in the consolidated financial statements using the equity method. The major contribution of the share of profit or loss is currently from AIS. In 2015, AIS expects its service revenue, excluding interconnection charges, to grow 3-4% due to higher data usage resulting from cheaper handset promotions and attractive monthly fees. These campaigns have been designed to accelerate usage on the improving 3G-2.1GHz network. Therefore, AIS expects its consolidated EBITDA margin to increase by 1-2%.

**Venture capital:** Under the InVent project, INTOUCH has invested in several new companies for a shareholding of 25 to 30 percent. However, the contributions from these companies are still relatively low. INTOUCH is targeting companies which are related to the telecom, media, IT and digital content businesses, and has an investment not more than 200 million baht a year.

**The Company's standalone performance:** As INTOUCH is a holding company; the main revenue is dividend income from associates and subsidiaries. In 2015, the administrative expenses are expected to be between 450 and 500 million baht, part of which will be spent on exploring new business opportunities.

**Dividend payout:** INTOUCH has a policy is to pay dividend from the net profit after tax recorded on its standalone financial statements. Hitherto, dividends received from associates and subsidiaries have been passed through to the shareholders after the deduction of operating expenses. As the Company has not made any substantial investments, this practice will be maintained in 2015.

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

The Company conducts business as a holding company that has investment in other companies. Thus, it is possible that the financial position or operational results of these companies will have a material impact on the Company.

The performance of the aforesaid investments has been disclosed in the YE14 Management Discussion and Analysis of Financial Results for AIS and THCOM.

## Overview

The consolidated financial statements for the year ended 31 December 2014 showed revenue of 25,270 million baht based on the consolidated profit attributable to owners of the Company of 14,761 million baht. The consolidated net profit depends primarily on the share of the net profit of AIS Group, an associate company and the primary focus of our local wireless communications business.

The share of the net profit from AIS Group for YE14 was 14,538 million baht, which contributed 57% of total consolidated revenue and 98% of consolidated net profit attributable to owners of the Company.

The consolidated revenue increased 2% from YE13, which was mainly due to the sales and service revenue generated by the satellite & international businesses, even though there was a decrease in revenue from the share of the net results and the construction revenue.

The consolidated profits attributable to owners of the Company rose 1% from YE13 due to the profit from the satellite & international businesses.

## Significant Events

### Change of the Company's name and address

The Annual General Meeting of Shareholders for 2014 held on 28 March 2014 passed a resolution to change the name of the Company from Shin Corporation Public Company Limited to Intouch Holdings Public Company Limited (the Company or INTOUCH). The Company registered its new name and seal with the Department of Business Development, Ministry of Commerce, on 31 March 2014.

From 2 February 2015, the Company has relocated to 29<sup>th</sup> & 30<sup>th</sup> floors of SJ Infinite One Business Complex, 349 Vibhavadi Rangsit Road, Chompol, Chatuchak, Bangkok.

### Thaicom satellites

In 2014, THAICOM successfully launched two satellites into orbit, Thaicom 6 and Thaicom 7. Thaicom 6 was launched in January and commenced broadcasting services in February 2014. Thaicom 6 provides Ku-Band transponders, covering Thailand and Indochina, and C-Band transponders, covering both Southeast Asia and Africa. In September, Thaicom 7 was successfully launched into orbit and started to recognize the revenue in 4Q14. Thaicom 7 provides C-Band transponders, covering South Asia, Indochina, Australia and New Zealand.

In addition to these satellites, Thaicom 8 is scheduled to be launched during the first half of 2016. The satellite will support the growth of the broadcasting industry and provide adequate capacity to the domestic market. It will also allow us to meet the demand for Ultra-HD television, which will strengthen the broadcasting industry of Thailand. Thaicom 8 will cover Thailand, South Asia and Africa.



### Launch of Thaicom's high-speed internet

Under the Mobility Service Concept, THAICOM provides integrated end-to-end satellite communication services to people on the move at sea, on land, and in the air. In 2014, IPSTAR Japan Co., a wholly-owned subsidiary of THAICOM, announced the launch of a maritime broadband service for vessels owned by Ocean Trans Co., a leading shipping company in Japan, to provide its crew with onboard access to the internet and email. In addition, THAICOM and Nok Airlines Plc. (Nok Air) jointly launched commercial high-speed internet in-flight services. Nok Air became the first airline in the Asia Pacific region to offer these services.

### Investment in InVent Project

Ookbee Company Limited (OOKBEE), the first associate company under the Venture Capital Project has entered into an investment agreement with transcosmos Inc. (transcosmos), a Japanese company, which purchased 16,674 newly-issued shares from OOKBEE, equivalent to 11.11% of the paid-up capital, in the amount of 5 million US dollars (approximately 161.6 million baht). The Company's investment portion was changed from 25.03% to 22.26%. OOKBEE registered the newly-issued share capital with the Ministry of Commerce on 8 May 2014. The Company had an unrealized gain on dilution of approximately 34.7 million baht.

This investment has been made to contribute value and benefit to OOKBEE by utilizing membership data, bringing in additional knowledge and systems, including digital marketing, advertising, data analysis and customer support, and sourcing Japanese content via the transcosmos network for developing OOKBEE's future business potential.

### Joint venture agreement with Kantana Group Plc.

On 22 September 2014, Intouch Media, a subsidiary of the Company, entered into a joint venture agreement with Kantana Group Plc. called "Joint Venture Kantana and Intouch" to produce and broadcast television programs. The initial investment is 40 million baht, of which the Company's portion is 50%.

### Dividend payments

The Annual General Meeting of Shareholders held on 28 March 2014, and the Board of Directors meeting held on 13 August 2014, passed resolutions to pay the following interim dividends:

	Interim dividend from operating results for the period	Dividend per share (Baht/share)	Total dividend (million Baht)
AGM resolution	1 January – 27 March 2014	2.16	6,914
BoD resolution	28 March – 12 August 2014	2.23	7,140

On 13 February 2015, the Board of Directors approved an interim dividend of 2.23 baht per share from the operating results for the period from 1 January to 26 March 2015, totaling approximately 7,150 million baht. The Company will propose this dividend at the Annual General Meeting of Shareholders of the year 2015 afterwards.

## Financial & Operational Summary

Share of profit (loss) by business segment (in million Baht)	For the year ended 31 December				
	2013		2014		% YoY
The Company	13,571	93%	13,948	94%	3%
Local wireless telecommunication business	14,644	101%	14,538	98%	-1%
Satellite & International Businesses	463	3%	841	6%	82%
Other Businesses	(219)	-2%	(281)	-2%	28%
Consolidation eliminations *	(13,891)	-95%	(14,285)	-97%	3%
Net Profit	14,568	100%	14,761	100%	1%

\* Mainly the elimination of intercompany dividends

**Net profit** rose 1% from last year, mainly contributed by the satellite & international businesses, which more than offset a drop in the contribution from the local wireless telecommunication business.

## Key Operational Results

The Company (in million Baht)	For the year ended 31 December		
	2013	2014	% YoY
Dividend income	13,891	14,383	4%
Expenses	(389)	(508)	31%
Net Profit	13,571	13,948	3%

**Dividend income** from both AIS and THAIKOM increased in 2014. The dividends received from AIS totaled 11.79 baht per share, compared to 11.40 baht per share in the previous year. The dividend received from THAIKOM was 0.45 baht per share, compared to 0.40 baht per share in 2013.

**Expenses** rose 31% due to the recognition of an impairment loss on the investment in Matchbox Co., Ltd. (Matchbox) 72 million baht and provision loss 26 million baht.

Share of the net result from local wireless telecommunication (in million Baht)	For the year ended 31 December		
	2013	2014	% YoY
Share of net result from investment in AIS Group at equity method	14,644	14,538	-1%

**The share of the net results from AIS Group** dropped slightly. The net profit of AIS Group in 2014 was 36,033 million baht. This was a slight drop from 36,274 million baht at YE13, mainly due to higher selling and administrative expenses, even though the revenue rose and the costs were lower.

Overall revenue in AIS Group increased 1% as follows:

- › **Non-voice service revenue** rose 34% driven by mobile data that continues to accelerate, and underpinned by an increase in smartphones, data users and affordable packages for both postpaid and prepaid subscribers.
- › **SIM card & device sales revenue** increased 23% as attractive AIS Super Combo (a low cost handset brand) gained popularity. Under the 3G migration strategy, the sales margin was 0.8% in 2014 compared to 6.5% in 2013 although this was offset by
- › **Voice service revenue** dropped 14% as a result of the substitution of mobile data in some subscriber segments and weak economic sentiment in the first half of 2014.
- › **Interconnection charge revenue (IC)** declined due to the lower rate, from 1 baht to 0.45 baht per minute, stipulated by the National Broadcasting and Telecommunication Commission (NBTC) since 1 July 2013.

Overall costs of AIS Group dropped 3%, as follows:

- › **Regulatory fees** dropped 27% due to the successful strategy of migrating subscribers from 2G to 3G, which carries lower regulatory costs, combined with the AIS Super Combo campaign, which has dramatically increased 3G subscriber penetrations.
- › **IC cost** declined 36%, following the IC revenue although this was offset by
- › **Cost of sales** rose 30% following SIM card & device sales revenue.
- › **Amortization** rose 14% due to the continuity in 3G network expansion, mainly fiber optics.
- › **Network OPEX** rose 10%, due to the extensive expansion of nationwide 3G coverage, which has reached 97% of the population. Also, AIS has continued to invest in network capacity in order to meet the demand for high-speed data transmission.

**SG&A** increased 27%, mainly from higher marketing expenses to support 3G migration and brand awareness. Administrative expenses rose from higher staff costs and the provision for bad debt, following the expansion of the postpaid subscriber base.

Satellite & International Businesses (in million Baht)	For the year ended 31 December				
	2013		2014		% YoY
Sales and service revenue	7,898	100%	10,005	100%	27%
Construction revenue *	1,646	21%	172	2%	-90%
Sales and service costs	(3,869)	-49%	(4,866)	-49%	26%
Construction costs *	(1,646)	-21%	(172)	-2%	-90%
Operating agreement fees	(826)	-10%	(985)	-10%	19%
SG&A	(1,539)	-19%	(1,857)	-19%	21%
Net Profit	1,126	14 %	1,783	18%	58%
Contributed to INTOUCH Group	463	6%	841	8%	82%

\* Interpretation of TFRIC 12 Service Concession Arrangements

**Sales and service revenue** rose 27% from YE13 due to:

- › **The conventional satellite revenue** rose 32% YoY after a growing demand for transponder leasing from satellite broadcasting operators that have continued to expand.
- › **The Thaicom 4 (IPSTAR) revenue** rose 21% mainly from the growth of bandwidth (BW) usage in Thailand, Australia, India, Malaysia, New Zealand, the Philippines and Indonesia, together with the share of service revenue from China. Also, THAICOM started to recognize communication service revenue from Orion Satellite Systems Pty Ltd. (OSS).

Furthermore, there were revenue from selling equipment for installing a satellite application network to a telecommunications service provider in Japan, User Terminal (UT) sales from Australia and revenue from the installation of in-flight connectivity services on Nok Air's aircraft.

- › **The telecommunications and internet in Laos: revenue** increased 29% due to a growth in the subscriber base, both postpaid and prepaid users, and rising of Average Rate per Unit (ARPU) from prepaid mobile phone service. Moreover, the revenue growth for fixed wireless – CDMA and broadband internet increased following a rise in subscriber and ARPU. Altogether, there was an increase in revenue from selling fixed-wireless handsets, and SIM cards.

**Sales and service costs** rose 26% mainly due to:

- › **The conventional satellite costs** rose 54% from the amortization of Thaicom 6 and 7. However, in 2013, there was a transponder rental cost for an interim satellite to provide services at the 78.5 degrees East orbital slot ahead of the launch of Thaicom 6.
- › **The Thaicom 4 (IPSTAR) costs** rose 11% from the cost of satellite communication services provided by OSS, the installation of in-flight internet services on Nok Air's aircraft, and higher cost of UT sales in China, Malaysia and Australia, following its revenue.
- › **Operating agreement fees** rose 19%, following the revenue generated by the conventional satellite and BW usage on Thaicom 4 (IPSTAR).
- › **The telecommunications and internet in Laos costs** rose 7% from more interconnection charges and higher cost of sales, following its revenue.

**SG&A** rose 21%, mainly due to staff costs following the business expansion, marketing expenses in the satellite and telephone in Laos businesses, and obsolete inventory of Integrated Receiver/Decoder. However, this was partially offset by a drop in the provision for bad debt in the satellite business.

Other Businesses (in million Baht)	For the year ended 31 December				
	2013		2014		% YoY
Service revenue	116	100%	150	100%	29%
Service costs	(83)	-72%	(105)	-70%	27%
Loss on provision for interest on unpaid operating agreement fee	(433)	-373%	(433)	-289%	0%
SG&A	(49)	-42%	(40)	-27%	-18%
Net Loss	(418)	-360%	(478)	-319%	14%
Contributed to INTOUCH Group	(219)	-189%	(281)	-187%	28%

**Other businesses** include media and advertising, IT and InVent Project investments (the revenue and expenses of Matchbox have been excluded from each line item, but incorporated into a line item called “loss from discontinued operation”, so the Group’s net loss and contributed to INTOUCH Group include Matchbox’s operational loss).

**Revenue** rose 29% due to an increase from the IT business.

**Costs** rose 27%, following the increase in revenue.

## Financial Position Summary

### Key financial position data

Separated Financial Position	As at 31 Dec 2013		As at 31 Dec 2014		Changed
	million Baht	%	million Baht	%	%
Assets					
Cash & cash equivalents and current investment	2,097	15%	2,093	15%	0%
Investment in subsidiaries and associates	12,171	85%	12,121	85%	0%
Other assets	132	1%	128	1%	-3%
Total Assets	14,400	100%	14,342	100%	0%
Liabilities and Equity					
Other liabilities	154	1%	191	1%	24%
Total Equity	14,246	99%	14,151	99%	-1%
Total Liabilities and Equity	14,400	100%	14,342	100%	0%

**Total assets** decreased slightly. The investment in subsidiaries and associates decreased from recording impairment loss of 72 million baht on Matchbox. This was because Matchbox has a plan to close down its operation, regarding to the continued operation loss.

**Total liabilities and equity** decreased slightly. Liabilities increased due to a provision loss of 26 million baht for Matchbox. The equity attributable to owners of the Company decreased from the payment of interim dividends at 2.16 baht per share in April 2014 and 2.23 baht per share in September 2014 and the operational results in 2014.

Consolidated Financial Position	As at 31 Dec 2013		As at 31 Dec 2014		Changed
	million Baht	%	million Baht	%	%
Assets					
Cash & cash equivalents and current investment	6,856	13%	7,649	14%	12%
Other current assets	2,551	5%	2,092	4%	-18%
Investment in associates	19,762	39%	20,077	37%	2%
Property & equipment, net	3,261	6%	9,188	17%	182%

Consolidated Financial Position	As at 31 Dec 2013		As at 31 Dec 2014		Changed
	million Baht	%	million Baht	%	%
Intangible assets under operating agreements, net	15,042	30%	13,249	24%	-12%
Other non-current assets	3,338	7%	2,209	4%	-34%
Non-current assets held for discontinued operations	-	0%	235	0%	100%
<b>Total Assets</b>	<b>50,810</b>	<b>100%</b>	<b>54,699</b>	<b>100%</b>	<b>8%</b>
<b>Liabilities and Equity</b>					
Borrowings	8,374	16%	10,657	19%	27%
Other current liabilities	8,783	17%	8,819	16%	0%
Other liabilities	1,241	2%	1,118	2%	-10%
Liabilities of non-current assets held for discontinued operations	-	0%	233	0%	100%
<b>Total Liabilities</b>	<b>18,398</b>	<b>36%</b>	<b>20,827</b>	<b>38%</b>	<b>13%</b>
<b>Total Equity</b>	<b>32,412</b>	<b>64%</b>	<b>33,872</b>	<b>62%</b>	<b>5%</b>
<b>Total Liabilities and Equity</b>	<b>50,810</b>	<b>100%</b>	<b>54,699</b>	<b>100%</b>	<b>8%</b>

**Total assets** increased 8% from the end of 2013 due to:

- Cash & cash equivalents and current investment rose 12% mainly from the operational results in 2014 and the reclassification of long-term investment to current investment. Also, there was cash received from a debenture issue in October 2014 but this was partially offset by the repayment of debentures that matured in November 2014.
- Property & equipment increased 182%, mainly from the completion Thaicom 7 and the construction in progress of Thaicom 8 along with the expansion of the telecommunications business in Laos. However, the total value was partially offset by depreciation at YE14.
- The 12% drop in intangible assets under operating agreements was due to amortization at YE14.

**Total liabilities and equity:** Total liabilities increased 13% from YE13. There was a 27% increase in borrowing due to newly issue of long-term debenture and loans from financial institutions for building the Thaicom 7 & 8 satellites, although the total borrowing was reduced from partial repayment of the long-term debenture that mature and loan for building Thaicom 6. Equity rose 5% from YE13 due to the operational profit of 2014, although this was partially offset by the dividends paid by the Company.

## Changes in Accounting Policies

On 1 January 2014, INTOUCH Group adopted the issued and revised TFRS, which resulted in changes in its accounting policies applied to the financial statements for the year ended 31 December 2013. The change that caused material impact on the financial statements of INTOUCH Group was TFRIC 12: *Service Concession Arrangements*. INTOUCH Group has obtained operating agreements from government agencies and entities regulated by government agencies, for which the group has to adopt TFRIC 12.



The adoption of TFRIC 12 was recognized retrospectively in the consolidated financial statements (no impact on the separate financial statements). In the consolidated statements of financial position, the property and equipment under operating agreements was restated as “Intangible Assets under Operating Agreements”. In the consolidated statements of income, the construction revenue and costs under operating agreements were recorded.

## TFRS Effective in 2015

During 2014, there were few issuances and revised of TFRSs, TASs and TSICs which become effective for the financial reports on or after 1 January 2015. The issued and revised of TFRSs that have significant impacted to the date of adoption are TFRS 10: *Consolidated Financial Statements*, TFRS 11: *Joint Arrangements* and TFRS 12: *Disclosure of Interests in Other Entities*. The Group will adopt these TFRSs on 1 January 2015 onwards. The impact is currently being assessed.

## The External Auditor's Opinion

The external auditor had concluded that nothing had come to his attention which would lead him to believe that the consolidated and separate financial statements for the year ended 31 December 2014 had not been presented fairly. However, the auditor had emphasized ITV's current liabilities at YE14, which exceed its current assets by 5,158 million baht, and a deficit of 5,158 million baht in excess of the share capital. ITV's Television Broadcasting Station under a UHF Radio-Television Broadcasting Agreement (the operating agreement) had been revoked by the Office of the Permanent Secretary of the Office of the Prime Minister (PMO) as ITV had not paid outstanding operating fees, totaling 2,210 million baht plus interest on these fees at 15% per annum, along with a penalty of 97,760 million baht arising from the alteration of television programming and the adjustment of television program fees, which are still under dispute with the PMO. Subsequently, ITV had to cease operations and transfer its assets under the operating agreement to the PMO. This matter has gone to arbitration and ITV has filed statements of claim regarding the aforementioned fees and penalty. 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 (in million Baht)	For the year ended 31 December		
	2013	2014	% YoY
Dividends income	13,891	14,383	4%
Other income	71	76	7%
Total revenue	13,962	14,459	4%
Administrative expenses	(296)	(416)	41%
Management benefit expenses	(93)	(92)	-1%
Total expenses	(389)	(508)	31%
Profit before finance costs	13,573	13,951	3%
Finance costs	(2)	(3)	50%
Net Profit	13,571	13,948	3%

Consolidated Statements of Income (in million Baht)	For the year ended 31 December				
	2013		2014		% YoY
Sale and service revenue	9,646	39%	10,314	41%	7%
Other income	306	1%	257	1%	-16%
Net foreign exchange gain	-	0%	59	0%	100%
Share of the net result from associates	14,837	60%	14,640	58%	-1%
<b>Total revenue</b>	<b>24,789</b>	<b>100%</b>	<b>25,270</b>	<b>100%</b>	<b>2%</b>
Sale and service costs	(5,597)	-23%	(5,143)	-20%	-8%
Operating agreement fee	(827)	-3%	(985)	-4%	19%
Loss on provision for interest of unpaid operating agreement fee	(433)	-2%	(433)	-2%	0%
Selling expenses	(208)	-1%	(294)	-1%	41%
Administrative expenses	(1,584)	-6%	(1,834)	-7%	16%
Net foreign exchange loss	(270)	-1%	-	0%	-100%
Management benefit expenses	(171)	-1%	(165)	-1%	-4%
<b>Total expenses</b>	<b>(9,090 )</b>	<b>-37%</b>	<b>(8,854 )</b>	<b>-35%</b>	<b>-3%</b>
<b>Profit before finance costs &amp; income tax expenses</b>	<b>15,699</b>	<b>63%</b>	<b>16,416</b>	<b>65%</b>	<b>5%</b>
Finance costs	(268)	-1%	(385)	-2 %	44%
<b>Profit before income tax expenses</b>	<b>15,431</b>	<b>62%</b>	<b>16,031</b>	<b>63%</b>	<b>4%</b>
Income tax expenses	(343)	-1%	(460)	-2%	34%
<b>Profit for the year-continued operations</b>	<b>15,088</b>	<b>61%</b>	<b>15,571</b>	<b>62%</b>	<b>3%</b>
<b>Loss from discontinued operation-net</b>	<b>(56)</b>	<b>0%</b>	<b>(65)</b>	<b>0%</b>	<b>16%</b>
<b>Profit for the year</b>	<b>15,032</b>	<b>61%</b>	<b>15,506</b>	<b>61%</b>	<b>3%</b>
<b>Attributable to:</b>					
<b>Owners of the Parent</b>	<b>14,568</b>	<b>59%</b>	<b>14,761</b>	<b>58%</b>	<b>1%</b>
Profit for the year					
- continued operations	14,595	59%	14,826	59%	2%
Loss for the year					
- discontinued operation	(27)	0%	(65)	0%	141%
<b>Non-controlling interests</b>	<b>464</b>	<b>2%</b>	<b>745</b>	<b>3%</b>	<b>61%</b>
Profit for the year					
- continued operations	494	2%	745	3%	51%
Loss for the year					
- discontinued operation	(30)	0%	-	0%	-100%
<b>Profit for the year</b>	<b>15,032</b>	<b>61%</b>	<b>15,506</b>	<b>61%</b>	<b>3%</b>

## Consolidated Source and Use of Cash Flows <sup>1/</sup>

million Baht

Source of fund		Use of fund	
Dividends received	14,370	Dividend paid	14,345
Operating CF before changing in working capital	4,851	Repayments of borrowings	5,569
Proceeds from borrowings	7,838	Purchase of CAPEX & Fixed assets	6,507
Net cash received from disposal of equipments	10	Acquisition of subsidiaries	172
Increased in loan and advances to related parties	5	Interest paid	339
		Purchase of long-term investment	15
		Changes in working capital	175
Cash decreased <sup>2/, 3/</sup>	48		
Total	27,122		27,122

<sup>1/</sup> Consolidated cash consisted of cash and cash equivalents, and current investment

<sup>2/</sup> Excluded re-presentation from long-term investment to current investment in the amount of 664 million baht

<sup>3/</sup> Excluded net change in fair value of current investment

Material Financial Ratios	For the year ended 31 December		
	2013	2014	% YoY
Net profit margin	58.8%	58.4%	(0.4%)
Return on equity attributed to owners of the parent	62.8%	61.0%	(1.9%)
Return on assets	28.4%	28.0%	(0.4%)
Debt to equity attributed to owners of the parent (times)	0.9	0.8	0.0
Basic earnings per share (Baht)	4.54	4.60	0.06
Book value per share (Baht)	7.43	7.67	0.24
Dividend per share (Baht)	4.25	4.39	0.14

### 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 Intouch Holdings 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 judgement 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 2014 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 2014. 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  
Chief Executive Committee

# Audit Committee Report

## To the Shareholders of Intouch Holdings Plc.

The Audit Committee (“the Committee”) consists of three independent directors, Mr. Somchai Supphatada (the Chairman), Mr. Chalaluck Bunnag, and Ms. Sopawadee Lertmanaschai. 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](http://www.intouchcompany.com)

During the fiscal year 2014, the Committee held a total of seven meetings with the Company’s management and both the internal and external auditors. The attendance is shown in the table below.

	Number of meetings attended / Total meetings held
Mr. Somchai Supphatada	7 / 7
Mr. Chalaluck Bunnag	7 / 7
Ms. Sopawadee Lertmanaschai*	4 / 4
Mr. Vithit Leenutaphong*	3 / 3

\* Ms. Sopawadee Lertmanaschai was appointed as a member of the Committee replacing Mr. Vithit Leenutaphong on 12 May 2014.

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 2014 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 revise the Company’s risk management process, especially the strategy execution risk management in order to achieve its defined objectives. 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 2014.

► **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 Office of the Securities and Exchange Commission and *COSO – Internal Control Integrated Framework*. The Committee also reviewed the audit results from the internal auditor and external auditor 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 promoted a good control environment inside the Company, especially integrity and ethical behavior, which are the foundations of an effective internal control system, and consequently recommended that the management develop an ethics test for all the employees. The test results have shown that most employees are familiar with and understand the Company’s code of conduct in accordance with its standard benchmark.

► **Internal Audit:** The Committee approved the audit plan for 2014 as well as reviewed the Internal Audit Department’s independence and resource sufficiency. The Committee also 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 independently discuss matters that had arisen. In addition, the Committee considered and approved the engagement of an external consultant to develop the internal audit master plan as a

guideline for the Company to audit another company in the group as the major shareholder.

- » **Regulatory Compliance:** The Committee held a meeting with the legal, compliance and other relevant 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 2014.

- » **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.

In addition, the Committee agreed with the Securities Trading Policy, which will enable the Company to ensure that its directors, executives and employees comply with the Securities and Exchange Act regarding insider trading, as well as preserve shareholder and investor confidence in trading of the Company's securities.

- » **Whistleblowing:** The Committee considered amendments to the whistleblowing policy so that employees in the group are able to report any misconduct or fraud, or suspicion thereof, directly to the Company in order to promote more transparency and objectivity. The Committee also recommended that the Company's management implement a job rotation policy for the employees in the group so they could undertake each other's functions when necessary. This would be an important internal control mechanism in preventing fraud as well as a good personnel development tool.

In addition, the Committee reviewed the quarterly whistleblowing reports from the group, which had been obtained through reporting channels. No cases of misconduct or fraud at the Company were reported to the Committee during 2014.

- » **External Auditor:** The Committee considered the independence, performance, experience and qualifications of the external auditors, along with the appropriateness of their fees, and consequently recommended that the Board of Directors propose the re-appointment of KPMG Phoomchai Audit Ltd. as the Company's external auditor for 2015 at the annual general meeting of shareholders.

In addition, the Committee considered and approved the engagement of external consultants from KPMG Group to provide non-audit services totaling 1.19 million baht. These services do not impair the external auditor's independence.

- » **Connected Transactions:** The Committee reviewed the Related Party Transactions Policy, which had been amended to set forth the procedures for identification, review and approval of related-party transactions more clearly. The Committee also 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.

- » **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 2014 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  
5 February 2015



# Independent Auditor's Report

## To the Shareholders of Intouch Holdings Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Intouch Holdings Public Company Limited and its subsidiaries (the "Group"), and of Intouch Holdings Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, 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 2014 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 2014, ITV Public Company Limited (ITV) (subsidiary) has current liabilities exceed its current assets by an amount of 5,158 million baht and a deficit in excess of the share capital of an amount of 5,158 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. I have expressed a disclaimer of opinion on the ITV 2014 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 2014, represent 2.1 % and 30.4% 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 2014 is nil.

**D. Dinghanan.**

Mr. Supot Singhasaneh  
Certified Public Accountant  
Registration No. 2826

KPMG Phoomchai Audit Ltd.  
Bangkok  
13 February 2015

Intouch Holdings Public Company Limited and its Subsidiaries  
**Statements of Financial Position**  
**As at 31 December 2014**

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	2014	2013	2014	2013
			(Restated)		
		(in Baht)			
<b>Current assets</b>					
Cash and cash equivalents	6	2,970,114,780	2,827,550,458	305,178,646	507,179,669
Current investments	7	4,678,810,290	4,028,063,052	1,787,797,352	1,589,700,324
Trade and other receivables	5, 8	1,718,718,560	2,146,824,938	17,869,163	16,223,625
Amounts due from, advances and loans					
to related parties	5	147,912,417	152,498,226	2,134,660	40,800,471
Inventories	9	225,273,587	251,987,496	-	-
Non-current assets held for discontinued operations	10	235,264,032	-	-	-
<b>Total current assets</b>		<b>9,976,093,666</b>	<b>9,406,924,170</b>	<b>2,112,979,821</b>	<b>2,153,904,089</b>
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	3,646,974,036	3,696,940,438
Investments in associates	11	20,076,708,621	19,761,823,079	8,473,802,257	8,473,802,257
Long-term investments	7	40,000,000	724,839,569	40,000,000	25,000,000
Property and equipment	13	9,188,360,548	3,260,574,135	55,396,377	40,728,102
Intangible assets under operating					
agreements	14	13,249,340,669	15,041,927,574	-	-
Other intangible assets	15	1,054,983,963	971,047,273	5,624,515	5,382,362
Deferred tax assets	16	257,132,172	513,187,450	-	-
Other non-current assets		856,683,364	1,129,178,904	7,105,506	3,870,825
<b>Total non-current assets</b>		<b>44,723,209,337</b>	<b>41,402,577,984</b>	<b>12,228,902,691</b>	<b>12,245,723,984</b>
<b>Total assets</b>		<b>54,699,303,003</b>	<b>50,809,502,154</b>	<b>14,341,882,512</b>	<b>14,399,628,073</b>

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

**Intouch Holdings Public Company Limited and its Subsidiaries**  
**Statements of Financial Position**  
**As at 31 December 2014**

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2014	2013 (Restated)	2014	2013
		(in Baht)			
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	17	641,104,665	-	-	-
Trade and other payables	5, 18	1,708,706,789	2,333,994,297	122,048,553	97,397,916
Accounts payable - equipment		293,623,192	112,776,636	-	-
Amounts due to and loans from related parties	5	145,078,354	144,987,427	9,852,032	2,157,481
Current portion of long-term borrowings	17	580,337,023	4,344,544,629	667,259	785,797
Accrued operating agreement fees		285,698,928	265,274,095	-	-
Provision for unpaid operating agreement fee and interest	35.2	6,323,413,812	5,889,996,003	-	-
Income tax payable		62,267,547	35,752,760	-	-
Liabilities of non-current assets held for discontinued operations	10	232,805,014	-	-	-
<b>Total current liabilities</b>		<b>10,273,035,324</b>	<b>13,127,325,847</b>	<b>132,567,844</b>	<b>100,341,194</b>
<b>Non-current liabilities</b>					
Long-term accounts payable - equipment		307,952,760	434,932,080	-	-
Long-term borrowings	17	9,435,530,374	4,029,012,143	-	667,259
Employee benefit obligations	19	438,338,314	431,396,052	57,905,754	52,354,554
Other non-current liabilities		372,278,733	375,173,951	-	-
<b>Total non-current liabilities</b>		<b>10,554,100,181</b>	<b>5,270,514,226</b>	<b>57,905,754</b>	<b>53,021,813</b>
<b>Total liabilities</b>		<b>20,827,135,505</b>	<b>18,397,840,073</b>	<b>190,473,598</b>	<b>153,363,007</b>

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

Intouch Holdings Public Company Limited and its Subsidiaries  
**Statements of Financial Position**  
**As at 31 December 2014**

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2014	2013 (Restated)	2014	2013
		(in Baht)			
<b>Equity</b>					
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		6,086,696,215	5,379,679,929	84,464,873	190,623,760
Other components of equity		4,543,600,576	4,388,517,989	18,954,515	7,651,780
<b>Total equity attributable to equity holders of the Company</b>		<b>24,678,286,317</b>	<b>23,816,187,444</b>	<b>14,151,408,914</b>	<b>14,246,265,066</b>
Non-controlling interests		9,193,881,181	8,595,474,637	-	-
<b>Total equity</b>		<b>33,872,167,498</b>	<b>32,411,662,081</b>	<b>14,151,408,914</b>	<b>14,246,265,066</b>
<b>Total liabilities and equity</b>		<b>54,699,303,003</b>	<b>50,809,502,154</b>	<b>14,341,882,512</b>	<b>14,399,628,073</b>

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

**Intouch Holdings Public Company Limited and its Subsidiaries**  
**Statements of Income**  
**For the year ended 31 December 2014**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
		(Restated)			
(in Baht)					
Revenue	25				
Revenue from sales and rendering of services		10,141,669,739	7,999,776,154	-	-
Construction revenue under operating agreements	3	172,270,278	1,646,026,113	-	-
Dividend income	11	-	-	14,382,866,400	13,891,265,174
Other income	26	257,148,006	306,892,525	75,632,153	71,419,495
Net foreign exchange gain		59,111,023	-	-	-
Share of profit of associates		14,639,772,283	14,837,097,655	-	-
Total revenue		25,269,971,329	24,789,792,447	14,458,498,553	13,962,684,669
Expenses	25				
Cost of sales and rendering of services		4,971,166,220	3,951,699,251	-	-
Construction cost under operating agreements	3	172,270,278	1,646,026,113	-	-
Operating agreement fee		985,260,005	826,536,780	-	-
Loss on provision for interest of unpaid operating agreement fee	35.2	433,417,808	433,417,808	-	-
Selling expenses		293,758,974	207,298,557	-	-
Administrative expenses		1,833,376,102	1,583,931,595	317,239,517	295,487,135
Net foreign exchange loss		-	269,743,077	-	-
Impairment of investment in a subsidiary and provision for loss	11	-	-	97,966,402	-
Management benefit expenses	5	164,749,081	171,091,991	91,780,589	93,408,000
Total expenses		8,853,998,468	9,089,745,172	506,986,508	388,895,135
Profit before finance costs and income tax expenses		16,415,972,861	15,700,047,275	13,951,512,045	13,573,789,534
Finance costs		(384,937,505)	(268,116,372)	(3,425,490)	(2,558,935)
Profit before income tax expense		16,031,035,356	15,431,930,903	13,948,086,555	13,571,230,599
Income tax expense	29	(460,069,483)	(342,796,746)	-	-
Profit for the year - continued operations		15,570,965,873	15,089,134,157	13,948,086,555	13,571,230,599
Loss for the year from discontinued operations - net		(64,491,659)	(56,724,315)	-	-
Profit for the year		15,506,474,214	15,032,409,842	13,948,086,555	13,571,230,599
Attributable to:					
Owners of the parent					
Profit for the year - continued operations		14,825,727,590	14,594,599,384	13,948,086,555	13,571,230,599
Loss for the year - discontinued operations		(64,465,863)	(26,620,180)	-	-
Profit for the year to owners of the parent		14,761,261,727	14,567,979,204	13,948,086,555	13,571,230,599
Non-controlling interests					
Profit for the year - continued operations		745,238,283	494,534,773	-	-
Loss for the year - discontinued operation		(25,796)	(30,104,135)	-	-
Profit for the year to non-controlling interests		745,212,487	464,430,638	-	-
		15,506,474,214	15,032,409,842	13,948,086,555	13,571,230,599
Basic earnings (loss) per share					
From continued operations		4.62	4.55	4.35	4.23
From discontinued operation		(0.02)	(0.01)	-	-
Owners of the parent	31	4.60	4.54	4.35	4.23
Diluted earnings (loss) per share					
From continued operations		4.62	4.55	4.35	4.23
From discontinued operation		(0.02)	(0.01)	-	-
Owners of the parent	31	4.60	4.54	4.35	4.23

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



Intouch Holdings Public Company Limited and its Subsidiaries  
 Statements of Comprehensive Income  
 For the year ended 31 December 2014

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in Baht)			
<b>Profit for the year</b>		<b>15,506,474,214</b>	<b>15,032,409,842</b>	<b>13,948,086,555</b>	<b>13,571,230,599</b>
<b>Other comprehensive income,</b>					
<b>net of income tax</b>	24				
Foreign currency translation differences for					
foreign operations		(3,238,371)	87,606,110	-	-
Net change in fair value of available-for-sale					
investments		245,131,215	565,142,534	4,057,541	1,426,219
Share of other comprehensive income of associates		973,503	1,143,263	-	-
<b>Other comprehensive income for the year,</b>					
<b>net of income tax</b>		<b>242,866,347</b>	<b>653,891,907</b>	<b>4,057,541</b>	<b>1,426,219</b>
<b>Total comprehensive income for the year</b>		<b>15,749,340,561</b>	<b>15,686,301,749</b>	<b>13,952,144,096</b>	<b>13,572,656,818</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		14,864,695,903	14,837,459,093	13,952,144,096	13,572,656,818
Non-controlling interests		884,644,658	848,842,656	-	-
		<b>15,749,340,561</b>	<b>15,686,301,749</b>	<b>13,952,144,096</b>	<b>13,572,656,818</b>

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

Intouch Holdings Public Company Limited and its Subsidiaries  
Statement of Changes in Equity  
As at 31 December 2014

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)						
<b>Balance at 1 January 2013</b>	<b>3,208,420,305</b>	<b>10,341,569,221</b>	<b>500,000,000</b>	<b>4,384,563,023</b>	<b>-</b>	<b>4,170,766,968</b>	<b>(66,473,283)</b>	<b>5,980,729</b>	<b>364,754</b>	<b>4,110,638,168</b>	<b>22,543,191,717</b>	<b>8,003,227,403</b>	<b>30,546,419,120</b>
<b>Changes in equity for the year</b>													
Dividends	-	-	-	(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	1,431,220.00	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
<b>Comprehensive income for the year</b>													
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
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,567,979,204</b>	<b>-</b>	<b>-</b>	<b>34,991,241</b>	<b>233,345,385</b>	<b>1,143,263</b>	<b>269,479,889</b>	<b>14,837,459,093</b>	<b>848,842,656</b>	<b>15,886,301,749</b>
<b>Balance at 31 December 2013</b>	<b>3,208,420,305</b>	<b>10,341,569,221</b>	<b>500,000,000</b>	<b>5,379,679,929</b>	<b>3,769,562</b>	<b>4,175,396,338</b>	<b>(31,482,042)</b>	<b>239,326,114</b>	<b>1,508,017</b>	<b>4,388,517,969</b>	<b>23,816,187,444</b>	<b>8,595,474,637</b>	<b>32,411,662,081</b>

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

Intouch Holdings Public Company Limited and its Subsidiaries  
Statement of Changes in Equity  
As at 31 December 2014

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 2014	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	1,508,017	4,388,517,969	23,616,187,444	8,595,474,637	32,411,662,061	
Changes in equity for the year														
Dividends	32	-	-	(14,054,245,441)	-	-	-	-	-	-	(14,054,245,441)	(290,279,973)	(14,344,525,414)	
Share-based payment		-	-	-	10,070,237	-	-	-	-	10,070,237	10,070,237	4,041,859	14,112,096	
Unrealised gain on dilution of investments in subsidiaries and associates		-	-	-	-	41,578,174	-	-	-	41,578,174	41,578,174	-	41,578,174	
Comprehensive income for the year														
Profit for the year		-	-	14,761,261,727	-	-	-	-	-	-	14,761,261,727	745,212,487	15,506,474,214	
Other comprehensive income for the year	24	-	-	-	-	-	(1,404,177)	103,864,850	973,503	103,434,176	103,434,176	139,432,171	242,866,347	
Total comprehensive income for the year		-	-	14,761,261,727	-	-	(1,404,177)	103,864,850	973,503	103,434,176	14,864,695,903	884,644,658	15,749,340,561	
Balance at 31 December 2014		3,206,420,305	10,341,569,221	500,000,000	6,086,696,215	13,839,799	4,216,974,512	(32,886,219)	343,190,964	2,481,520	4,543,600,576	24,678,286,317	9,193,881,181	33,872,167,498

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

Intouch Holdings Public Company Limited and its Subsidiaries  
**Statements of Changes in Equity**  
**As at 31 December 2014**

Separate financial statements								
Note	Issued and paid-up share capital	Share premium	Retain earnings		Other reserves share-based payment	Other components of equity		Total equity
			Legal reserve	Unappropriated		Fair value changes in available-for-sale investments	Total other components of equity	
(in Baht)								
	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	-	-	-	(13,572,862,298)	-	-	-	(13,572,862,298)
Shared - based Payment	-	-	-	-	2,769,215	-	2,769,215	2,769,215
Comprehensive income for the year								
Profit for the year	-	-	-	13,571,230,599	-	-	-	13,571,230,599
Other comprehensive income for the year	24	-	-	-	-	1,426,219	1,426,219	1,426,219
Total comprehensive income for the year	-	-	-	13,571,230,599	-	1,426,219	1,426,219	13,572,656,818
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
Balance at 1 January 2014	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
Changes in equity for the year								
Dividends	32	-	-	(14,054,245,442)	-	-	-	(14,054,245,442)
Share-based payment	-	-	-	-	7,245,194	-	7,245,194	7,245,194
Comprehensive income for the year								
Profit for the year	-	-	-	13,948,086,555	-	-	-	13,948,086,555
Other comprehensive income for the year	24	-	-	-	-	4,057,541	4,057,541	4,057,541
Total comprehensive income for the year	-	-	-	13,948,086,555	-	4,057,541	4,057,541	13,952,144,096
Balance at 31 December 2014	3,206,420,305	10,341,569,221	500,000,000	84,464,873	10,014,409	8,940,106	18,954,515	14,151,408,914

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

**Intouch Holdings Public Company Limited and its Subsidiaries**  
**Statements of Cash Flows**  
**For the years ended 31 December 2014**

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2014	2013	2014	2013
			(Restated)		
		(in Baht)			
<b>Cash flows from operating activities</b>					
Profit for the year attributed to					
owners of the parent		14,825,727,590	14,594,599,384	13,948,086,555	13,571,230,599
<b>Adjustments for</b>					
Depreciation and amortisation	13, 14, 15	2,706,403,735	2,103,735,245	16,254,685	14,377,031
Current service costs of employee					
and share based payment expense	19	54,668,710	40,758,306	10,861,754	6,259,393
Interest income		(178,919,191)	(153,524,976)	(68,030,203)	(70,368,098)
Interest expense		360,255,086	256,365,286	1,978,367	1,836,411
Income tax expense	29	460,069,483	343,475,601	-	-
Share of profit of associates		(14,639,772,283)	(14,837,097,655)	-	-
Dividend income	11	-	-	(14,382,866,400)	(13,891,265,174)
Impairment of investment in a subsidiary					
and provision for loss	11	-	-	97,966,402	-
Loss on provision for interest of unpaid operating					
agreement fee		433,417,808	433,417,808	-	-
Unrealised (gain) loss on foreign exchange		(23,707,804)	328,428,991	-	-
(Reversal of) allowance for doubtful accounts		2,187,349	(10,879,185)	-	-
(Reversal of) impairment loss of assets		52,959,906	(44,410,159)	-	-
Allowance for obsolete inventory		30,767,196	15,106,647	-	-
Amortisation cost of loans		2,363,082	2,477,440	-	-
Gain for the year attributed to non-controlling interests		745,238,283	494,534,773	-	-
Others		18,957,197	(2,503,871)	11,375,892	12,136,642
		4,850,616,147	3,564,483,635	(364,372,948)	(355,793,196)
<b>Changes in operating assets and liabilities</b>					
Trade and other receivables		42,315,348	(163,664,992)	26,790,048	(15,051,399)
Inventories		76,970,686	85,302,594	-	-
Other non-current assets		(81,202,233)	(378,896,587)	(3,234,681)	(64,200)
Trade and other payables		(7,251,856)	169,914,656	(4,327,335)	5,337,908
Accrued operating agreement fees		20,424,834	50,299,202	-	-
Other non-current liabilities		(144,468,239)	(31,758,077)	-	-
Interest received		178,982,169	128,150,942	26,445,885	69,285,046
Dividends received		14,370,050,472	13,873,481,794	14,382,866,400	13,891,265,174
Income tax paid		(261,092,289)	(323,176,322)	-	-
<b>Net cash from operating activities</b>		<b>19,045,345,039</b>	<b>16,974,136,845</b>	<b>14,064,167,369</b>	<b>13,594,979,333</b>

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

**Intouch Holdings Public Company Limited and its Subsidiaries**  
**Statements of Cash Flows**  
**For the years ended 31 December 2014**

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		(in Baht)			
<b><i>Cash flows from investing activities</i></b>					
Acquisition of associated companies and subsidiary		(172,173,017)	(34,005,529)	(22,000,000)	(36,005,499)
Purchase of long-term investment		(15,000,000)	(129,014,370)	(15,000,000)	-
Purchase of property and equipment		(6,464,810,403)	(2,538,711,857)	(19,837,181)	(25,559,823)
Purchase of other intangible assets		(42,182,594)	(29,790,828)	(1,128,846)	(3,863,415)
(Increase) decrease in current investments		294,843,556	(685,807,369)	(194,039,487)	424,802,908
(Increase) decrease in loans and advances to related parties		5,172,750	(5,513,524)	39,070,000	(39,070,000)
Net cash received from disposal of equipment		10,067,193	13,983,793	1,844,114	1,218,745
<b>Net cash from (used in) investing activities</b>		<b>(6,384,082,515)</b>	<b>(3,408,859,684)</b>	<b>(211,091,400)</b>	<b>321,522,916</b>
<b><i>Cash flows from financing activities</i></b>					
Proceeds from short-term borrowings		1,844,029,744	48,000,000	-	-
Proceeds from long-term borrowings		5,993,720,359	1,032,383,372	-	-
Repayments of short-term borrowings		(1,202,925,078)	(48,000,000)	-	-
Repayments of long-term borrowings		(4,365,263,272)	(115,147,246)	(785,797)	(940,900)
Interest paid		(338,640,929)	(228,074,626)	(45,754)	(96,341)
Dividend paid		(14,344,525,414)	(13,830,888,941)	(14,054,245,441)	(13,572,862,298)
<b>Net cash used in financing activities</b>		<b>(12,413,604,590)</b>	<b>(13,141,727,441)</b>	<b>(14,055,076,992)</b>	<b>(13,573,899,539)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>247,657,934</b>	<b>423,549,720</b>	<b>(202,001,023)</b>	<b>342,602,710</b>
Cash and cash equivalents at beginning of year		2,827,550,458	2,290,329,006	507,179,669	164,576,959
Effects of cash and cash equivalents in discontinued operations		(107,590,701)	107,590,701	-	-
Effects of exchange rate changes on balances held in foreign currencies		2,497,089	6,081,031	-	-
<b>Cash and cash equivalents at end of year</b>	6	<b>2,970,114,780</b>	<b>2,827,550,458</b>	<b>305,178,646</b>	<b>507,179,669</b>
<b><i>Non-cash transactions</i></b>					
Purchase of property and equipment and other intangible assets by liabilities		65,028,138	527,189,729	10,673,340	2,836,939
Property and equipment under finance leases		11,823,925	12,836,234	-	1,453,057

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



Intouch Holdings Public Company Limited and its Subsidiaries  
Notes to the Financial Statements  
For the year ended 31 December 2014

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**Intouch Holdings Public Company Limited and its Subsidiaries**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2014**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 13 February 2015.

**1 General information**

The Annual General Meeting of Shareholders for 2014 held on 28 March 2014 passed a resolution to change name from Shin Corporation Public Company Limited to Intouch Holdings Public Company Limited ("the Company" or "INTOUCH"). The Company registered its new name and seal with the Department of Business Development, Ministry of Commerce, on 31 March 2014.

The Company is a public limited company and is incorporated and domiciled in Thailand. Started from 2 February 2015, its registered office has been changed to 29<sup>th</sup> – 30<sup>th</sup> floor ,SJ Infinite One Business Complex ,349 Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok, 10900 (formerly 414 Phaholyothin Road, Phayathai, Bangkok 10400).

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

As at 31 December 2014, the principle shareholder of the Company is Aspen Holdings Limited ("Aspen"), holding 41.6% (2013: *Aspen 41.6%*), which is incorporated in Thailand.

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

Detail of the Company's subsidiaries and associates as at 31 December 2014 and 2013 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2014	2013
			(%)	
<i>Subsidiaries</i>				
Thaicom Public Company Limited and its Group ("THAICOM")	Operating transponder services for domestic & international communications, sale of satellite equipment, provides consulting and installation of integrated broadband network, 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> ) having previously operated 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 ( <i>note 10</i> ).	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	99.99

Intouch Holdings Public Company Limited and its Subsidiaries  
Notes to the Financial Statements  
For the year ended 31 December 2014

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2014	2013
			(%)	
<i>Associates</i>				
Advanced Info Service Public Company Limited and its Group (“AIS”)	Operating a 2.1-GHz and 900-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”) (held by a subsidiary of THAICOM)	Providing internet data center services, internet, satellite uplink downlink services for domestic and international communications, the printing and publishing of telephone directories, the conducting of 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	22.26	25.03
Meditech Solution Company Limited (“Meditech”)	A manufacturer and vendor of eye blink communication aids for paralytics and disabled people.	Thailand	24.00	30.00
Computerlogy Company Limited (“Computerlogy”)	A software or computer system and web site development, including social media management tool.	Thailand	25.01	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 Cellular Telephone Systems in Thailand and telecommunication services in Lao PDR etc. The periods of the agreements range from 10 - 30 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 2014, the remaining minimum payment as specified in the agreement is Baht 550 million in the consolidated financial statements (2013: Baht 618 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.

**Intouch Holdings Public Company Limited and its Subsidiaries**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2014**

The significant principal agreements for operation and authorisations held by subsidiaries, jointly-controlled entities and associates at 31 December 2014 include:

<b>Operating Agreement and License</b>	<b>Country</b>	<b>Held by</b>	<b>Expiry</b>
<b><i>Subsidiaries</i></b>			
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 (in the process of dispute note 34 and 35)	July 2025
Broadcasting Operation License (Lao Star & D-Channel)	Thailand	DTV Service Company Limited	January 2016
Broadcasting Operation License (TV Lao)	Thailand	DTV Service Company Limited	November 2015
Broadcasting Operation License	Thailand	DTV Service Company Limited	January 2028
Broadcasting Operation License	Thailand	TC Broadcasting Company Limited	March 2028
<b><i>Jointly-controlled entities</i></b>			
Fixed phone, mobile phone, international facilities and internet	Lao PDR	Lao Telecommunications Company Limited	2021
<b><i>Associates</i></b>			
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
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). On 17 July 2014, the National Council for Peace and Order ("NCPO") has announced an order No. 94/2557 "Suspension the implementation of the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Communications Services" to instruct NBTC to postpone an auction for spectrum licenses for 1 year commencing from the Order date. During the postponed period, the operator has to comply with the NBTC's announcement on 16 August 2013 to provide continuing services to the subscribers. The application of those rules and conditions has yet to be clarified in detail by NBTC (including expenses that may be deducted in arriving at a notional profit payable to the State).

## 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. 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 onwards.

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 16 Deferred income tax
- 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 2014, ITV's current liabilities exceed its current assets by an amount of Baht 5,158 million and deficit in excess of its share capital by an amount of Baht 5,158 million (2013: Baht 4,745 million and Baht 4,745 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 fees 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. 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.

To comply with the Accounting Standard, the consolidated financial statements of the Company and its subsidiaries have consolidated the financial statements of ITV, which have been prepared on a going concern basis. Accordingly, the recorded assets amounting to Baht 1,175 million represent 2.1% of consolidated total assets (2013: Baht 1,150 million, represented 2.3%) and liabilities amounting to Baht 6,333 million represent 30.4% of consolidated total liabilities (2013: Baht 5,895 million, represented 32.0%) of ITV, and therefore, the recorded deficit in excess of ITV's issued share capital amounting to Baht 5,158 million (2013: Baht 4,745 million) has been taken up in full in the consolidated financial statements.

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 2014 and 2013 would be reduced by Baht 5,158 million and Baht 4,745 million, respectively. The retained earnings and shareholders' equity as at 31 December 2014 and 2013 would be increased by Baht 5,158 million and Baht 4,745 million, respectively.

On 18 July 2014, the Board of Governors of the SET had resolution to delist the common stocks of ITV from the SET because ITV's financial position and operations have met the criteria of delisting. In addition, ITV was unable to take corrective actions within the specified timeframe. As a result, the delisting is in effect on 24 July 2014 onwards.

### 3 Changes in accounting policies

From 1 January 2014, 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 2013. The change that had material impact to the financial statements of INTOUCH Group was 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 infrastructure for the public. These include 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 operator shall 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*.

INTOUCH Group has obtained agreements for operation from government agencies and entities regulated by government agencies, for which the Group has to adopt TFRIC 12. INTOUCH Group has recognised no profit margin on such revenue because

- model of the Agreements for operation is not designed to generate profits from the infrastructure construction, but from the service rendered
- the way the Group manages the construction is based on outsourced services and
- there is no profit margin on the infrastructure construction in the Group's business and operations.

Management believes that any gains on these operations are irrelevant and, accordingly, no amounts in addition to the effective costs have been considered as a part of revenues. Therefore, construction revenues and costs are presented in the statements of income in the same amounts.



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The effects from adoption of TFRIC 12 are recognised retrospectively in the financial statements. The impacts to the consolidated financial statements are as follows (no impact to the separate financial statements):

Consolidated financial statements			
	As reported	Adjustment (in million Baht)	Restated
<b>The statements of financial position as at 1 January 2013</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	5,707	(3,267)	2,440
Property and equipment under operating agreements	11,482	(11,482)	-
Intangible assets under operating agreements	-	14,749	14,749

Consolidated financial statements			
	As reported	Adjustment (in million Baht)	Restated
<b>The statements of financial position as at 31 December 2013</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	8,172	(4,911)	3,261
Property and equipment under operating agreements	10,131	(10,131)	-
Intangible assets under operating agreements	-	15,042	15,042

Consolidated financial statements			
	As reported	Adjustment (in million Baht)	Restated
<b>The statements of income</b>			
<b>For the year ended 31 December 2013</b>			
Construction revenue under operating agreements	-	1,646	1,646
Construction costs under operating agreements	-	(1,646)	(1,646)

The impact to the consolidated financial statements for the year ended 31 December 2014 (current year), which are impacted from applying the new accounting policies are as follows (no impact to the separate financial statements):

Consolidated financial statements			
	Before adoption	Adopted (in million Baht)	After adoption
<b>The statements of financial position as at 31 December 2014</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment under operating agreements	13,249	(13,249)	-
Intangible assets under operating agreements	-	13,249	13,249

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	Consolidated financial statements		
	Before adoption	Adopted (in million Baht)	After adoption
<i>The statements of income</i>			
<i>For the year ended 31 December 2014</i>			
Construction revenue under operating agreements	-	172	172
Construction costs under operating agreements	-	(172)	(172)

#### 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.

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

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*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.

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 arising 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 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 at their fair value. The changes in the fair value are recognised immediately in the statement of income.

*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 contracts are determined by using reference rates from brokers 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 is allocated to goodwill in priority, then allocated proportionately to the carried forward of assets and liabilities, with exceptions to certain assets which are required to be measured in accordance with applicable standards such as 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.

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.

**(i) 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 - 18
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.

**(j) Intangible assets under operating agreements**

Intangible assets under operating agreement comprises of rights of the charges for satellite services under the operating agreement.

Amortisation is amortised on the straight-line basis over the lower of the period of useful lives or operating agreement.

Intangible assets under operating agreements will not be re-valued, however, the assets will be reviewed its book value each year and recognise when they are impairment.

**(k) Intangible assets**

*Goodwill*

INTOUCH Group measures goodwill from the acquisition as 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 the development of Thaicom 4 (IPSTAR) technology, proprietary software for internal use or for service within INTOUCH Group, and costs of computer software, expenditure on acquired patents, trademarks or licenses and deferred expenses such as the expense in relation with issuance of debenture and long-term borrowings. 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.

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 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.

**(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 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 measured 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 has to be compensated 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.

**(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 recognized 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 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.

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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 service is provided to customers and has a certainty of economic benefit from the service.

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

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.

**(f) 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.

**(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 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 amount at which 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 2014 and 2013 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
<b>Sales of goods and services, including dividend received</b>				
<b>Subsidiaries</b>				
Dividend received	-	-	203	180
<b>Jointly-controlled entity</b>				
Consultant income and others	8	13	-	-
<b>Associates</b>				
Computer services income	118	95	-	-
Advertising income	1	1	-	-
Rental income and others	82	110	-	-
Dividend received	14,370	13,873	14,180	13,711
	<b>14,571</b>	<b>14,079</b>	<b>14,180</b>	<b>13,711</b>
<b>Purchase of goods and services, including dividend paid</b>				
<b>Subsidiaries</b>				
Computer services	-	-	2	2
Advertising expenses and others	-	-	24	12
	<b>-</b>	<b>-</b>	<b>26</b>	<b>14</b>
<b>Jointly-controlled entity</b>				
Rental and other expenses	1	-	-	-
<b>Associates</b>				
Rental and other expenses	45	34	2	2
<b>Related parties</b>				
Purchase fixed assets	2	9	2	9
Interest and other expenses	5	6	-	-
	<b>7</b>	<b>15</b>	<b>2</b>	<b>9</b>
<b>Directors</b>				
Dividend paid	4	5	4	5
<b>Major shareholders</b>				
Dividend paid	5,858	6,476	5,858	6,476

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Balances as at 31 December 2014 and 2013 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Trade accounts and notes receivable</b>				
Associates	5	393	-	-
Related parties	55	68	-	-
<b>Total</b>	<b>60</b>	<b>461</b>	<b>-</b>	<b>-</b>
<i>Less allowance for doubtful accounts</i>	<i>(55)</i>	<i>(68)</i>	<i>-</i>	<i>-</i>
<b>Net</b>	<b>5</b>	<b>393</b>	<b>-</b>	<b>-</b>
<b>Accrued income</b>				
Associates	60	47	-	-
<b>Amounts due from, advances and loans to related parties</b>				
Subsidiaries	-	-	1	40
Jointly-controlled entity	147	151	-	-
Associates	1	2	1	-
	<b>148</b>	<b>153</b>	<b>2</b>	<b>40</b>
<b>Other receivable</b>				
Jointly-controlled entity	13	9	-	-
Associates	-	-	-	2
	<b>13</b>	<b>9</b>	<b>-</b>	<b>2</b>
<b>Current investment in debenture through private funds, managed by independent fund manager</b>				
Associate	17	-	17	-
<b>Dividend receivable</b>				
Jointly-controlled entity	-	62	-	-

Movements of loan to subsidiary during the years ended 31 December 2014 and 2013 were as follows:

	Separate financial statements	
	2014	2013
	<i>(in million Baht)</i>	
At 1 January	39	-
Additions	-	39
Repayments	(39)	-
<b>At 31 December</b>	<b>-</b>	<b>39</b>

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 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>	
	2014	2013
	<i>(in million Baht)</i>	
At 1 January	142	132
Unrealised gain on currency translation	1	10
<b>At 31 December</b>	<b>143</b>	<b>142</b>

Loan in consolidated financial statements is a loan to Jointly-controlled entity, which is a call loan with interest rates 2.75% - 3.11% per annum (2013: 2.74% - 3.10% per annum).

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Trade accounts and notes payable</b>				
Associates	11	16	-	-
Related parties	8	8	-	-
<b>Total</b>	<b>19</b>	<b>24</b>	<b>-</b>	<b>-</b>
<b>Amounts due to and loans from related parties</b>				
Subsidiaries	-	-	9	2
Associates	1	-	1	-
Related parties	144	145	-	-
<b>Total</b>	<b>145</b>	<b>145</b>	<b>10</b>	<b>2</b>
<b>Other payable</b>				
Subsidiaries	-	-	1	2
Jointly-controlled entity	1	-	-	-
Associates	1	3	-	-
Related parties	13	9	-	-
<b>Total</b>	<b>15</b>	<b>12</b>	<b>1</b>	<b>2</b>
<b>Other non-current liabilities</b>				
Associates	4	2	-	-

Movements of loan from a related party entity (included in amounts due to, and loans from related parties) during the years ended 31 December 2014 and 2013 were as follows:

	<b>Consolidated financial statements</b>	
	2014	2013
	<i>(in million Baht)</i>	
At 1 January	143	133
Unrealised (gain) or loss on currency translation	-	10
<b>At 31 December</b>	<b>143</b>	<b>143</b>

Loan from a related party is a call loan with interest rates 2.75% - 3.11% per annum (2013: 2.74% - 3.10% per annum).

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**Management compensation**

Directors' remuneration and key management personnel compensation for the years ended 31 December 2014 and 2013 comprised of:

<i>Year ended 31 December</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Short-term benefit</b>				
Directors' remuneration	42	37	27	21
Key management compensation	123	134	65	72
<b>Total management benefit expenses</b>	<b>165</b>	<b>171</b>	<b>92</b>	<b>93</b>
<b>Long-term benefit</b>				
Included in administrative expenses				
Current service costs	4	3	2	2
Share-based payment	10	4	6	2
Included in finance costs				
Interest on obligation	2	1	1	1
<b>Total long-term management benefit expenses</b>	<b>16</b>	<b>8</b>	<b>9</b>	<b>5</b>
<b>Total</b>	<b>181</b>	<b>179</b>	<b>101</b>	<b>98</b>

**Directors' remuneration**

Directors' remuneration represents monthly allowance, meeting allowance, daily expense allowance (per diem) and bonus which are 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 INTOUCH Group.

**Commitments and other agreements with related parties**

As at 31 December 2014 and 2013, 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 2014, the Company and associates had no commitment to pay the subsidiary for services in respect of the agreements as the agreement had matured *(2013: 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 2014, the subsidiary committed to pay for the service in respect of the agreements at approximately Baht 18 million *(2013: approximately Baht 30 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 5 million *(2013: approximately USD 2 million)*.
4. A subsidiary entered into an agreement with an associate, under which the subsidiary committed to provide satellite uplink equipment. An associate was committed to pay for rental fee in respect of the agreements at approximately Baht 23 million *(2013: Baht 38 million)*.

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6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Cash on hand	24	32	-	-
Deposit at banks - current and saving accounts	1,460	1,197	305	110
Deposit at banks - fixed account, bills of exchange and promissory notes	1,486	1,599	-	397
<b>Total</b>	<b>2,970</b>	<b>2,828</b>	<b>305</b>	<b>507</b>

The weighted average effective interest rate of bank deposits, time deposits, bills of exchange and promissory notes was 0.8 % per annum (2013: 1.0% per annum) in the consolidated financial statements and 1.7 % per annum (2013: 2.0% per annum) in the separate financial statements.

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Current investments</b>				
Deposit at banks – fixed account	1,351	1,706	550	400
Debt securities available for sale	2,392	2,322	1,238	1,190
Equity security available for sale	936	-	-	-
	<b>4,679</b>	<b>4,028</b>	<b>1,788</b>	<b>1,590</b>

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Long-term investments</b>				
Equity securities available for sale	-	700	-	-
Investment in other company	40	25	40	25
	<b>40</b>	<b>725</b>	<b>40</b>	<b>25</b>
<b>Total</b>	<b>4,719</b>	<b>4,753</b>	<b>1,828</b>	<b>1,615</b>

The weighted average effective interest rate of fixed deposit and bill of exchange was 2.5% per annum (2013: 3.1% per annum) in the consolidated financial statements and 2.6% per annum (2013: 3.1% per annum) in the separate financial statements.

The weighted average of the return on current investments for available-for-sale securities is 2.2% per annum (2013: 3.6 % per annum) in the consolidated financial statements and 2.2% per annum (2013: 3.5% per annum) in the separate financial statements.

Equity security available for sale was an investment in ordinary shares of Synertone Communication Corporation Limited ("Synertone"), which was held by IPSTAR International PTE Limited ("IPIN"), a subsidiary of THAI.COM.

For the investment in Synertone of 64 million shares, there is an agreement on a lock-up period, in which the shares will not be sold, transferred or entered into any agreements for the period of one year, starting from 16 October 2013 to 15 October 2014.

On 10 February 2014, the extraordinary shareholder's meeting of Synertone passed a resolution to issue bonus shares on the basis of four bonus shares for each existing share. IPIN is eligible to get the bonus shares amounting to 256 million shares.



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Movements of securities available for sale during the years ended 31 December 2014 and 2013 was as follows:

	Consolidated financial statements	
	2014	2013
	(in million Baht)	
Equity securities available for sale		
At 1 January	700	-
Purchases during the year	-	129
Change in fair value	236	564
Unrealised gain on currency translation	-	7
<b>At 31 December</b>	<b>936</b>	<b>700</b>

8 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
<b>Trade receivable</b>				
Trade account and notes receivable	1,086	1,508	-	-
Accrued income	505	311	-	-
Less allowance for doubtful accounts	(206)	(219)	-	-
	<b>1,385</b>	<b>1,600</b>	<b>-</b>	<b>-</b>
<b>Other receivable</b>	<b>334</b>	<b>547</b>	<b>18</b>	<b>16</b>
<b>Total</b>	<b>1,719</b>	<b>2,147</b>	<b>18</b>	<b>16</b>

		Consolidated financial statements	
	Note	2014	2013
		(in million Baht)	
<b>Trade and notes receivable</b>			
Related parties	5	60	461
Other parties		1,026	1,047
<b>Total</b>		<b>1,086</b>	<b>1,508</b>
<b>Accrued income</b>			
Related parties	5	60	47
Other parties		445	264
<b>Total</b>		<b>505</b>	<b>311</b>
<b>Total trade and notes receivable and accrued income</b>		<b>1,591</b>	<b>1,819</b>
Less allowance for doubtful accounts		(206)	(219)
<b>Net</b>		<b>1,385</b>	<b>1,600</b>

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

	Consolidated financial statements	
	2014	2013
	(in million Baht)	
Within credit terms	280	698
Overdue:		
Less than 3 months	410	402
3 - 6 months	163	175
6 - 12 months	47	21
Over 12 months	186	212
	<b>1,086</b>	<b>1,508</b>
Less allowance for doubtful accounts	(206)	(219)
<b>Net</b>	<b>880</b>	<b>1,289</b>

Other receivables as at 31 December 2014 and 2013 were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Prepaid expenses	122	240	5	6
Accrued interest income and other income	49	64	3	6
Advance payments	67	136	-	-
Deposits	30	60	2	-
Income tax receivable	15	46	2	1
Forward contract receivable	34	-	-	-
Others	17	1	6	3
<b>Total</b>	<b>334</b>	<b>547</b>	<b>18</b>	<b>16</b>

9 Inventories

	Consolidated financial statements	
	2014	2013
	(in million Baht)	
Raw materials	66	63
Work in process	3	3
Finished goods	276	280
Goods in transit	10	3
	<b>355</b>	<b>349</b>
Less allowance for obsolete inventories	(130)	(97)
<b>Net</b>	<b>225</b>	<b>252</b>

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**10 Non-current assets held for abandonment and discontinued operations**

**Investment in MB**

Regarding to the continued operation loss, MB has a plan to close down its operation. The Company reclassified assets, liabilities and the operating result to assets held for discontinued operations in the consolidated financial statements. Assets and liabilities of MB as at 31 December 2014 are reclassified to non-current assets held for discontinued operations and Liabilities of non-current assets held for discontinued operations included in the consolidated financial position. The operating result and cash flows of MB are presented as discontinued operation in the consolidated statements of income and statements of cash flow.

Details of the financial position, operating result and cash flows of MB included in the consolidated financial statements of INTOUCH Group are as follows:

<b>Consolidated financial statements</b>	
31 December 2014	
<i>(in million Baht)</i>	
<b>Assets</b>	
Cash and cash equivalents	42
Trade and other receivable	190
Property and equipment	8
Other non-current assets	3
Less impairment loss	(8)
<b>Non-current assets held for discontinued operations</b>	<b>235</b>
<b>Liabilities and equity</b>	
Trade and other payables	233
<b>Liabilities of non-current assets held for discontinued operations</b>	<b>233</b>

<b>Consolidated financial statements</b>	
2014	2013
<i>(in million Baht)</i>	
<b>Operation result of non-current assets held for discontinued operations</b>	
Total revenue	551
Expenditure	(608)
<b>Loss for the year of discontinued operations</b>	<b>(57)</b>
Income Tax	(7)
<b>Loss for the year of discontinued operations (net of tax)</b>	<b>(64)</b>
Impact from operation loss of MB to earning per share of the Company	
Basic and diluted (Baht per share)	(0.02)
<b>Cash flow from (used in) assets of discontinued operations</b>	
Net cash flow from (used in) operating activities	(67)
Net cash flow from (used in) investing activities	1
<b>Net cash flow from (used in) assets of discontinued operations</b>	<b>(66)</b>
Cash and cash equivalents at beginning of year	108
<b>Cash and cash equivalents at end of year</b>	<b>42</b>

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**Investment in Mfone**

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 order to appoint the administrator. As a result, Mfone is under control of the Court and the administrator. Thus, THAICOM lost 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 lost 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".

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

**11 Investments in subsidiaries, jointly-controlled entities and associates**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b><i>Investment in subsidiaries</i></b>				
At 1 January	-	-	3,697	3,695
Acquisition	-	-	22	2
Impairment loss on investment in subsidiary	-	-	(72)	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>3,647</b>	<b>3,697</b>
<b><i>Investment in associates</i></b>				
At 1 January	19,762	18,758	8,474	8,440
Acquisition	-	34	-	34
Share of profits of associates	14,640	14,837	-	-
Dividend received	(14,370)	(13,873)	-	-
Other comprehensive income	1	1	-	-
Unrealised gain on dilution from investment	44	5	-	-
<b>At 31 December</b>	<b>20,077</b>	<b>19,762</b>	<b>8,474</b>	<b>8,474</b>

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Investments in subsidiaries and associates as at 31 December 2014 and 2013 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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)						(in million Baht)			
<b>Associates</b>										
AIS	40.45	40.45	2,973	2,973	8,382	8,382	19,733	19,364	14,180	13,711
CSL	42.07	42.07	149	149	1,481	1,481	234	306	190	162
OOKBEE	22.26	25.03	2	1	58	58	78	58	-	-
Meditech	24.00	30.00	2	1	5	5	5	5	-	-
Computerlogy	25.01	25.01	1	1	29	29	27	29	-	-
<b>Total</b>			<b>3,127</b>	<b>3,125</b>	<b>9,955</b>	<b>9,955</b>	<b>20,077</b>	<b>19,762</b>	<b>14,370</b>	<b>13,873</b>

**Separate financial statements**

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the years	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)						(in million Baht)					
<b>Subsidiaries</b>												
THAICOM	41.14	41.14	5,480	5,480	3,613	3,613	-	-	3,613	3,613	203	180
ITV	52.92	52.92	6,033	6,033	3,297	3,297	(3,297)	(3,297)	-	-	-	-
ITAS	99.99	99.99	10	10	10	10	-	-	10	10	-	-
MB	99.96	99.96	9	9	72	72	(72)	-	-	72	-	-
Intouch Media	99.99	99.99	24	2	24	2	-	-	24	2	-	-
			<b>11,556</b>	<b>11,534</b>	<b>7,016</b>	<b>6,994</b>	<b>(3,369)</b>	<b>(3,297)</b>	<b>3,647</b>	<b>3,697</b>	<b>203</b>	<b>180</b>
<b>Associate</b>												
AIS	40.45	40.45	2,973	2,973	8,382	8,382	-	-	8,382	8,382	14,180	13,711
OOKBEE	22.26	25.03	2	1	58	58	-	-	58	58	-	-
Meditech	24.00	30.00	2	1	5	5	-	-	5	5	-	-
Computerlogy	25.01	25.01	1	1	29	29	-	-	29	29	-	-
			<b>2,978</b>	<b>2,976</b>	<b>8,474</b>	<b>8,474</b>	<b>-</b>	<b>-</b>	<b>8,474</b>	<b>8,474</b>	<b>14,180</b>	<b>13,711</b>
<b>Total</b>			<b>14,534</b>	<b>14,510</b>	<b>15,490</b>	<b>15,432</b>	<b>(3,369)</b>	<b>(3,297)</b>	<b>12,121</b>	<b>12,171</b>	<b>14,383</b>	<b>13,891</b>

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Significant movements in investments of INTOUCH Group during the year ended 31 December 2014 were as follows:

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

During 2014, subsidiaries, jointly-controlled entity and associates approved dividend payments as follows:

Company	Dividend payment from operation period of	Currency	Dividend rate  (Per share)	Dividend and interim dividend		
				Paid in 2013  (Per share)	Paid in 2014	
					(Per share)	Total amount  (in million)
Subsidiary						
THAICOM	2013	(Baht)	0.45	-	0.45	493
IPSTAR Australia Pty Limited ("IPA")	2013	(AUD)	0.29	-	0.29	2
	2014	(AUD)	0.29	-	0.29	2
IPSTAR New Zealand Company Limited ("IPN")	2013	(NZD)	0.12	-	0.12	1
IPSTAR Global Service Company Limited ("IPGS")	2013	(USD)	140	-	140	2.8
Jointly-controlled entity						
LaoTelecommunications Company Limited ("LTC")	2013	(USD)	0.15	-	0.15	15
Associate						
AIS	2013	(Baht)	12.15	6.40	5.75	17,097
	1 January 2014 – 30 June 2014	(Baht)	6.04	-	6.04	17,957
CSL	2013	(Baht)	0.70	0.35	0.35	208
	1 January 2014 – 30 June 2014	(Baht)	0.41	-	0.41	244

**b) Acquisition of new share capital issued by Intouch Media and Touch TV**

On 6 February 2014, the Company subscribed to new share capital issued by Intouch Media 2.2 million shares at Baht 10 per share, totally Baht 22 million. The Company held 99.99%. Intouch Media registered its share capital with the Ministry of Commerce, on 11 February 2014.

On 6 February 2014, Intouch Media subscribed to new share capital issued by Touch TV 0.2 million shares at Baht 10 per share, totally Baht 2 million. Intouch Media held 99.99%. Touch TV registered its share capital with the Ministry of Commerce, on 11 February 2014.

**c) 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 at AUD 5.96 million of OSS from Orion Satellite Investment Limited, equivalent to 100% of registered share capital of OSS.

In the eleven-month period ended 31 December 2014, OSS contributed revenue of Baht 137 million and loss of Baht 4 million to the Group's results.

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The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed including goodwill at the acquisition date:

	<b>Consolidated financial statement Fair value (in million Baht)</b>
<b>Consideration transferred</b>	
Cash	174
<b>Identifiable assets acquired and liabilities assumed</b>	
Cash and cash equivalents	2
Trade and other receivables	24
Inventories	4
Property, plant and equipment	12
Intangible assets	52
Trade and other payables	(20)
<b>Total identifiable net assets</b>	<b>74</b>
<b>Goodwill was recognised as a result of the acquisition</b>	
Total consideration transferred	174
<i>Less</i> Fair value of identifiable net assets	(74)
<b>Goodwill</b>	<b>100</b>

The fair values of intangible assets of Baht 52 million (Brand and customer relationships) have been determined by an independent valuation, and are included in intangible asset.

*Acquisition - related costs*

The Group incurred acquisition - related costs of Baht 12 million related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of comprehensive income.

**d) Acquisition of additional ordinary shares in IPSTAR Company Limited ("IPST")**

In June and August 2014, THAIKOM acquired additional ordinary shares in IPST of 31,220 and 50,000, respectively, at USD 1 per share, equivalent to 0.04% of the registered share capital of IPST, at a total price of USD 81,220. As a result of this acquisition, THAIKOM owns interest of 100% of paid-up capital.

**e) Joint venture agreement with Kantana Group Public Company Limited**

On 22 September 2014, Intouch Media, a subsidiary of the Company, entered into a joint venture agreement with Kantana Group Public Company Limited called "Joint Venture Kantana and Intouch" to produce and broadcast television programs. The initial investment is Baht 40 million, representing an investment portion of 50%.

**f) The incorporation of International Satellite Company Limited ("ISC")**

On 18 September 2014, at the Board of Director's meeting of THAIKOM, the Directors approved the incorporation of ISC. The authorised share capital of ISC is USD 50,000, divided into 50,000 ordinary shares of USD 1 par value. The capital is fully paid up. THAIKOM holds 50,000 shares, equivalent to 100% shareholding.



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g) The increase of share capital in associate companies of Venture Capital Project

Company	Increase in share capital		Ownership interest		Increased value (million Baht)	Partner	Excess from dilution of investment (million Baht)
	Registration date	Ordinary share (share)	Before	After (%)			
OOKBEE	8 May 2014	16,674	25.03	22.26	161.6	Transcosmos Co., Ltd.	34.7
Meditech	18 December 2014	35,715	30.00	24.00	7.0	Private persons	1.5

h) The consideration of impairment loss on investment

Regarding to the continued operation loss, MB has a plan to close down its operation. INTOUCH has recorded the impairment of investment in MB at Baht 72 million and a provision for loss at Baht 26 million in the separate financial statements for the year ended 31 December 2014 (note 10).

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 2014 and 2013, 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 2014 and 2013:

	Consolidated financial statements of SHEN Group	
	2014	2013
	(in million Baht)	
<b>Consolidated statements of financial position</b>		
Current assets	310	268
Non-current assets	1,685	1,565
Current liabilities	(374)	(337)
Non-current liabilities	(475)	(512)
<b>Net assets</b>	<b>1,146</b>	<b>984</b>
<b>Consolidated statements of income</b>		
Revenue	1,082	882
Profit for the year	154	24

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*Investment in associates*

The following amounts represent the financial summary of associates for the years ended 31 December 2014 and 2013.

	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>							
<b>AIS</b>								
2014	39,127	87,224	(42,906)	(36,580)	<b>46,865</b>	<b>746,247</b>	149,329	36,033
2013	34,965	77,061	(45,491)	(20,642)	<b>45,893</b>	<b>593,132</b>	150,578	36,274
<b>CSL</b>								
2014	921	974	(954)	(329)	<b>612</b>	<b>4,578</b>	3,045	(150)
2013	897	1,321	(773)	(231)	<b>1,214</b>	<b>6,005</b>	3,051	462
<b>OOKBEE</b>								
2014	159	24	(24)	-	<b>159</b>	-	66	(58)
2013	46	19	(6)	-	<b>59</b>	-	50	(3)
<b>Meditech</b>								
2014	7	2	-	-	<b>9</b>	-	-	(4)
2013*	5	1	-	-	<b>6</b>	-	3	(1)
<b>Computerlogy</b>								
2014	23	3	(4)	-	<b>22</b>	-	13	(7)
2013*	33	-	(5)	-	<b>28</b>	-	2	(1)

\*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					Total
	Buildings & improvements	Furniture, fixtures & equipment	Vehicles & vehicles under finance leases (in million Baht)	Computers & equipment	Assets under construction	
<b>As at 31 December 2012</b>						
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)
<b>Net book value</b>	<b>304</b>	<b>1,979</b>	<b>50</b>	<b>40</b>	<b>3,334</b>	<b>5,707</b>
<b>Transactions during the year ended 31 December 2013</b>						
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 charge	(57)	(526)	(24)	(24)	-	(631)
Foreign currency translations adjustment	(8)	61	6	(6)	8	61
Loss from impairment	-	(7)	-	-	-	(7)
<b>Closing net book value</b>	<b>265</b>	<b>1,897</b>	<b>68</b>	<b>55</b>	<b>5,887</b>	<b>8,172</b>
<b>As at 31 December 2013</b>						
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)
<b>Net book value</b>	<b>265</b>	<b>1,897</b>	<b>68</b>	<b>55</b>	<b>5,887</b>	<b>8,172</b>

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Consolidated financial Statements						
	Buildings & improvements	Furniture, fixtures & equipment	Vehicles & vehicles under finance leases (in million Baht)	Computers & equipment	Assets under construction	Total
<b>As at 31 December 2013</b>						
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 – as reported	265	1,897	68	55	5,887	8,172
Adjustment	-	-	-	-	(4,911)	(4,911)
<b>Net book value – as restated</b>	<b>265</b>	<b>1,897</b>	<b>68</b>	<b>55</b>	<b>976</b>	<b>3,261</b>
<b>Transactions during the year ended 31 December 2014</b>						
Purchases	35	2,935	39	25	3,481	6,515
Transfer- net	2	342	2	1	(245)	102
Disposals- net	(1)	(2)	(2)	-	-	(5)
Acquisition of a subsidiary	11	1	-	-	-	12
Write-off- net	(1)	(17)	-	-	-	(18)
Depreciation charge	(61)	(508)	(26)	(27)	-	(622)
Foreign currency translations adjustment	(6)	(7)	-	-	1	(12)
Loss from impairment	(5)	(37)	-	(3)	-	(45)
<b>Closing net book value</b>	<b>239</b>	<b>4,604</b>	<b>81</b>	<b>51</b>	<b>4,213</b>	<b>9,188</b>
<b>As at 31 December 2014</b>						
Cost	607	9,056	188	258	4,213	14,322
Less Accumulated depreciation	(368)	(4,394)	(107)	(207)	-	(5,076)
Less Allowance for impairment	-	(58)	-	-	-	(58)
<b>Net book value</b>	<b>239</b>	<b>4,604</b>	<b>81</b>	<b>51</b>	<b>4,213</b>	<b>9,188</b>

Borrowing costs to finance the construction of a project in process for the year ended 31 December 2014 amounting to Baht 36 million (2013: Baht 110 million) are capitalised as part of asset acquisition during the year.

As at 31 December 2014, property and equipment included a project in progress of Baht 4,050 million relating to the Thaicom 8 project. THAICOM provides telecommunication services under licenses granted by the National Broadcasting and Telecommunications Commission ("NBTC"). The Thaicom 8 project is expected to complete within 2016.

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	Separate financial statements					Total
	Buildings & improvements	Furniture, fixtures & equipment	Vehicles & vehicles under finance leases (in million Baht)	Computers & equipment	Assets under construction	
<b>As at 31 December 2012</b>						
Cost	17	29	32	49	-	127
Less Accumulated depreciation	(15)	(24)	(18)	(43)	-	(100)
<b>Net book value</b>	<b>2</b>	<b>5</b>	<b>14</b>	<b>6</b>	<b>-</b>	<b>27</b>
<b>Transactions during the year ended 31 December 2013</b>						
Purchases	2	2	18	5	-	27
Depreciation charge	(2)	(2)	(6)	(3)	-	(13)
<b>Closing net book value</b>	<b>2</b>	<b>5</b>	<b>26</b>	<b>8</b>	<b>-</b>	<b>41</b>
<b>As at 31 December 2013</b>						
Cost	18	30	46	48	-	142
Less Accumulated depreciation	(16)	(25)	(20)	(40)	-	(101)
<b>Net book value</b>	<b>2</b>	<b>5</b>	<b>26</b>	<b>8</b>	<b>-</b>	<b>41</b>
<b>Transactions during the year ended 31 December 2014</b>						
Purchases	2	1	8	3	16	30
Depreciation charge	(1)	(2)	(8)	(4)	-	(15)
<b>Closing net book value</b>	<b>3</b>	<b>4</b>	<b>26</b>	<b>7</b>	<b>16</b>	<b>56</b>
<b>As at 31 December 2014</b>						
Cost	20	31	47	46	16	160
Less Accumulated depreciation	(17)	(27)	(21)	(39)	-	(104)
<b>Net book value</b>	<b>3</b>	<b>4</b>	<b>26</b>	<b>7</b>	<b>16</b>	<b>56</b>

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14 Intangible assets under operating agreements

	Consolidated financial statements Satellite equipment (in million Baht)
<b>At 31 December 2012</b>	
Cost	21,147
<i>Less</i> Accumulated amortisation	(9,665)
<b>Net book value</b>	<b>11,482</b>
<b>Transactions during the year ended 31 December 2013</b>	
Transfer- net	2
Amortisation charge	(1,353)
<b>Closing net book value</b>	<b>10,131</b>
<b>At 31 December 2013</b>	
Cost	21,149
<i>Less</i> Accumulated amortisation	(11,018)
<b>Net book value – as reported</b>	<b>10,131</b>
Adjustment	4,911
<b>Net book value – as restated</b>	<b>15,042</b>
<b>Transactions during the year ended 31 December 2014</b>	
Transfer- net	172
Amortisation charge	(1,965)
<b>Closing net book value</b>	<b>13,249</b>
<b>At 31 December 2014</b>	
Cost	26,232
<i>Less</i> Accumulated amortisation	(12,983)
<b>Net book value</b>	<b>13,249</b>

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15 Other intangible assets

	Consolidated financial statements		
	Goodwill	Others (in million Baht)	Total
<b>At 31 December 2012</b>			
Cost	1,247	2,138	3,385
Less Accumulated amortisation	-	(1,221)	(1,221)
Less Allowance for impairment	(1,105)	-	(1,105)
<b>Net book value</b>	<b>142</b>	<b>917</b>	<b>1,059</b>
<b>Transactions during the year ended 31 December 2013</b>			
Purchases	-	32	32
Amortisation charge	-	(125)	(125)
Foreign currency translation adjustment	-	5	5
<b>Closing net book value</b>	<b>142</b>	<b>829</b>	<b>971</b>
<b>At 31 December 2013</b>			
Cost	1,247	2,554	3,801
Less Accumulated amortisation	-	(1,725)	(1,725)
Less Allowance for impairment	(1,105)	-	(1,105)
<b>Net book value</b>	<b>142</b>	<b>829</b>	<b>971</b>
<b>Transactions during the year ended 31 December 2014</b>			
Purchases	-	60	60
Transfer- net	-	3	3
Write-off- net	-	(7)	(7)
Acquisition of a subsidiary	100	52	152
Amortisation charge	-	(124)	(124)
<b>Closing net book value</b>	<b>242</b>	<b>813</b>	<b>1,055</b>
<b>At 31 December 2014</b>			
Cost	1,347	2,620	3,967
Less Accumulated amortisation	-	(1,807)	(1,807)
Less Allowance for impairment	(1,105)	-	(1,105)
<b>Net book value</b>	<b>242</b>	<b>813</b>	<b>1,055</b>

As at 31 December 2014, the other intangible assets mainly were the development of Thaicom 4 (IPSTAR) technology



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	Separate financial statements (in million Baht)
<b>At 31 December 2012</b>	
Cost	60
Less Accumulated amortisation	(58)
<b>Net book value</b>	<b>2</b>
<b>Transactions during the year ended 31 December 2013</b>	
Purchases	4
Amortisation charge	(1)
<b>Closing net book value</b>	<b>5</b>
<b>At 31 December 2013</b>	
Cost	64
Less Accumulated amortisation	(59)
<b>Net book value</b>	<b>5</b>
<b>Transactions during the year ended 31 December 2014</b>	
Purchases	2
Amortisation charge	(1)
<b>Closing net book value</b>	<b>1</b>
<b>At 31 December 2014</b>	
Cost	66
Less Accumulated amortisation	(60)
<b>Net book value</b>	<b>6</b>

**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	
	2014	2013
	(in million Baht)	
Deferred tax assets	257	513
Deferred tax liabilities	-	-
<b>Total</b>	<b>257</b>	<b>513</b>

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 1,300 million (2013: Baht 3,282 million) which is recognised as a deferred tax asset up to the amount it expects to be utilised of Baht 24 million (2013: Baht 262 million).

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The movements in deferred tax assets and liabilities during the years ended 31 December 2014 and 2013, 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 2013							
	Loss carry forward	Allowance for doubtful accounts	Allowance for obsolescence	Deposits <i>(in million Baht)</i>	Advance receipt from customer	Employee benefits	Others
Total							
<b>Deferred tax assets</b>							
Balance brought forward	460	5	13	32	138	61	(24)
Impact to statement of income	(198)	-	-	10	6	8	4
Equity items	-	-	-	-	(7)	-	5
<b>Balance carried forward</b>	<b>262</b>	<b>5</b>	<b>13</b>	<b>42</b>	<b>137</b>	<b>69</b>	<b>(15)</b>
Consolidated financial statement For the year ended 31 December 2014							
	Loss carry forward	Allowance for doubtful accounts	Allowance for obsolescence	Deposits <i>(in million Baht)</i>	Advance receipt from customer	Employee benefits	Others
Total							
<b>Deferred tax assets</b>							
Balance brought forward	262	5	13	42	137	69	(15)
Impact to statement of income	(238)	1	(2)	1	(59)	2	46
Equity items	-	-	-	-	(8)	(1)	2
<b>Balance carried forward</b>	<b>24</b>	<b>6</b>	<b>11</b>	<b>43</b>	<b>70</b>	<b>70</b>	<b>33</b>

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17 Interest bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Current</b>				
Short-term borrowings	641	-	-	-
Current portion of long-term borrowings	568	638	-	-
Current portion of debenture	-	3,698	-	-
Current portion of finance lease liabilities	12	9	1	1
	<b>1,221</b>	<b>4,345</b>	<b>1</b>	<b>1</b>
<b>Non-current</b>				
Long-term borrowings	4,871	4,006	-	-
Debenture	4,544	-	-	-
Finance lease liabilities	21	23	-	-
	<b>9,436</b>	<b>4,029</b>	<b>-</b>	<b>-</b>
<b>Total borrowings</b>	<b>10,657</b>	<b>8,374</b>	<b>1</b>	<b>1</b>

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	8,374	7,163	1	2
Additions	7,852	1,092	-	-
Repayments	(5,572)	(177)	-	(1)
Amortisation of finance cost	2	2	-	-
Foreign currency translation adjustment	1	294	-	-
<b>At 31 December</b>	<b>10,657</b>	<b>8,374</b>	<b>1</b>	<b>1</b>

**Debenture**

The current portion of long-term debenture and long-term debenture are from THAICOM. As at 31 December 2014, there are two tranches value at Baht 2,275 million each and as at 31 December 2013, there was one tranche value at Baht 3,700 million. 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	
						2014	2013
						<i>(million Baht)</i>	
6 Nov'09	3.7	3,700	6.15%	Quarterly	Entire redeemed on 6 November 2014	-	3,700
2 Oct'14	2.275	2,275	4.28%	Semi annually	Entire redeemable on 2 October 2019	2,275	-
2 Oct'14	2.275	2,275	4.68%	Semi annually	Entire redeemable on 2 October 2021	2,275	-
<b>Total debenture</b>						<b>4,550</b>	<b>3,700</b>
<i>Less Debenture issuing cost</i>						<i>(6)</i>	<i>(2)</i>
<b>Net</b>						<b>4,544</b>	<b>3,698</b>

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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	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Total borrowings:</b>				
at fixed rates	4,589	3,745	1	1
at floating rates	6,068	4,629	-	-
	<b>10,657</b>	<b>8,374</b>	<b>1</b>	<b>1</b>
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(%)</i>			
<b>Weighted average interest rate</b>				
Long-term borrowings	2.79	2.85	-	-
Debenture	4.48	6.15	-	-
Finance lease liabilities	3.76	4.00	4.50	5.03

Maturity of borrowings as at 31 December 2014 is as follows:

Maturity	Consolidated financial statements		Separate financial statements	
	Loan	Financial lease liabilities	Loan	Financial lease liabilities
	<i>(in million Baht)</i>			
2015	1,209	12	-	1
2016	568	5	-	-
2017 and after	8,847	16	-	-
<b>Total</b>	<b>10,624</b>	<b>33</b>	<b>-</b>	<b>1</b>

***Borrowing facilities***

As of 31 December 2014, THAICOM has unutilised short-term loan facilities made available by various financial institutions in an aggregate amount of Baht 1,703 million and USD 20 million (2013: Baht 1,718 million and USD 20 million).

***Facility agreement in relation to the financing of the Thaicom 6 satellite and Thaicom 8 projects***

THAICOM entered into loan agreements with a local bank on 29 August 2011 for USD 137 million and on 20 October 2014 for USD 105 million, respectively, for the purpose of the Thaicom 6 and Thaicom 8 satellite projects. 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.

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**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	
	2014		2013	
	Book Value	Fair value	Book Value	Fair value
	(in million Baht)			
Long-term debt (exclude finance lease liabilities)	9,414	9,590	4,006	4,082

**18 Trade and other payables**

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in million Baht)			
<b>Trade payables</b>					
Related parties	5	19	24	-	-
Other parties		239	633	-	-
<b>Total</b>		<b>258</b>	<b>657</b>	<b>-</b>	<b>-</b>
<b>Other payables</b>		<b>1,451</b>	<b>1,677</b>	<b>122</b>	<b>97</b>
<b>Total</b>		<b>1,709</b>	<b>2,334</b>	<b>122</b>	<b>97</b>

Other payables as at 31 December 2014 and 2013 are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Accrued expenses	538	500	99	66
Deferred income and advance receipts	646	932	-	-
Other payable	42	77	23	31
Tax payable	106	51	-	-
Forward contract payable	-	40	-	-
Deposit from customers	24	19	-	-
Provision for warranty	-	1	-	-
Others	95	57	-	-
<b>Total</b>	<b>1,451</b>	<b>1,677</b>	<b>122</b>	<b>97</b>

**19 Employee benefit obligations**

Obligations as at 31 December 2014 and 2013 in the statements of financial position were determined as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in million Baht)			
Present value of unfunded obligations	438	431	58	52

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Movement in the present value of the defined benefit obligations for the years ended 31 December 2014 and 2013 are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
At 1 January	431	372	52	47
Benefits paid by the plan	(13)	(3)	-	-
Past & current service costs of employee and interest on obligation	57	54	6	5
Forfeited	-	(3)	-	-
Loss from foreign exchange	-	11	-	-
Transferred to liabilities of non-current assets held for discontinued operations	(37)	-	-	-
<b>At 31 December</b>	<b>438</b>	<b>431</b>	<b>58</b>	<b>52</b>

Expense recognised in statements of income for the years ended 31 December 2014 and 2013 are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
	restated			
Past & current service costs of employee	41	35	4	3
Interest on obligation	16	14	2	2
<b>Total</b>	<b>57</b>	<b>49</b>	<b>6</b>	<b>5</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	<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

## 20 Share capital and premium

Movements in share capital are as follows:

	<b>Issued and fully paid-up shares</b>				
	Authorised number of shares <i>(in million shares)</i>	Number of shares	Ordinary shares	Share premium <i>(in million Baht)</i>	Total
At 31 December 2013	5,000	3,206	3,206	10,342	13,548
<b>At 31 December 2014</b>	<b>5,000</b>	<b>3,206</b>	<b>3,206</b>	<b>10,342</b>	<b>13,548</b>

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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

*Project data*

The Annual General Shareholders' Meeting 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 employed and qualify for the Performance Share Plan project ("Project"). Major information is listed below

	Grant I	Grant II
Approved date:	29 March 2013	28 March 2014
Grant date:	5 June 2013	5 June 2014
Number of warrants offered:	432,700 units	844,100 units
Exercise price:	68.072 Baht/share	72.732 Baht/share
Number of reserved shares:	432,700 shares	844,100 shares
Term of the Project:	5 years from the date of initial offer of the warrants	
Offered price per unit:	Baht 0 (zero Baht)	
Exercise ratio:	1 unit of warrant per 1 ordinary share	

Movements in the number of outstanding warrants for the year ended 31 December 2014 are as follows:

	At 1 January 2014	Transaction during the year			At 31 December 2014
		Issued	Exercised (in thousand units)	Forfeited	
<b>ESOP – Grant I</b>					
- Directors	234	-	-	-	234
- Employees	175	-	-	-	175
	<b>409</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409</b>
<b>ESOP – Grant II</b>					
- Directors	-	351	-	-	351
- Employees	-	451	-	(50)	401
	<b>-</b>	<b>802</b>	<b>-</b>	<b>(50)</b>	<b>752</b>
<b>Total</b>	<b>409</b>	<b>802</b>	<b>-</b>	<b>(50)</b>	<b>1,161</b>



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**Fair value measurement**

INTOUCH 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:

	Grant I	Grant II
Weighted average fair value at the grant date (Baht/unit)	65.27	29.40
Share price at the grant date (Baht/share)	88.00	76.75
Exercise price (Baht/share)	68.07	72.73
Expected volatility	30.37%	26.62%
Expected dividend	4.64%	5.90%
Risk-free interest rate	3.07%	3.08%

**Reconciliation of other reserves - Share-based Payment** for the year ended 31 December 2014 is as below:

	Consolidated financial statements		Separate financial statements	
	2014	2013 Restated	2014	2013
	(in million Baht)			
At 1 January	5	-	3	-
Expense recognised in the statement of income	14	5	7	3
<b>At 31 December</b>	<b>19</b>	<b>5</b>	<b>10</b>	<b>3</b>

**24 Other comprehensive income**

The component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	Consolidated financial statements		Separate finance statements	
	2014	2013	2014	2013
	(in million Baht)			
Foreign currency translation differences		(3)		88
Change in fair value of available-for-sale investments				
Profit during the year	290		605	
Less reclassification of profit recognised in the statements of income	(45)	245	(40)	565
Share of other comprehensive income of associates		1		1
Tax related to the component of other comprehensive income		-		-
<b>Total other comprehensive income for the year, net of income tax</b>		<b>243</b>		<b>654</b>
	(in million Baht)			
Change in fair value of available-for-sale investments				
Profit during the year	48		40	
Less reclassification of profit recognised in the statements of income	(44)	4	(39)	1
Tax related to the component of other comprehensive income		-		-
<b>Total other comprehensive income for the year, net of income tax</b>		<b>4</b>		<b>1</b>

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The income tax impact to the component of other comprehensive income is as follows:

Consolidated financial statements						
	2014			2013		
	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	(3)	-	(3)	88	-	88
Change in fair value of available-for-sale investments	245	-	245	565	-	565
Share of other comprehensive income of associates	1	-	1	1	-	1
<b>Total other comprehensive income</b>	<b>243</b>	<b>-</b>	<b>243</b>	<b>654</b>	<b>-</b>	<b>654</b>

Separate financial statements						
	2014			2013		
	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	4	-	4	1	-	1
<b>Total other comprehensive income</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>1</b>

**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:

<b>Country</b>	<b>Principal areas of operation</b>
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  
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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>					
Revenue	-	7,898	-	116	(14)	8,000
Dividend income	-	-	13,891	-	(13,891)	-
Construction revenue under operating agreements	-	1,646	-	-	-	1,646
Share of profits of associates	14,644	194	-	(1)	-	14,837
Cost of sales and services	-	(4,695)	-	(83)	-	(4,778)
Construction costs under operating agreements	-	(1,646)	-	-	-	(1,646)
Selling and administrative expenses	-	(1,539)	(389)	(482)	14	(2,396)
<b>Profit (loss) from operating activities</b>	<b>14,644</b>	<b>1,858</b>	<b>13,502</b>	<b>(450)</b>	<b>(13,891)</b>	<b>15,663</b>
Net foreign exchange loss	-	(270)	-	-	-	(270)
Other income	-	193	71	42	-	306
<b>Profit (loss) before finance costs and income tax</b>	<b>14,644</b>	<b>1,781</b>	<b>13,573</b>	<b>(408)</b>	<b>(13,891)</b>	<b>15,699</b>
Finance costs	-	(265)	(2)	(1)	-	(268)
Income tax	-	(339)	-	(4)	-	(343)
<b>Profit (loss) from continued operations</b>	<b>14,644</b>	<b>1,177</b>	<b>13,571</b>	<b>(413)</b>	<b>(13,891)</b>	<b>15,088</b>
Loss from discontinued operations – net of tax	-	(51)	-	(5)	-	(56)
Net results from subsidiaries to non-controlling interest	-	(663)	-	199	-	(464)
<b>Net profit (loss) for the year of owners of the parent</b>	<b>14,644</b>	<b>463</b>	<b>13,571</b>	<b>(219)</b>	<b>(13,891)</b>	<b>14,568</b>
<b>Other information</b>						
Segment assets	-	26,970	14,400	1,852	(12,174)	31,048
Investments in equity method	19,364	306	-	91	-	19,761
<b>Total consolidated assets</b>	<b>19,364</b>	<b>27,276</b>	<b>14,400</b>	<b>1,943</b>	<b>(12,174)</b>	<b>50,809</b>
Segment liabilities	-	3,422	152	6,455	(6)	10,023
Borrowings	-	8,372	2	-	-	8,374
<b>Total consolidated liabilities</b>	<b>-</b>	<b>11,794</b>	<b>154</b>	<b>6,455</b>	<b>(6)</b>	<b>18,397</b>
Interest income	-	42	70	42	-	154
Interest expense	-	254	2	1	-	257
Depreciation	-	604	13	9	-	626
Amortisation	-	1,475	1	2	-	1,478
<b>Depreciation and amortisation</b>	<b>-</b>	<b>2,079</b>	<b>14</b>	<b>11</b>	<b>-</b>	<b>2,104</b>

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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>					
Revenue	-	10,005	-	150	(13)	10,142
Dividend income	-	-	14,383	-	(14,383)	-
Construction revenue under operating agreements	-	172	-	-	-	172
Share of profits of associates	14,538	118	-	(16)	-	14,640
Cost of sales and services	-	(5,851)	-	(105)	-	(5,956)
Construction costs under operating agreements	-	(172)	-	-	-	(172)
Selling and administrative expenses	-	(1,857)	(508)	(473)	112	(2,726)
<b>Profit (loss) from operating activities</b>	<b>14,538</b>	<b>2,415</b>	<b>13,875</b>	<b>(444)</b>	<b>(14,284)</b>	<b>16,100</b>
Net foreign exchange gain	-	59	-	-	-	59
Other income	-	140	76	42	(1)	257
<b>Profit (loss) before finance costs and income tax</b>	<b>14,538</b>	<b>2,614</b>	<b>13,951</b>	<b>(402)</b>	<b>(14,285)</b>	<b>16,416</b>
Finance costs	-	(381)	(3)	(1)	-	(385)
Income tax	-	(450)	-	(10)	-	(460)
<b>Profit (loss) from continued operations</b>	<b>14,538</b>	<b>1,783</b>	<b>13,948</b>	<b>(413)</b>	<b>(14,285)</b>	<b>15,571</b>
Loss from discontinued operations – net of tax	-	-	-	(65)	-	(65)
Net results from subsidiaries to non-controlling interest	-	(942)	-	197	-	(745)
<b>Net profit (loss) for the year of owners of the parent</b>	<b>14,538</b>	<b>841</b>	<b>13,948</b>	<b>(281)</b>	<b>(14,285)</b>	<b>14,761</b>
<b>Other information</b>						
Segment assets	-	30,821	14,342	1,590	(12,131)	34,622
Investments in equity method	19,732	234	-	111	-	20,077
<b>Total consolidated assets</b>	<b>19,732</b>	<b>31,055</b>	<b>14,342</b>	<b>1,701</b>	<b>(12,131)</b>	<b>54,699</b>
Segment liabilities	-	3,392	190	6,626	(38)	10,170
Borrowings	-	10,656	1	-	-	10,657
<b>Total consolidated liabilities</b>	<b>-</b>	<b>14,048</b>	<b>191</b>	<b>6,626</b>	<b>(38)</b>	<b>20,827</b>
Interest income	-	69	68	42	-	179
Interest expense	-	357	2	-	-	359
Depreciation	-	604	15	2	-	621
Amortisation	-	2,087	1	2	-	2,090
<b>Depreciation and amortisation</b>	<b>-</b>	<b>2,691</b>	<b>16</b>	<b>4</b>	<b>-</b>	<b>2,711</b>

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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 2014 and 2013 are as follows:

	Revenue		Segment results		Assets*	
	2014	2013 Restated	2014	2013 Restated	2014	2013
	<i>(in million Baht)</i>					
Thailand	19,436	18,492	15,687	15,565	21,407	16,665
Lao PDR	1,077	894	267	142	1,592	1,421
Australia	1,394	1,187	604	282	245	143
India	413	346	(142)	(116)	57	110
Japan	719	715	368	340	44	53
Myanmar	489	373	102	115	1	1
Others	1,254	830	(786)	(665)	147	880
<b>Total continued operations</b>	<b>24,782</b>	<b>22,837</b>	<b>16,100</b>	<b>15,663</b>	<b>23,493</b>	<b>19,273</b>
Discontinued operations	536	1,476	(61)	(57)	-	-
	<b>25,318</b>	<b>24,313</b>	<b>16,039</b>	<b>15,606</b>	<b>23,493</b>	<b>19,273</b>

\*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 2014 and 2013, 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	
	2014	2013 Restated	2014	2013
	<i>(in million Baht)</i>			
Interest income	181	154	68	70
Penalty	31	104	-	-
Gain on sale of equipment	1	4	2	1
Other income	44	45	6	-
<b>Total</b>	<b>257</b>	<b>307</b>	<b>76</b>	<b>71</b>

**27 Expenses by nature**

The expenses by nature that 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	
	2014	2013 Restated	2014	2013
	<i>(in million Baht)</i>			
Depreciation	617	627	15	13
Amortisation charge	2,089	1,478	1	1
Staff cost	1,588	1,448	231	206

## 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 as follow:

	Consolidated financial statements		Separate financial statements	
	2014	2013 Restated	2014	2013
		(in million Baht)		
Contribution to provident fund	37	42	8	7

## 29 Income tax expense

Reconciliations of income tax for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013 Restated	2014	2013
		(in million Baht)		
Current tax	217	172	-	-
Deferred tax expense	243	171	-	-
<b>Total</b>	<b>460</b>	<b>343</b>	<b>-</b>	<b>-</b>

Reconciliation of income tax expense and the results of the accounting profit multiplied by the income tax rates for the years ended 31 December 2014 and 2013 are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013 Restated	2014	2013
		(in million Baht)		
Profits before tax	16,031	15,432	13,948	13,571
Tax rates	20%	20%	20%	20%
The result of the accounting profit multiplied by the income tax rates	3,206	3,086	2,790	2,714
Share of profit of associates	(2,928)	(2,967)	-	-
Effect of the different basis of income tax calculation on tax rates in other countries	33	75	-	-
Tax losses in current period not recognised as deferred tax assets	81	72	67	64
Tax losses in previous period not recognised as deferred tax assets	5	(20)	-	-
Effect of exceptional revenue - dividend income	-	-	(2,877)	(2,778)
Effect of the non-deductible tax expense and income and expense recognised in the different period between accounting and tax	63	97	20	-
<b>Tax charge</b>	<b>460</b>	<b>343</b>	<b>-</b>	<b>-</b>
Effective tax rate	2.9%	2.2%	0.0%	0.0%

### 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 2014, the subsidiary has revenue from promoted business amounting to Baht 1,517 million (2013: Baht 1,494 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 attributable to owners of the Parent		Weighted average number of shares		Earnings per share attributable to owners of the Parent	
	2014	2013	2014	2013	2014	2013
	(in million Baht)		(in million shares)		(in Baht)	
Basic earnings per share	14,761	14,568	3,206	3,206	4.60	4.54
The effect of dilutive potential shares	-	-	-	-	-	-
<b>Diluted earnings per share</b>	<b>14,761</b>	<b>14,568</b>	<b>3,206</b>	<b>3,206</b>	<b>4.60</b>	<b>4.54</b>

#### Separate financial statements For the year ended 31 December

	Profit attributable to owners of the Parent		Weighted average number of shares		Earnings per share attributable to owners of the Parent	
	2014	2013	2014	2013	2014	2013
	(in million Baht)		(in million shares)		(in Baht)	
Basic earnings per share	13,948	13,571	3,206	3,206	4.35	4.23
The effect of dilutive potential shares	-	-	-	-	-	-
<b>Diluted earnings per share</b>	<b>13,948</b>	<b>13,571</b>	<b>3,206</b>	<b>3,206</b>	<b>4.35</b>	<b>4.23</b>



### 32 Dividends

The Annual General Shareholders' Meeting on 28 March 2014 and the Board of Director on 13 August 2014 passed the resolutions to pay the interim dividend detailed as follows:

	For the operation result of	Dividend ratio (Baht/share)	Total dividend (million Baht)
The general shareholders' resolution	1 January – 27 March 2014	2.16	6,914
The board of director's resolution	28 March – 12 August 2014	2.23	7,140

### 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 necessity and to mitigate the effects of fluctuations in cash flows.

**Foreign currency risk**

As at 31 December 2014 and 2013, INTOUCH Group had outstanding foreign currency assets and liabilities after foreign currency forward contracts and cross currency interest rate swap and foreign currency options as follows:

Consolidated financial statements				
	2014		2013	
	Foreign currency (Unit: million)	(in million Baht)	Foreign currency (Unit: million)	(in million Baht)
<b>Assets</b>				
US Dollars	22	716	35	1,152
Indian Rupees	429	207	428	212
Japanese Yen	-	-	115	36
New Zealand Dollars	2	51	2	48
<b>Total</b>		<b>974</b>		<b>1,448</b>
<b>Liabilities</b>				
US Dollars	210	6,951	166	5,477
Singapore Dollars	-	2	-	1
Indian Rupees	239	131	236	133
New Zealand Dollars	1	15	-	8
<b>Total</b>		<b>7,099</b>		<b>5,619</b>

The major foreign currency assets represent cash at bank and accounts receivable. The major foreign 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.

**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.

- 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 dispute 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.

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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 not acted 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, a 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. After the end of the 20<sup>th</sup> year, in 2016, the government of the Lao PDR shall have the right to consider purchasing all LTC's share at a market price. And after the end of 23<sup>rd</sup> year, in 2019, THAICOM has a right to submit a proposal to Lao PDR to consider the extension of the term of agreement. Otherwise 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 2014, LTC has remaining additional investment of approximately USD 37 million (2013: USD 72 million).

**c) Capital commitments**

INTOUCH Group's capital expenditure that is contracted but not recognised in the consolidated financial statements (Company: nil) was as follows:

		<b>Consolidated financial statements</b>	
		31 December	
		2014	2013
		(in million)	
		Currency	
THAICOM 6 Project	USD	-	2
THAICOM 7 Project	USD	-	82
THAICOM 8 Project	USD	31	-
Telephone network	USD	5	3
Total	USD	36	87
<b>Total equivalent to Thai Baht</b>		<b>1,177</b>	<b>2,887</b>

**d) Obligation from share buyback 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 2014, THAICOM has no obligation to purchase those shares back from Codespace Inc. because they were purchased in full amount (2013: 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 2014, the remaining minimum operating agreement fee was Baht 550 million (2013: Baht 618 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.

**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	
	2014	2013
	(in million Baht)	
Not later than 1 year	205	294
Later than 1 year and not later than 5 years	302	467
Later than 5 years	37	80
<b>Total</b>	<b>544</b>	<b>841</b>

**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 2014, LTC has recognised the network assets and the related portion of the loan in the amount of Kip 58 billion (approximately Baht 237 million) (2013: Kip 58 billion, approximately Baht 231 million) and paid loan in the amount of Kip 47 billion (approximately Baht 192 million).

35 Significant events, disputes and litigation 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 having 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 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.
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.

Both statements of claim are in the process of consideration by the Arbitration Institute to appoint the arbitrator. The progression on the dispute during the year ended 31 December 2014 is as follows:

**On 21 March 2014**, the Arbitration Institute has received a list of the name of ITV's arbitrators. At present, it is in the process of submitting letter to the PMO, informing and considering information of such arbitrators. If the PMO disagrees then, the PMO shall have the right to objection. If the PMO does not raise an objection, then the arbitral proceedings will be settled.

**On 12 September 2014**, the parties agreed to appoint a chairman of the arbitral tribunal. The Thai Arbitration Institute has settled an appointment on 12 December 2014 in order to appoint the Chairman of the arbitral tribunal, define the dispute matters including the arbitration proceeding.

**On 12 December 2014**, the Chairman of the arbitral tribunal was officially appointed. Also, the arbitral tribunal had defined the dispute matters, burden of proof, the arbitration proceeding and the date of taking evidence.

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 arising 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 3,432 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 2014 (2013: Baht 433 million).

### 35.3 Assessment for income tax in India

The Tax Authority in India ('the Tax 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 and interest aggregating to Rs. 829 million (approximately Baht 428 million) against the said payment received by it from the customers and also levied penalty of Rs. 566 million (approximately Baht 292 million) for the Assessment Year ('AY') 1998-1999 to 2010-2011 (1 April 1997 to 30 March 2010).

So far, THAICOM had received Withholding Tax Certificates ('WTC') from its customers until AY 2009-2010 net amounting to Rs. 498 million (approximately Baht 257 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 237 million) and presented as non-current assets in the statements of financial position.

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 84 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 from the Tax Authority. Upon the final decision of the Supreme Court and the receipt of refund, THAICOM will forward the customer the amount they substituted on behalf of THAICOM.

On 28 September 2011, the Tax Authority has filed an appeal against the decision of High Court on 17 February 2011 which decided that the Company'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.

The Supreme Court of India issued a letter dated 9 November 2011, to inform the agent of THAICOM's tax consultant of the appeal. Currently, the matter is in process, awaiting the Supreme Court of India's consideration.

**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.

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.

*3) Interconnection Agreements in accordance with the announcement of National Telecommunication Commission ("NTC")*

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.

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.

On 29 July 2014, TOT has submitted a dispute no. 55/2557 demanding AIS to pay additional payment for the revenue sharing on the interconnection charges of the operation years 21st – 22nd in the amount of Baht 9,984 million plus interest at 1.25% per month on its outstanding and computing from the default date until the full payment is made. In addition, TOT has requested this case to be under the same consideration with the Case Number Black 19/2554 to the Arbitral Tribunal. At present, the said disputes are pending on the Arbitration process.

#### *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.

On 10 February 2014, the Arbitral Tribunal has given the arbitration award to order TOT to return the bank guarantees for the operation year 17<sup>th</sup> – 21<sup>st</sup> to AIS. On 16 May 2014, TOT has submitted the Case Number Black 660/2557 to the Central Administrative Court to revoke the Arbitral Tribunal's award.

On 19 May 2014, AIS has submitted the Case Number Black 666/2557 to the Central Administrative Court requesting TOT to return the bank guarantees for the 17th – 21st operation year to AIS according to the arbitration award and pay the bank guarantees fee of Baht 6.65 million which had been paid by AIS to the banks as well as interest at 7.5% per annum computing from the date that AIS paid to the banks. Currently, this case is in the Central Administrative Court procedure.

#### *5) 900 MHz subscribers' migration to 3G 2100 MHz*

On 25 September 2014, TOT has submitted a dispute Case Number Black 80/2557 to the Arbitration Institute demanding AIS to pay compensation from the 900 MHz subscribers porting to 3G 2100 MHz provided by its subsidiary in the amount of Baht 9,126 million plus interest at 7.5% per annum from 25 September 2014 until the full payment is made.

Currently, the case is in the Arbitration process. AIS's management believes that AIS has correctly and fully complied with the related conditions of the Agreement in all respects then the outcome of the said dispute shall be settled favourably and has no considerable impact on the financial statements of AIS.

#### Digital Phone Company Limited ("DPC")

##### 1) *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.

##### 2) *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 6<sup>th</sup> 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.

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 7<sup>th</sup>-10<sup>th</sup> 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 7<sup>th</sup>-10<sup>th</sup> 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 11<sup>th</sup> 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. On 16 September 2014, the Central Administrative Court has issued the dismissal order of this case. On 15 October 2014, CAT has appealed such dismissal to the Supreme Administrative Court. At present, the said case is pending for consideration of the Supreme Administrative Court.

*3) 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:

- 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.
- 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.
- 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.

Later, on 31 July 2014, TOT has submitted a petition for revision to adjust the access charge amounting to Baht 5,454 million calculated up to 16 September 2013 which is the date of the Agreement for operation period ended plus valued add tax and interest calculated up to 10 July 2014 plus interest calculated from 10 July 2014 until full payment is made as follows:

- 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 1,289 million.
- 2) Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 3,944 million.
- 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 221 million.

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.

*4) 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.

*5) 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 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.

*6) 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.

*7) 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 10<sup>th</sup> – 14<sup>th</sup> 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.

On 1 April 2014, CAT has submitted a dispute under Case Number Black 26/2557 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 15<sup>th</sup> operation year amounting to Baht 141 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 related conditions of the Agreement in all respects.

*8) 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 10<sup>th</sup> – 14<sup>th</sup> 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. On 3 February 2015, the Supreme Court has issued an order confirming the dismissal order of the Appeal Court.

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. Presently, the said case is pending on the Supreme Court process.

#### **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 THAIKOM 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 THAIKOM 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 THAIKOM the fourth respondent and the Company the fifth respondent in order to allow THAIKOM and the Company to file the reply to the petitioner’s claim including evidence, documentary or otherwise to CAC. THAIKOM 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, THAIKOM and the Company have filed an argument against appeal with SAC.

The management of THAIKOM 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 THAIKOM has fully complied with the terms and conditions of the operating agreement.



**35.6 Other litigation**

A subsidiary has a legal case in the Labor Department of the Supreme 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 2014, 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 501 million, USD 4 million and AUD 5 million (2013: Baht 219 million, USD 2 million and AUD 5 million) on a consolidated basis.

**37 Reclassification of accounts**

Certain accounts in the 2013 financial statements have been reclassified to be conformed with current year as follows:

	Consolidated financial statements		
	Before reclass.	Reclass. (in million Baht)	After reclass.
<b>Statement of financial position</b>			
<b>Current assets</b>			
Trade and other receivables	2,090	57	2,147
<b>Non-current assets</b>			
Other intangible assets	1,028	(57)	971
<b>Current liabilities</b>			
Account payable - equipment	548	(435)	113
<b>Non-current liabilities</b>			
Long-term account payable - equipment	-	435	435
		-	
<b>Statements of cash flows</b>			
<b>Cash from operating activities</b>			
Depreciation & amortisation	2,114	(10)	2,104
Trade and other receivables	(146)	(18)	(164)
<b>Cash from investing activities</b>			
Purchase of other intangible assets	(58)	28	(30)
		-	

**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 may be applicable to the Group, which become effective for the financial report on or after 1 January 2015 are as follows:

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventory
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events After The Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue Recognition
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings Per Share
TAS 34 (revised 2014)	Interim Financial Reports
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 4 (revised 2014)	Insurance Contracts
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1(revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

**Intouch Holdings Public Company Limited and its Subsidiaries**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2014**

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. Those new and revised TFRS are as follows:

***TFRS 10 Consolidated Financial Statements***

TFRS 10 introduces a single control model to determine whether an investee should be consolidated. As a result, the Group may need to change its consolidation conclusion in respect of its investees, which may lead to changes in the current accounting for these investees.

The Group will adopt TFRS 10 with effect from 1 January 2015. The effects of the change will be recognised retrospectively in the financial statements. The impact to the Group regarding to a single control model is under assessment.

***TFRS 11 Joint Arrangements***

Under TFRS 11, once the arrangement has been determined to be a joint venture, the Group must recognise an investment and account for it using the equity method. Note that the previous option under TAS 31 (Revised 2012) *Interests in Joint Ventures* to proportionately consolidate the investee is no longer available.

The Group will adopt TFRS 11 with effect from 1 January 2015. The effects of the change will be recognised retrospectively in the financial statements. The impact to the Group regarding to a change in recognition and accounting for is under assessment.

***TFRS 12 Disclosure of Interests in Other Entities***

TFRS 12 brings all the disclosure requirements about the Group's interests in its subsidiaries, joint arrangements, associates and unconsolidated structured companies together into a single standard. TFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

The Group will adopt TFRS 12 with effect from 1 January 2015 onwards.

**39 Events after the reporting period**

***Dividend payments***

*Proposed dividend payments 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 2014 operation and the Board of Directors of AIS, CSL and THAICOM, passed resolutions to propose the dividend payment from the operating result of 2014 to the annual general shareholders meetings as follows:

Company	Date of Meeting	Currency	Dividend	Interim dividend paid in 2014 (per share)	Amount to be paid (per share)	Amount (in million Baht)
LTC	9 February 2015	USD	0.18	-	0.18	18
AIS	5 February 2015	Baht	12.00	6.04	5.96	7,168
CSL	10 February 2015	Baht	0.57	0.41	0.16	95
THAICOM	11 February 2015	Baht	0.65	-	0.65	712

*Proposed dividend payment of the Company*

On 13 February 2015, 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 26 March 2015 to the Company's shareholders at Baht 2.23 per share, approximately Baht 7,150 million. The Company will propose to the annual general shareholders' meeting for the year 2015 of the Company to approve afterward.

On 5 February 2015, the Board of Director of AIS passed a resolution to call the annual general shareholders' meeting for the year 2015 on 24 March 2015 of which there is an agenda of dividend payment for the operating result of the second half of the year 2014 at Baht 5.96 per share.

On 11 February 2015, the Board of Director of THAICOM passed a resolution to call the annual general shareholders' meeting for the year 2015 on 26 March 2015 of which there is an agenda of dividend payment for the operating result of the year 2014 at Baht 0.65 per share.

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 7,461 million (From AIS, 1,203 million shares; Baht 5.96 per share and from THAICOM, 451 million shares; Baht 0.65 per share). Thus, the proposed dividend payment of the Company will depend on the resolution of the annual general shareholders' meeting for the year 2015 of AIS and THAICOM.

# Major Shareholders

The shareholding structure of the Company as of 27 August 2014, 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	74,923	1,692,989,922	52.80
Foreign securities holders	109	1,513,430,383	47.20
<b>Total</b>	<b>75,032</b>	<b>3,206,420,305</b>	<b>100.00</b>

## List of the first 10 major shareholders of the Company

The first top 10 major shareholders of the Company as of 27 August 2014 <sup>1/</sup> are as follows:

	Name <sup>2/</sup>	Number of shares	Percentage of investment
1.	ASPEN HOLDINGS LIMITED <sup>3/</sup>	1,334,354,825	41.62
2.	THAI NVDR COMPANY LIMITED <sup>4/</sup>	476,444,021	14.86
3.	LITTLEDOWN NOMINEES LIMITED	49,334,700	1.54
4.	KRUNGSRI DIVIDEND STOCK LTF	42,129,000	1.31
5.	KRUNGSRI DIVIDEND STOCK FUND	22,211,000	0.69
6.	MR. BUMRUNG SRINGAN	22,000,001	0.69
7.	SOCIAL SECURITY OFFICE (2 CASES)	19,166,500	0.60
8.	HSBC (SINGAPORE) NOMINEES PTE LTD	18,958,001	0.59
9.	MR. PERMSAK KENGMANA	14,697,700	0.46
10.	CHASE NOMINEES LIMITED 15	14,551,428	0.45

Remark: <sup>1/</sup> The latest register book closing date of the Company prepared by Thailand Securities Depository Co., Ltd. (Registrar)

<sup>2/</sup> The investors can find for more information in website: [www.set.or.th](http://www.set.or.th) before Annual General Meeting of Shareholders for 2015 date.

<sup>3/</sup> On the list of shareholders provided by the Department of Business Development, Ministry of Commerce, as of 7 January 2015, Aspen Holdings Limited is a company incorporated in Thailand and 99.99% owned by Anderton Investments Pte Ltd., Singapore.

<sup>4/</sup> The information of investors under Thai NVDR Co., Ltd. is shown on the website: [www.set.or.th](http://www.set.or.th). Shareholders under Thai NVDR Co., Ltd. as of 27 August 2014 are as follows:

	Name	Number of shares	Percentage of investment
1.	THE BANK OF NEW YORK (NOMINEES) LIMITED	110,170,500	3.44
2.	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, FUND SERVICES DEPARTMENT	37,790,687	1.18
3.	CHASE NOMINEES LIMITED	37,086,800	1.16
4.	HSBC (SINGAPORE) NOMINEES PTE LTD	35,337,030	1.10
5.	OTHER SHAREHOLDERS	256,059,004	7.98
	<b>Total</b>	<b>476,444,021</b>	<b>14.86</b>

# Information of the Company, its Subsidiaries and Associated Companies, and Reference Persons

## General Information of the Company

Company Name	Intouch Holdings Public Company Limited
Symbol	INTUCH
Registration No.	0107535000257
Year of Establishment	1983
First Trade Date	31 August 1990
Nature of Business	Intouch is a holding company, its operation is investment in telecommunication, media, information technology and digital contents. At the present, the principal business units are divided to three main businesses; local wireless telecommunications, satellite and international businesses and other businesses.
Head office	SJ Infinite One Business Complex, 29 <sup>th</sup> and 30 <sup>th</sup> Floors, 349 Vibhavadi Rangsit Road, Chompol, Chatuchak, Bangkok 10900 Tel : (66) 2118 6900 Fax : (66) 2118 6947
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 2014)
Par Value	1 baht
Industry	Technology
Sector	Information & Communication Technology
Market Capitalization	252,505.60 million baht (as of 30 December 2014)
Total Shareholders	75,032 shareholders (as of 27 August 2014, the latest book closing date for the right to receive dividend)
% Free Float	58.38

## American Depositary Receipt

ADR Ticker Symbol	INTHY
Exchange	Over the Counter
Depositary	The Bank of New York Mellon
ADR to ORD Share Ratio	1 : 4
ADR CUSIP Number	46117L106

## 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
<b>Local Wireless Telecommunications</b>						
<b>Advanced Info Service Public Company Limited (AIS)</b> 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
<b>Advanced Wireless Network Company Limited (AWN)</b> 408/60 Phaholyothin Place Tower, 15 <sup>th</sup> 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 2.1GHz License from NBTC	1,350	13.50	100	1,350	99.99 <sup>(1)</sup>
<b>Wireless Device Supply Company Limited (WDS)</b> 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 <sup>(1)</sup>
<b>Advanced Contact Center Company Limited (ACC)</b> 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000 Fax (66) 2299 5959	Service provider of call center	272	27.20	10	272	99.99 <sup>(1)</sup>
<b>Advanced MPAY Company Limited (AMP)</b> 408/60 Phaholyothin Place Tower, 15 <sup>th</sup> 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 <sup>(1)</sup>



Company	Business	Registered Capital (million Baht)	Number of Paid-up Shares (million shares)	Par Value (Baht)	Paid-up Capital (million Baht)	Percentage of Investment
<b>Advanced Magic Card Company Limited (AMC)</b> 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 <sup>(1)</sup>
<b>AIN GlobalComm Company Limited (AIN)</b> 408/127 Phaholyothin Place Tower, 29 <sup>th</sup> 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 <sup>(1)</sup>
<b>Super Broadband Network Company Limited (SBN)</b> 408/157 Phaholyothin Place Tower, 38 <sup>th</sup> 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 <sup>(1)</sup>
<b>MIMO Tech Company Limited (MMT)</b> 1291/1, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000	Operate IT, and content aggregator businesses	50	0.50	100	50	99.99 <sup>(1)</sup>
<b>Fax Lite Company Limited (FXL)</b> 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	99.98 <sup>(1)</sup>
<b>Advanced Internet Revolution Company Limited (AIR)</b> 408/60 Phaholyothin Place Tower, 15 <sup>th</sup> Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 6000 Fax (66) 2299 5200	On process of liquidation	240	24	10	240	99.99 <sup>(1)</sup>

Company	Business	Registered Capital (million Baht)	Number of Paid-up Shares (million shares)	Par Value (Baht)	Paid-up Capital (million Baht)	Percentage of Investment
<b>Advanced Broadband Network Company Limited (ABN)</b> 408/60 Phaholyothin Place Tower, 15 <sup>th</sup> Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok	Currently not start the operation	15	0.15	100	15	99.98 <sup>(1)</sup>
<b>Information Highway Company Limited (IH)</b> 52/1 Moo 5 Bang Kruai-Sai Noi Road, Bangsitong, Bang Kruai, Nonthaburi	Transmission network provider	50	0.50	100	12.50	29.00 <sup>(2)</sup>
<b>Digital Phone Company Limited (DPC)</b> 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 1800MHz frequency	3,655.47	365.54	10	3,655.47	98.55 <sup>(1)</sup>
<b>Advanced Datanetwork Communications Company Limited (ADC)</b> 408/157 Phaholyothin Place Tower, 38 <sup>th</sup> 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 <sup>(3)</sup>
<b>Clearing House for Number Portability Company Limited (CLH)</b> 598 Q House Ploenchit Building, 6 <sup>th</sup> 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 <sup>(1)</sup>
<b>Bridge Mobile Pte Limited (BMB)</b> 750 Chai Chee Rode, #03-0(2)03 Technopark @ Chai Chee, Singapore 469000 Tel. (65) 6424 6270 Fax (65) 6745 9453	Jointly invested, provide international roaming service (incorporated in Singapore)	9 (million USD)	9	1 (USD)	9 (million USD)	10.00 <sup>(1)</sup>

Company	Business	Registered Capital (million Baht)	Number of Paid-up Shares (million shares)	Par Value (Baht)	Paid-up Capital (million Baht)	Percentage of Investment
<b>Satellite and International Businesses</b>						
<b>Thaicom Public Company Limited (THAICOM)</b> 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
<b>Satellite Services</b>						
<b>IPSTAR Company Limited (IPSTAR)</b> 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)	100 <sup>(4)</sup>
<b>IPSTAR New Zealand Limited (IPN)</b> 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 <sup>(4)</sup>
<b>IPSTAR Australia Pty Limited (IPA)</b> 5 George Place, Artarmon, NSW 2064, Australia Tel. (612) 8458 0500 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 <sup>(4)</sup>
<b>Orion Satellite Systems Pty Limited (OSS)</b> 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 <sup>(5)</sup>
<b>IPSTAR International Pte Limited (IPI)</b> 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 <sup>(4)</sup>
<b>IPSTAR Global Services Limited (IPG)</b> 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 <sup>(4)</sup>

Company	Business	Registered Capital (million Baht)	Number of Paid-up Shares (million shares)	Par Value (Baht)	Paid-up Capital (million Baht)	Percentage of Investment
<b>IPSTAR Japan Company Limited (IPJ)</b> 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 <sup>(4)</sup>
<b>Star Nucleus Company Limited (STAR)</b> Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands	Providing engineering and development services, technology and electronics	0.05 (million USD)	10 (shares)	1 (USD)	10 (USD)	100 <sup>(4)</sup>
<b>Spacecode LLC (SPACE)</b> 8695 Zumwalt Road, Monmouth, OR 97365 USA	Providing engineering and development services, technology and electronics	-	-	-	4.29 (million USD)	70.00 <sup>(4)</sup>
<b>TC Broadcasting Company Limited (TCB)</b> 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2596 5060	Providing broadcasting television and telecommunication	1	0.10	10	0.25	99.99 <sup>(4)</sup>
<b>International Satellite Company Limited (ISC)</b> Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	Resell bandwidth of Thaicom satellite	0.05 (million USD)	0.05 (shares)	1 (USD)	0.05 (million USD)	100 <sup>(4)</sup>
<b>Telephone Services Abroad</b>						
<b>Shenington Investments Pte Limited (SHEN)</b> 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 <sup>(4)</sup>
<b>Lao Telecommunications Company Limited (LTC)</b> 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 <sup>(6)</sup>

Company	Business	Registered Capital (million Baht)	Number of Paid-up Shares (million shares)	Par Value (Baht)	Paid-up Capital (million Baht)	Percentage of Investment
<b>Internet and Media Services</b>						
<b>DTV Service Company Limited (DTV)</b> 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 <sup>(4)</sup>
<b>CS LoxInfo Public Company Limited (CSL)</b> 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 <sup>(7)</sup>
<b>Teleinfo Media Public Company Limited (TMC)</b> 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2262 8888 Fax (66) 2262 8899 Website www.teleinformedia.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 <sup>(8)</sup>
<b>AD Venture Public Company Limited (ADV)</b> 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 <sup>(8)</sup>
<b>Cambodian DTV Network Limited (CDN)</b> 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 <sup>(4)</sup>

Company	Business	Registered Capital (million Baht)	Number of Paid-up Shares (million shares)	Par Value (Baht)	Paid-up Capital (million Baht)	Percentage of Investment
<b>Other Businesses</b>						
<b>Venture Capital</b>						
<b>Meditech Solution Company Limited (Meditech)</b> 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	1.79	0.17	10	1.79	24.00
<b>Ookbee Company Limited (OOKBEE)</b> 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-bookings	1.50	0.15	10	1.50	22.26
<b>Computerlogy Company Limited (Computerlogy)</b> 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
<b>Others</b>						
<b>Matchbox Company Limited (MB)</b> 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2299 5600 Fax (66) 2651 3052 Website www.matchbox.co.th	Full service advertising agency  <i>* MB is planning to cease its operations as it has been posting continuous losses.</i>	9	0.90	10	9	99.96
<b>I.T. Applications and Services Company Limited (ITAS)</b> 388 Tower B (SP Tower), 3 <sup>rd</sup> Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel. (66) 2273 0760 Fax (66) 2273 0191 Website www.itas.co.th	Providing computer systems and SAP operational services to INTOUCH Group	10	1	10	10	99.99

Company	Business	Registered Capital (million Baht)	Number of Paid-up Shares (million shares)	Par Value (Baht)	Paid-up Capital (million Baht)	Percentage of Investment
<b>Intouch Media Company Limited (Intouch Media)</b> SJ Infinite One Business Complex, 29 <sup>th</sup> Floor, 349 Vibhavadi Rangsit Road, Chompol, Chatuchak, Bangkok 10900 Tel : (66) 2118 6917 Fax : (66) 2118 6914	To do business in relation to broadcasting and television, including other related businesses	24	0.24	10	24	99.99
<b>Touch TV Company Limited (Touch TV)</b> SJ Infinite One Business Complex, 29 <sup>th</sup> Floor, 349 Vibhavadi Rangsit Road, Chompol, Chatuchak, Bangkok 10900 Tel : (66) 2118 6917 Fax : (66) 2118 6914	To do business in relation to broadcasting and television, including other related businesses	3.50	0.35	10	3.50	99.99 <sup>(9)</sup>
<b>Joint Venture Kantana and Intouch</b>	To produce programs for broadcasting on television channels  <i>*Intouch Media Co., Ltd. has entered a joint venture agreement with Kantana Group Plc. The initial investment is 40 million baht by 20 million baht each.</i>	-	-	-	-	50.00 <sup>(9)</sup>
<b>ITV Public Company Limited (ITV)</b> 1010 Shinawatra Tower 3, 6 <sup>th</sup> Floor, Viphavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok Tel. (66) 2791 1795-6 Fax (66) 2791 1797	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>*The Board of Governors of the Stock Exchange of Thailand has resolved to delist ITV's common stocks, effective 24 July 2014 onwards.</i>	7,800	1,206.70	5	6,033.49	52.92
<b>Artware Media Company Limited (AM)</b> 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 <sup>(10)</sup>

Remark The information on registered capital, paid-up capital and percent of shareholding as of 2 February 2015.

<sup>(1)</sup> Owned by AIS

<sup>(2)</sup> Owned by ABN

<sup>(3)</sup> Owned by DPC

<sup>(4)</sup> Owned by THAI COM

<sup>(5)</sup> Owned by IPA

<sup>(6)</sup> Owned by SHEN

<sup>(7)</sup> Owned by DTV

<sup>(8)</sup> Owned by CSL

<sup>(9)</sup> Owned by Intouch Media

<sup>(10)</sup> Owned by ITV



## Reference Persons

### Security Registrar

Thailand Securities Depository Company Limited  
62 The Stock Exchange of Thailand Building, 7<sup>th</sup> Floor,  
Ratchadapisek Road, Klongtoey, Klongtoey,  
Bangkok 10110  
Tel. (66) 2229 2800  
Fax (66) 2359 1259  
Website [www.tsd.co.th](http://www.tsd.co.th)

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### Auditor

Mr. Supot Singhasaneh  
Certified Public Accountant Registration Number 2826  
KPMG Phoomchai Audit Limited  
Empire Tower, 50<sup>th</sup> - 51<sup>st</sup> Floors  
195 South Sathorn Road, Bangkok 10120  
Tel. (66) 2677 2000  
Fax (66) 2677 2222  
Website [www.kpmg.co.th](http://www.kpmg.co.th)

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# Details of Subsidiaries' Directors

		Subsidiaries					Indirect Subsidiaries																
Director	Company	THAICOM	MB	ITAS	Intouch Media	ITV	IPSTAR	IPN	IPA	OSS	IPI	IPG	IPJ	STAR	SPACE	TCB	ISC	SHEN	DTV	CDN	Touch TV	AM	
1. Mr. Paron Israsena		X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. Professor Hiran Radeesri		/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3. Mrs. Charintorn Vongsbootorn		/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4. Assoc.Prof. Samrieng Mekkiengkrai		/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5. Mr. Yong Lum Sung		/, //	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6. Mr. Somprasong Boonyachai		/	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7. Mrs. Suphaje Suthumpun		/, //	-	/	/	-	/	-	-	-	/	/	-	/	-	/	/	X, //	-	-	/	-	
8. Mr. Anek Pana-apichon		/, //	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9. Mr. Pong-amorn Nimpoonsawat		//	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10. Mr. Paiboon Panuwattanawong		//	-	-	-	-	/	/	/	-	/	/	/	/	/	-	-	-	-	-	-	-	
11. Mr. Supoch Vathithund		-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12. Mr. Kim Sirtaweewchai		-	-	/	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	
13. Mr. Somchai Lertsutiwong		-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	
14. Mr. Somkid Wangcherdchuwong		-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	
15. Mr. Wichchakoraput Rattanavichien		-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16. Mr. Sumetee Intranu		-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17. Mr. Somboon Wongwanich		-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18. Mr. Nitimon Hastindra Na Ayudhya		-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	
19. Mrs. Rattanaporn Nammontri		-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20. Mr. Wutthiporn Diawpanich		-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21. Mr. Vuthi Asvasermcharoen		-	-	-	-	-	/	/	/	-	/	/	/	/	-	/	/	/	-	/	-	-	
22. Mr. Mark D. Thompson		-	-	-	-	-	/	-	-	-	-	-	-	/	/	-	-	-	-	-	-	-	
23. Dr. Supoj Chinveeraphan		-	-	-	-	-	-	/	/	/	-	-	-	-	-	-	-	-	-	-	-	-	
24. Mr. Patompob Suwansiri		-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	/	/	-	-	
25. Mr. Robert Gibson		-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	
26. Mr. Teh Kwang Hwee		-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	
27. Mr. York Shin Lim Voon Kee		-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	
28. Mr. Tommy Lo Seen Chong		-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	
29. Mr. Takehiko Fukuoka		-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	
30. Mr. William L. Snell		-	-	-	-	-	-	-	-	-	-	-	-	/	/	-	-	-	-	-	-	-	
31. Mr. Ekachai Phakdurong		-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	
32. Mr. Salil Charuchinda		-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	/	/	-	-	
33. Mr. Pradeep Unni		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	
34. Ms. Smitha Algoo-Bissonauth		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	
35. Ms. Beatrice Lan Kung Wa		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	
36. Mr. Chutidej Printhatipa		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	
37. Mrs. Naengnoi Na Ranong		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	
38. Mr. Sio Tat Hiang		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	
39. Dr. Nasser Marafih		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	
40. Ms. Ho Koon Lian Irene		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	
41. Mr. Pramote Boonnumsk		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	
42. Mrs. Pannee Nivasnanda		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	
43. Mr. Vinai Ngamphathipong		-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

X = Chairman of the Board of Directors / = Director // = Executive Committee

As of 31 December 2014

Company Name	AM	Artware Media Company Limited
	CDN	Cambodian DTV Network Limited
	DTV	DTV Service Company Limited
	Intouch Media	Intouch Media Company Limited
	IPA	IPSTAR Australia Pty Limited
	IPG	IPSTAR Global Services Limited
	IPI	IPSTAR International Pte Limited
	IPJ	IPSTAR Japan Company Limited
	IPN	IPSTAR New Zealand Limited
	IPSTAR	IPSTAR Company Limited
	ISC	International Satellite Company Limited

ITAS	I.T. Applications and Services Company Limited
ITV	ITV Public Company Limited
MB	Matchbox Company Limited
OSS	Orion Satellite Systems Pty Ltd.
SHEN	Shenington Investments Pte Limited
SPACE	Spacecode LLC
STAR	Star Nucleus Company Limited
TCB	TC Broadcasting Company Limited
THAICOM	Thaicom Public Company Limited
Touch TV	Touch TV Company Limited

# Investor Relations Activities

An investor relations department provides 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 our 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 2014:

## Activities Related to Quarterly Results Announcement

Activity	2014	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 team

## Investor Activities


Activity	2014	Objective	Attendees	Executive
Road show/ Conference (International and Domestic)	14 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)	91 times	Provide access to management for discussing the Company, Subsidiaries, and Associated Companies' performance direction, and strategy	Local and foreign analysts, retail and institutional investors	Chief Executive Officer/ Other members of management team

## Other Activities

Activity	2014	Objective
Newsletters	2 times	To announce the Company's performance, news update, and activities to investors and public quarterly

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 our activities, please contact IR team of INTOUCH Group by telephone on: (66) 2118 6912; by fax on: (66) 2118 6915; by email at: [ir-intouch@intouchcompany.com](mailto:ir-intouch@intouchcompany.com), or via the Company's website at [www.intouchcompany.com](http://www.intouchcompany.com).



Investors can find more information on the Company's  
Form 56-1 shown on the websites: [www.sec.or.th](http://www.sec.or.th)  
or [www.intouchcompany.com](http://www.intouchcompany.com)



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