



SHARING SUCCESS



Annual Report 2015

INTOUCH HOLDINGS PLC.

2015

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 (ITIES).



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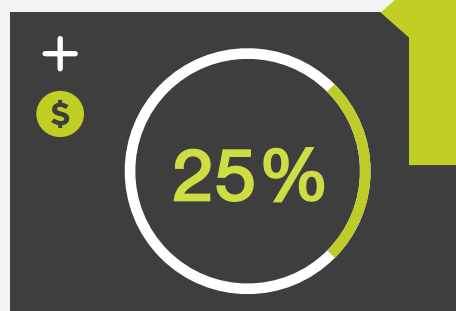


Financial Highlights



Intouch Holdings Public Company Limited and its Subsidiaries

		Baht Million		
As at 31 December		2015	2014	2013
OPERATING RESULTS AND FINANCIAL POSITIONS - CONSOLIDATED				
Revenues from sales of goods and rendering of services		12,665	12,021	8,453
Share of profits of associates and joint ventures		16,002	14,676	14,672
Total revenues		29,268	27,234	25,116
Gross profit		5,124	4,876	4,184
Profit for the year attributed to owners of the Company		16,078	14,761	14,568
Total assets		57,827	55,610	51,862
Total liabilities		22,486	21,379	18,743
Total equity attributable to equity holders of the Company		25,484	24,678	23,816
FINANCIAL RATIOS - CONSOLIDATED				
Net profit margin		55%	54%	58%
Return on equity		64%	61%	63%
Return on assets		28%	27%	29%
Debt-to-equity ratio (times)		0.88	0.87	0.79
Basic earning per share (Baht)		5.01	4.60	4.55
Book value per share (Baht)		7.95	7.70	7.43
Dividend per share (Baht)		4.63	4.39	4.25
Dividend payout ratio		100%	101%	100%
Number of share (Million)		3,206.42	3,206.42	3,206.42
(at one Baht par value per share)				



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 Payout Ratio	\$ → 👤 Dividend per Share (Baht)
2013	100%	4.25
2014	101%	4.39
2015	100%	4.63

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.



INTOUCH AT A GLANCE

Data ended 2015

INTOUCH

AIS

THAICOM

Market capitalization (Baht Million)

166,734

451,910

31,782

Dividend yield
(percent)

6

Net profit growth
(percent)

9

Net profit growth
(percent)

33

Standalone
net profit growth (percent)

7

Non-voice
revenue growth (percent)

27

Interest bearing debt to
equity ratio (times)

0.65

Return
on equity (percent)

105

Return
on equity (percent)

82

Number of conventional satellite
(transponders)

87

Cash & cash equivalents
(Baht Million)

1,799

Interest bearing debt to
equity ratio (times)

1.32

Average utilization rate of
conventional satellite (percent)

75

Number of investment under InVent
project (companies)

8

Service revenue market share
(percent)

52

Number of satellite
TV channels (channels)

792

SHARING SUCCESS

For over 30 years as Thailand's leading telecommunication business, INTOUCH has achieved continual growth with strong operating results in compliance with good corporate governance and maximum benefit for all stakeholders. As a Group, INTOUCH is ranked country's top market capitalizations and becomes the business group playing a key role in driving Thai economy. Specialized business focus, ongoing business expansion and sustainable development produce good returns to stakeholders in the long run. In the past year, besides performance growth, INTOUCH accumulated wealth and passed success through every group of stakeholders to share in a wider range.



Employee Sharing

Giving priority to personnel and human resources development, INTOUCH not only allocates remuneration on a merit basis but also establishes long-term management compensation and benefit, encourages all levels of employees to reinforce knowledge coupled with skills development and improves life quality with appropriate welfare arrangement in order to make pride for employees and families, explore career opportunities and advancement to grow together with sustainable success of the Company.

Group Sharing

INTOUCH employs professional business management. Internal collaboration continually strengthens INTOUCH Group by sharing experience, opinion and brainstorming to solve problems and develop specialists in each function such as Finance and Accounting, Laws and Human Resources Development. The collaborative work basis formulates a holistic view and synergy in terms of works, product and service offering to customers to enjoy maximum benefit.

Shareholder Sharing

INTOUCH operates business mainly by investing in other companies, concentrating on the businesses in which INTOUCH specializes and indicates the opportunity to generate lucrative returns. INTOUCH complies with good corporate governance guidelines to sustain growth, reflected by continual growth of operating results and regularly outstanding dividend payout to shareholders in the stock exchange. INTOUCH aims to invest in other businesses related to telecom, media, IT and digital content in order to fuel business growth and create Total Shareholder Return in the long run.

Community Sharing

INTOUCH is committed to developing sustainability in line with the principle of Corporate Shared Value between the Company and society based on the concept "Strong Thais, Strong Thailand," contributing to skills and knowledge development for people in community and society to apply to real life towards sustainable development. As a result, the Company grows with society and country development. Some of the projects include the Healthy Rice Growing project and the Invent project. INTOUCH expects to create occupation and employment in the community, generate income for business and labor segment. The State eventually benefits from higher income tax and value-added tax.



01

EMPLOYEE SHARING



Ms. Mukdara Pattanagul

Human Resource Specialist at INTOUCH

I have been working here for 24 years. INTOUCH is a strong organization giving opportunity to learn new things and join a lot of activities. The Company provides a broad array of fringe benefits such as extra fund support on top of healthcare insurance according to benefit package. Working at INTOUCH is really fun in every moment. "INTOUCH.... INTOUCH, confident and reliable."



Mr. Anan Chatgoenngam

VP - Corporate Accounting at INTOUCH

INTOUCH is the organization giving importance to human resources. Throughout 20 years of my service at INTOUCH, I have developed myself in parallel to organization development. I take care of my team and support career growth in line with organization's target. We work as a professional developing in-depth specialization and other fields of knowledge.



Mr. Witsanu Niamnak

IT Specialist at INTOUCH

INTOUCH gives career growth and opportunity to live a better life. I could afford a house for my family thanks to INTOUCH. The Company also provides great healthcare benefit. I was well medicated in 2 operations for the past 8 years of my service. I am proud to tell everyone that I work for this Company. "Smiling makes happiness even in hard time. This smile soothes me. Bad thing turns to be good."



Ms. Chanatip Pradithavanij

AVP - Finance at AIS

I work in finance department of AIS and always closely coordinate with INTOUCH finance team. INTOUCH team supports financial management and gives advice for optimal benefit of the Group and stakeholders. Our Group adheres to good corporate governance principle and leverage from a strong network of Group Companies. The Group is creative and always applies Technology Driven Product which differentiates products and services launched to the market.



Mr. Pattarasak Uttamayodhin

Group Head of Human Resources at INTOUCH

HR Team of INTOUCH Group has bonded for long time. We exchange information, help each other and share each other's strength for mutual benefit. The solid fundamental of INTOUCH is proven by over 30 years of Group's establishment. From 1,000 to 15,000 in number of staff, we have continued social contribution. People extend warm welcome to us as they understand that we help them make their life better.



Ms. Metinee Isarachinda

AVP - Investor Relations at THAICOM

"INTOUCH Group is the Future." At INTOUCH we collaborate professionally. Personnel with diverse capacity share knowledge among each other. Responsible for Investor Relations, I always share information and learn what benefit for the Group. Today people's daily life relies on technology more at all time. Finally the world is entering the Age of Data and I perceive that our Group will be the leader of the avenue.

02

GROUP SHARING



SHAREHOLDER SHARING



Mr. Tiwa Shintadapong
Retail Investor



I have invested in INTOUCH shares for 2 years, trading in and out depending on investment timing. The highlights of INTOUCH shares include sound risk diversification for investors, investment in specialized businesses, attractive dividend compared to other big market capitalization with high liquidity shares and market trend toward significant data use in the future. Moreover INTOUCH always acknowledge information for investors and the revised business guidance has been well prepared with clarification.



Ms. Netsrai Meechai
Retail Investor

I invest in INTOUCH shares in view of its operating performance, telecoms business leadership and the 100% dividend policy. Personally I am not an active trader and inclined to hold shares for a medium term. Therefore INTOUCH share is my pick. Above of all, I am confident because the Company invests in only the businesses it takes lead such as mobile and satellite businesses. In addition, the Company remains in a strong financial position with sufficient EBITDA for debt serviceability.



Mr. Pavint Ruangvoraboon
Investor

INTOUCH is one of the large corporate shares with high stability also known as a blue-chip stock. INTOUCH shares has gone through several economic and stock market crises and managed to deliver good operating performance. I strongly believe that the Company is well managed and will retain leadership going forward. Consisting of many large Group Companies, however, it is difficult for the Group to accelerate growth. The Company should put effort into mega projects which are not quite easy to do.



Mr. Sornchai Phongsas

Youth from the Project Thai Literature Conservation Contest with INTOUCH

I use my imagination to portray picture from what I read. With relentless effort and practice, I was the winner for the 3rd year and have won the award every year. The ultimate pride of my life is to receive the Trophy from Her Royal Highness Princess Maha Chakri Sirindhorn. That changes my life. I was given Thai nationality and pursue my graduation in the university.



Dr. Sommit Singjai

Director (Physician) – Debaratana Veijanukula Hospital in Commemorating Her Royal Highness Princess Maha Chakri Sirindhorn's 60th Birthday

The hospital is extremely appreciated for Her Royal Highness Princess Maha Chakri Sirindhorn bestowing upon emergency ambulance for the hospital to help patients in smooth and hard area on a timely manner. In 2015, the emergency ambulance was used 21 times, delivering patients with stroke, coma injury and expected mothers to the hospital. Thank INTOUCH Group for presenting the emergency ambulance to the Princess. Her Royal Highness gave the ambulance to the hospital by herself.



Mr. Teeradej Muengnin

Grade 7 Student in the Project Healthy Rice Growing

I am a child in a farmer's family. Farming is the major occupation of my family. I learn how to grow rice in my childhood. With the arrival of the project, it was the first time I owned a farm. My grandmother gave me 5 Rai of farmland to learn and do by myself. The project supported me with seeds and initial fund to grow the rice. I gained more knowledge from training and site visit. I joined the project because I was bonded to farming that makes us earning and be happy not less than other occupations. I am waiting for the rice cultivation. Thai people will eat rice from my farm. I believe that I will be a good farmer in the future.

04

COMMUNITY SHARING





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



Dr. Virach Aphimeteetamrong
Chairman of the Board

To: All shareholders of Intouch Holdings Plc.

The year 2015 was another successful one for the Company, which achieved all its business targets. The net profit was 16,078 million baht, representing an increase of 9% from the previous year, while the annual dividend was 4.63 baht per share, an increase of 6%. However, there was an impact on the Company's share price, caused by a change in the industry outlook and competitive environment of the telecom business. Nevertheless, the historical stock prices of the companies in INTOUCH Group provided higher shareholder returns than other stocks in the same industry throughout the year.

The Company has continued its conservative investment policy of searching for new business

opportunities and venture capital investments that are an extension of its core wireless telecommunications and satellite businesses, which will broaden sustainable growth in the group.

Advanced Info Service Plc. (AIS), the Company's core investment, remains the leader in Thailand's telecom market in both revenue and the number of subscribers. Its current operating licenses will ensure business stability and a competitive edge. AIS has secured the license for the 1800 MHz spectrum, which will drive growth in data usage revenue.

Thaicom Plc. (THAICOM), the Company's other major investment, has continuously improved its



“

INTOUCH posted net profit of 16,078 million baht and announced dividend at 4.63 baht per share or 100% of its net profit.

”

Mr. Philip Chen Chong Tan
President and Acting
Chief Executive Officer

performance and posted a net profit for the fourth consecutive year. Its satellite business has continued to expand and Thaicom 8 is expected to be launched in the first half of 2016. In addition, THAICOM was able to extend the concession for Lao Telecommunications Co., Ltd., the number one telecom company in Lao PDR, to operate its telecom business for another 25 years.

As for organizational development, the Company has striven 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 and sustainable development, and has drawn up implementation plans to meet international sustainable development standards. This has been done to provide equitable treatment to all the Company's stakeholders, uphold good corporate governance, and build a sustainable future.

The Company received the "Best Company Performance Award" and one of the "Best CEO

Awards" in the SET Awards 2015. The Company was recognized for its good corporate governance when it received the "ASEAN Corporate Governance Awards" in the category of "Top 50 ASEAN Publicly Listed Companies" from the ASEAN Capital Markets Forum (ACMF). The Company was rated "Excellent" for the third consecutive year in the 2015 Corporate Governance Report of Thai Listed Companies by the Thai Institute of Directors (IOD), and was selected by the Stock Exchange of Thailand to join the "Thailand Sustainability Investment 2015" list. In addition, the Board of Directors received the "Board of the Year for Distinctive Practices" award in the "Board of the Year Awards 2015".

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.



Audit Committee Report



Mr. Somchai Supphatada
Chairman of the Audit Committee
12 February 2016



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 Miss Sopawadee Lertmanaschai. The Secretary to the Committee is Mr. Wichai Kittiwittayakul, who also serves as the Executive Vice President of Company Secretary and Internal Audit. All the Committee’s members meet the qualifications set by the Stock Exchange of Thailand, while Mr. Somchai and Miss Sopawadee have financial and accounting knowledge and experience. 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 Company’s website: www.intouchcompany.com

During the fiscal year 2015, the Committee held a total of 13 meetings with the Company’s management and both the internal and external auditors. All the Committee’s members attended these meetings. 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.

1. Financial Statements: The Committee reviewed the Company’s quarterly and annual financial statements for the year 2015 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, and key accounting issues 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 matters that the Committee or the external auditors believed should be considered privately along with the problems or difficulties in performing their duties.

2. Risk Management: The Committee reviewed the risk management system, including the actions taken to mitigate significant risks. The Company has disclosed these risks in the Annual Report for 2015.

3. 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 monitored and reviewed improvements to the Company's key

internal control system in order to promote a good control environment. These comprised a review of the Approval Authority Policy, amendments to the policy for authorized signatories, amendments to the Whistle-blowing Policy and related investigation and disciplinary procedures, a review of the Code of Conduct, and improvements to the payroll process.

4. Internal Audit: The Committee approved the audit plan for 2015, and reviewed the Internal Audit Department's independence, direction, strategy, 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 reviewed and approved amendments to the Internal Audit Charter in order to align it with the current organization structure.

5. 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.

Moreover, 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 2015.

6. Corporate Governance: The Committee reviewed, and made recommendations to amend,

the Company's Corporate Governance Policy in order to align it with the Stock Exchange of Thailand's Principles of Good Corporate Governance for Listed Companies, Thai Institute of Directors' Corporate Governance Criteria, and ASEAN Corporate Governance Scorecard. The Committee also reviewed the Company's compliance with this policy.

7. Whistle-blowing: The Committee reviewed the quarterly whistle-blowing reports of complaints made through reporting channels. There was only one case reported at the Company during 2015, regarding unfair treatment of an employee, although it did not involve fraud. After investigation, remedial action was taken.

8. External Auditor: The Committee considered the independence of the Company's external auditors for 2015 from KPMG Phoomchai Audit Limited. The Committee also considered and approved the engagement of external consultants from KPMG Group to provide non-audit services totaling 0.45 million baht. These services did not impair the external auditor's independence.

In addition, the Committee held a joint meeting with the other audit committees in the group and the management to consider the policy for selecting the group's external auditors in order to promote transparency and ensure the auditors' independence. The leading audit firms were then invited to join a bidding process and submit proposals. The Committee considered the independence, performance, experience and qualifications of each firm, along with the appropriateness of its fees, and consequently recommended that the Board of Directors propose the appointment of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the Company's external auditor for 2016 at the annual general meeting of shareholders.

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

10. 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 expand its responsibilities to cover the review of the Company's whistle-blowing system and Code of Conduct, and the effectiveness of the system to monitor compliance with and enforcement of this code, and submitted its amendments to the Board of Directors for approval.

In conclusion, the Committee believes that it completely discharged its duties in the year 2015 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 control 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.

Nomination and Governance Committee Report



Mr. Prasert Bunsumpun
Chairman of the Nomination
and Governance Committee
20 January 2016



To the Shareholders of Intouch Holdings Plc.

The Nomination and Governance Committee (“the Committee”) consists of four directors, Mr. Prasert Bunsumpun (the Chairman), Mr. Vithit Leenutaphong, Mr. Boon Swan Foo and Mr. Somprasong Boonyachai. Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee.

During the year 2015, the Committee held a total of three meetings to undertake the duties stipulated in its charter. The Committee’s significant activities have been summarized below.

- The Committee reviewed the Company’s Corporate Governance Policy, assessed compliance with this policy, and recommended

the following amendments to comply with the SET’s Principles of Good Corporate Governance and the IOD’s CG criteria.

- (1) Expand the role of the Board to review the Company’s vision and mission statements, and monitor the management’s implementation of strategic plans.
- (2) Set a limit of six directorships in listed companies an individual director can hold.
- (3) Define the position descriptions for the Chairman of the Board and the Chief Executive Officer.
- (4) Set an age limit of under 72 for new directors at the time of appointment. Current directors who were 72 or over when they were

appointed may still hold their positions for their remaining terms of office. The Board may approve the nomination for re-appointment of directors who will be 72 years of age or older at the time of re-appointment for only one more term.

- The Committee evaluated and nominated Mr. Kwek Buck Chye, who was qualified to replace a director who had resigned, namely Mr. Bodin Asavanich. The Committee also nominated the representative directors to sit on the boards of the Company's subsidiaries.
- The Committee provided an orientation program for a new director, namely Mr. Kwek Buck Chye, prior to taking up his duties to enable him to gain a 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.
- The Committee developed a Board Skills Matrix to review the Company's and its subsidiaries' current boards and their committees' structure, composition and expertise, and agreed that they were all suitable for the Company's current business environment and strategic direction. In addition, this matrix was used as supportive information in assessing the performance and expertise of each director who retired by rotation in 2015, all of whom were reappointed by the shareholders' meeting.
- The Committee developed a succession plan for the Company's and its subsidiaries' directors, and engaged a professional search firm to identify potential candidates for director nomination. This will ensure the smooth running of the Board.
- The Committee provided an opportunity for all the Company's shareholders to propose agenda items for the annual general meeting of shareholders for 2016 and nominate candidates for directorship in order to recognize the importance of treating all shareholders equitably.
- The Committee arranged an annual board seminar for all the directors on the topics of "Thailand Economic Outlook" and "ICT Trend & Digital Transformation", to provide continual development and assist them in considering the Company's strategic direction. The development program took a variety of forms such as internal and external courses, site visits, and overseas trips. In 2015, Mr. Kwek Buck Chye, a new director, attended the Directors Certification Program (DCP), organized by the Thai IOD, and the High Performance Board Program, organized by the IMD in Switzerland. (Full details of the directors' training can be found in the section titled "Continuous training and development program" in the annual report.)
- The Committee reviewed the board performance evaluation results, and submitted recommendations to the Board on improving its performance.
- The Committee conducted a self-assessment and found that it had completely discharged its duties in the year 2015 as assigned by the Board.

Leadership Development and Compensation Committee Report




Mr. Vithit Leenutaphong
Chairman of the
Leadership Development and
Compensation Committee
20 January 2016

To the Shareholders of Intouch Holdings Plc.

The Leadership Development and Compensation Committee (“the Committee”) consists of four directors, Mr. Vithit Leenutaphong (the Chairman), Mr. Prasert Bunsumpun, Mr. Boon Swan Foo and Mr. Somprasong Boonyachai. Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee.

During the year 2015, the Committee held a total of ten meetings to undertake the duties stipulated in its charter. The Committee’s significant activities have been summarized below.

- The Committee considered the Board’s remuneration policy and structure (monthly retainer, meeting allowance, annual bonus and per diem), and agreed that they remain unchanged. The Committee recommended that the 2015 budget be set at not more than 33 million baht, an increase of 3 million baht from 2014, in order to align it with other listed companies of a similar size.
- The Committee determined the long-term incentive policy and program for the Company’s executives.
- The Committee considered and determined the

annual KPI targets for the Company and the Chief Executive Officer.

- The Committee considered the Company’s annual merit-based salary increases.
- The Committee considered the performance evaluation of the Company’s Chief Executive Officer in order to determine his annual bonus and merit-based salary increase.
- The Committee considered the annual retainer allocation for the Board.
- The Committee coordinated with an external consultant in identifying potential successors for the Company’s Chief Executive Officer, who retired, and another executive in the group who resigned. The Committee also identified suitable candidates for the position of Company President.
- The Committee assigned the management to draw up a leadership development plan by implementing job rotation across the group.
- The Committee conducted a self-assessment and agreed that it was operating in an effective manner with a suitable structure and composition for its current duties.



CSR Committee for Sustainable Development Report

Mr. Chalaluck Bunnag
Chairman of the CSR Committee
for Sustainable Development
19 January 2016



To the Shareholders of Intouch Holdings Plc.

The CSR Committee for Sustainable Development (“the Committee”) consists of three directors, Mr. Chalaluck Bunnag (the Chairman), Mr. Vithit Leenutaphong and Mr. Somprasong Boonyachai. Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee.

During the year 2015, the Committee held a total of eight meetings to undertake the duties stipulated in its charter approved by the Board of Directors. The Committee’s significant activities have been summarized below.

1. The Committee reviewed and approved the sustainable development framework for INTOUCH, which has been structured into four areas: Sustainable Impact Investing; Transparency Management & Relationships; Human Capital Development; and Social & Community Investment. The Committee also reviewed the Operational Strategy for the years 2016 to 2020.

In addition, the Committee appointed the Sustainable Development Steering Committee,

which is responsible for completing tasks related to INTOUCH's sustainable development policy as well as formulating key performance indicators for this.

2. The Committee reviewed and approved the policy, strategy, operational plan and budget associated with corporate social responsibility and public relations proposed by the management.
3. The Committee implemented the following major projects in Social & Community Investment.
 - 3.1 Extended the educational opportunities project to AIS, THAICOM and CS Loxinfo. This project provides scholarships to diligent but disadvantaged students along with funds to support their teachers in order to boost morale, maintain beneficial projects, and develop young people in the north, northeast and south of the country.
 - 3.2 Provided scholarships for young people to study at vocational colleges through the Thawisuksa project.
 - 3.3 Provided scholarships for the children of personnel at Huaykakang Wildlife Sanctuary for their contribution to natural resource and environmental conservation along with water tanks for the agency.
 - 3.4 Expanded the Healthy Rice Growing Project by INTOUCH to Huai Krachao Community, Kanchanaburi, encouraging farmers to apply His Majesty the King's Philosophy of Sufficiency Economy and Principles of Development Works for a better quality of life.
4. The Committee conducted a self-assessment of its annual performance against the approved charter and concluded that it had completely discharged its duties in the year 2015. In addition, the Committee reviewed its charter, and has submitted a proposal to expand its roles and responsibilities to the Board of Directors in order to increase its engagement within the Company's sustainable development framework.

Due to the Company's commitment to social responsibility, encouraging every operational function to adhere to the concept of sustainable development, it has been accepted by leading organizations, as proven by prestigious awards for "Best Company Performance", "Best CEO", and "Most Popular Stock". Moreover, the Company has received the ASEAN Corporate Governance, Thailand Sustainability Investment and ESG 100 certificates, recognizing its compliance with the Principles of Good Corporate Governance, its responsibility to stakeholders, and its concern for society and the environment.

On behalf of the Committee, I would like to thank the Board of Directors, management, employees and other stakeholders for their full collaboration in striving for sustainable development, which has contributed to the Company's present success and recognition. The Company will continue to grow steadily, together with society, and help drive economic development for the country to achieve sustainable growth.



The Board of Directors and Management Team



The Board of Directors

01



02



03



04



05



09



07



08



06



01 — Dr. Virach Aphimeteetamrong
02 — Mr. Somchai Supphatada
03 — Mr. Chalaluck Bunnag

04 — Miss Sopawadee Lertmanaschai
05 — Mr. Prasert Bunsumpun
06 — Mr. Vithit Leenutaphong

07 — Mr. Boon Swan Foo
08 — Mr. Kwek Buck Chye
09 — Mr. Somprasong Boonyachai

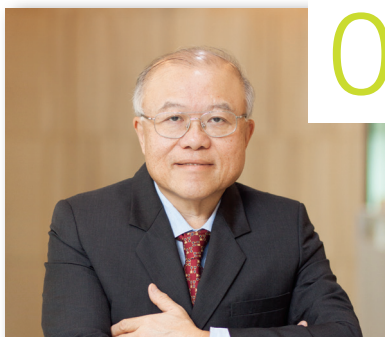


Management Team

01



02



03



04



07



05



06



01 — Mr. Somprasong Boonyachai
02 — Mr. Wichian Mektrakarn
03 — Mrs. Suwimol Kaewkoon

04 — Mr. Philip Chen Chong Tan
05 — Mr. Anek Pana-apichon
06 — Mr. Wichai Kittiwittayakul

07 — Mr. Kim Siritaweechai



Details of Directors and Executives



Dr. Virach Aphimeteetamrong Age 72 / Thai

Title

Chairman of the Board of Directors and Authorized Director

Appointment Date as the Director 7 November 2001

Shareholding ^{1/} None

Highest Education

Ph.D. Finance, University of Illinois, USA

Governance Training of IOD/Others

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 Group Holdings 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

Relationship with Directors and Management None



Mr. Somchai Supphatada Age 56 / Thai

Title

Independent Director and Chairman of the Audit Committee

Appointment Date as the Director 30 June 2006

Shareholding ^{1/} None

Highest Education

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

Governance Training of IOD/Others

High Performance Board 2015, IMD

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
- Subcommittee on Monitoring of Accounting Standard, Federation of Accounting Professions
- 2013 - Present • Associate Dean for Finance and Planning, Faculty of Commerce and Accountancy, Thammasat University
- Present • Asst. Prof., Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Member of Accounting Standards Setting Committee, South-East Asia University and Huachiew Chalermprakiet University

Past Experience

- 2010 - 2013 • Head, Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University

Relationship with Directors and Management None



Mr. Chalaluck Bunnag

Age 68 / Thai

Title

Independent Director, Member of the Audit Committee, Chairman of the CSR Committee for Sustainable Development

Appointment Date as the Director 14 August 2007

Shareholding ^{1/} None

Highest Education

Master Degree in Industrial Administration, Carnegie-Mellon University, USA

Master Degree in Civil Engineering, Oklahoma State University, USA

Governance Training of IOD/Others

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 **Age 62 / 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 ^{1/} 0.0009%

Highest Education

Master of Science (Accounting), Thammasat University

Governance Training of IOD/Others

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
2015 - Present • Independent Director and Member of the Audit Committee, Maybank Kim Eng Securities (Thailand) Plc
2014 - Present • 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

2015 - Present • Director, EcoWaste Management Co., Ltd.
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



Mr. Prasert Bunsumpun

Age 63 / Thai



Mr. Vithit Leenutaphong

Age 60/ Thai

Title

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

Appointment Date as the Director 26 December 2011

Shareholding ^{1/} 0.0006%

Highest Education

Honorary Doctor of Engineering, Chulalongkorn University

Honorary Doctor of Management, National Institute of Development Administration (NIDA)

Honorary Doctor of Management Science, Petchaburi Rajabhat University

Honorary Doctor of Management, Mahasarakham University

Honorary Doctor of Public and Local Innovative Management, Suan Sunandha Rajabhat University

Master Degree in Business Administration, Utah State University, USA

Governance Training of IOD/Others

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

2015 - Present • Independent Director and Chairman of the Executive Committee, Thaicom Plc

2013 - Present • Independent Director, PTT Plc

2012 - Present • Chairman of the Board of Directors and Chairman of the Executive Committee, Thoresen Thai Agencies Plc

2011 - Present • Chairman of the Board of Directors, PTT Global Chemical Plc

Positions in Other Companies/Organizations

2014 - Present • Member, The National Legislative Assembly

2012 - Present • Chairman of the Board of Directors and Chairman of the Executive Committee, Mermaid Maritime Plc

2011 - Present • Chairman, Thailand Business Council for Sustainable Development

Past Experience

2011 - 2015 • Director and Chairman of the Executive Committee, Krung Thai Bank Plc

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/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

Relationship with Directors and Management

None

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 CSR Committee for Sustainable Development

Appointment Date as the Director 16 October 2000

Shareholding ^{1/} None

Highest Education

Master Degree in Administration, University of Southern California, USA

Governance Training of IOD/Others

High Performance Board 2015, IMD

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

2015 - Present • Advisor to the Subcommittee on International Affairs, 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

Age 60/ 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 ^{1'} None

Highest Education

Master Degree in Business Administration, National University of Singapore

Governance Training of IOD/Others

Director Examination Class 40/2014

DGP: Directors Certification Program Class 182/2013

Positions in Listed Companies in SET

2007 - Present Director, Intouch Holdings Plc

Positions in Other Companies/Organizations

2015 - Present • Chairman of the Board of Directors, Singapore Consortium Investment Management Ltd.

• Director, China Huadian Corporation

2012 - Present • Director, China National Offshore Oil Corporation

2011 - Present • Chairman of the Board of Directors, Allgrace Investment Management Pte Ltd.

• Chairman of the Board of Directors, Global Investments Ltd.

• Director, Dongfeng Motor Corporation

2008 - Present • Senior Advisor, Temasek International Advisors Pte. Ltd.

• Adjunct Professor, Nanyang Technological University

Past Experience

2013 - 2015 • Director, Jillin Food Zone Pte Ltd.

2012 - 2015 • Director, Singbridge Holdings Pte Ltd.

2011 - 2015 • Director, Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd.

2009 - 2015 • Director, Singbridge International Singapore Pte Ltd.

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.

Relationship with Directors and Management None



Mr. Kwek Buck Chye

Age 62/ Singaporean

Title

Director, Member of the Strategic and Organizational Review Committee, Authorized Director

Appointment Date as the Director 28 January 2015

Shareholding ^{1'} None

Highest Education

Advanced Management Program, Harvard University

Bachelor of Accountancy, University of Singapore

Governance Training of IOD/Others

High Performance Board 2015, IMD

DGP: Directors Certification Program Class 214/2015

Positions in Listed Companies in SET

2015 - Present • Director, Intouch Holdings Plc

2015 - Present • Director and Member of the Executive Committee, Thaicom Plc

Positions in Other Companies/Organizations

2013 - Present • Self employed financial consultant

Past Experience

1992 - 2013 • Chief Financial Officer, StarHub Ltd.

2000 - 2002 • Chief Financial Officer, ST Telemedia Pte Ltd.

1999 - 2000 • Chief Financial Officer, Vickers Capital Ltd. & Group

1992 - 1999 • Group Director Finance / Chief Financial Officer, Singapore Technologies Pte Ltd. & Subsidiaries

Relationship with Directors and Management None



Mr. Somprasong Boonyachai⁽²⁾ Age 60 / 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 CSR Committee for Sustainable Development, Authorized Director

Appointment Date as the Director 25 April 2007

Shareholding ^{1/} 0.0057%

Highest Education

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

Governance Training of IOD/Others

High Performance Board 2015, IMD

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

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



Mr. Wichian Mektrakarn Age 61 / Thai

Title

Member of the Executive Committee

Appointment Date as the Management 17 February 2011

Shareholding ^{1/} 0.0016%

Highest Education

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

Governance Training of IOD/Others

DCP: Directors Certification Program Class 107/2008

Positions in Listed Companies in SET

2011 - Present • Member of the Executive Committee, Intouch Holdings Plc

2015 - Present • Independent Director, Aapico Hitech Plc

2014 - Present • Advisor, Advanced Info Service Plc
• Director, Prukso Real Estate Plc

Positions in Other Companies/Organizations

2015 - Present • Chairman of the Board of Directors, Aira & Aiful Plc

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

2006 - 2009 • President, Advanced Info Service Plc

Relationship with Directors and Management None



Mrs. Suwimol Kaewkoon³⁾ Age 60 / Thai

Title

Member of the Executive Committee

Appointment Date as the Management 1 July 2007

Shareholding ¹⁾ None

Highest Education

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

Governance Training of IOD/Others

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

Positions in Other Companies/Organizations

- None -

Past Experience

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

Relationship with Directors and Management None



Mr. Philip Chen Chong Tan⁴⁾ Age 50 / USA

Title

President

Appointment Date as the Management 1 November 2015

Shareholding ¹⁾ None

Highest Education

Master of Management, Sasin Business Graduate Institute of Administration of Chulalongkorn University

Governance Training of IOD/Others

DCP: Directors Certification Program Class 175/2013

Positions in Listed Companies in SET

Nov 2015 - Present • President, Intouch Holdings Plc

Positions in Other Companies/Organizations

Nov 2015 - Present • Director, I.T. Applications and Services Co., Ltd./
Intouch Media Co., Ltd. / Touch TV Co., Ltd.

• Chairman of the Board of Directors, High Shopping Co., Ltd.

2014 - Present • Advisory Board of Sasin, Sasin Business Graduate Institute of Administration of Chulalongkorn University

2011 - Present • Board of Visitors, University of Maryland

Past Experience

Jul - Oct 2015 • Senior Executive Vice President, Bank of Ayudhya Plc

Jan - Jun 2015 • Head of Retail and Consumer Banking and Acting Head of Krungsri Consumer Group, Bank of Ayudhya Plc

2014 - 2015 • Executive Committee Member, Bank of Ayudhya Plc

2013 - 2015 • Director (Authorized Signatory), Bank of Ayudhya Plc

• Acting Head of Krungsri Auto Group, Bank of Ayudhya Plc

• President, Bank of Ayudhya Plc

• Risk Management Committee Member and Advisor to the Compliance Review Committee, Bank of Ayudhya Plc

2013 - 2014 • Acting Head of E-Business, Bank of Ayudhya Plc

2013 • Deputy Chairman of the Executive Committee and Advisor to the Credit Committee, Bank of Ayudhya Plc

2012 • Head of E-Business, Bank of Ayudhya Plc

2010 - 2012 • First Executive Vice President and Head of Consumer Finance, Bank of Ayudhya Plc

2009 - 2010 • Chief Executive Officer, GE Money (Thailand) Ltd

Relationship with Directors and Management None



Mr. Anek Pana-apichon

Age 50 / Thai

Title

Executive Vice President - Finance & Accounting

Appointment Date as the Management 16 November 2000**Shareholding ^{1/}** 0.0022%**Highest Education**

Master Degree in Business Administration, Chulalongkorn University

Governance Training of IOD/Others

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 • Member of the Executive Committee, Thaicom Plc

Positions in Other Companies/Organizations

2015 - Present • Director, High Shopping Co., Ltd.

• Director, High Shopping TV Co., Ltd.

• Director, I.T. Applications and Services Co., Ltd.

Past Experience

2010 - 2015 • Director, Thaicom Plc

Feb - Sep 2011 • Acting Chief Finance Officer, Thaicom Plc

2004 - 2010 • Vice President - Finance & Accounting, Intouch Holdings Plc

Relationship with Directors and Management None

Mr. Wichai Kittiwittayakul

Age 54 / Thai

Title

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

Appointment Date as the Management 1 July 2007**Shareholding ^{1/}** 0.0000%**Highest Education**

Master Degree in Accounting, Thammasat University

Governance Training of IOD/Others

High Performance Board 2015, IMD

DCP: Directors Certification Program Class 104/2008

Company Secretary Program - 2005

Board & CEO Assessment Program - 2003

Effective Audit Committee - 2002

Board Practices - 2002

Board Composition and Relations - 2002

Board Policy - 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

2010 - Present • Advisor, The Institute of Internal Auditors of Thailand (IIA)

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

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

Age 47 / Thai

Title

Executive Vice President - Portfolio Management

Appointment Date as the Management 1 April 2014

Shareholding^{1/} None

Highest Education

Master of Business Administration, Thammasat University

Governance Training of IOD/Others

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

2015 - Present • Director, High Shopping TV Co., Ltd.

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:

^{1/} As at 31 December 2015, the number of ordinary shares includes holding by spouse and children age under 20.

^{2/} Mr. Somprasong Boonyachai, the Chief Executive Officer, has retired on December 31, 2015, and has been appointed as Advisor to the Chief Executive Officer from 1 January to 31 December 2016. He continues in his roles as a director and Chairman of the Executive Committee of Intouch Holdings Plc.

^{3/} Mrs. Suwimol Kaewkoon has resigned from the Executive Committee on December 31, 2015 due to her retirement.

^{4/} Mr. Philip Chen Chong Tan has been appointed as a member of the Executive Committee, to replace Mrs. Suwimol Kaewkoon, and Acting Chief Executive Officer, effective January 1, 2016.



Awards and Recognition



The **“Board of the Year for Distinctive Practices”** in the “Board of the Year Awards 2015” was organized by the Thai Institute of Directors Association in collaboration with six leading private-sector organizations. This award honors outstanding boards of directors that accomplish their duties effectively in line with good corporate governance principles.

The **“SET AWARDS 2015”** organized by the Stock Exchange of Thailand and Money & Banking Magazine, the event has been held for the 12th consecutive year. INTOUCH received two awards:

- The **“Best CEO Awards”** to honor Mr. Somprasong Boonyachai, CEO, for his leadership, vision, business ethics, knowledge and skill, all of which have driven the Company towards success and sustainable growth. This is the second time he has received this award (the first time was in 2012) and
- The **“Best Company Performance Awards”** (in the category of market capitalization of more than 100,000 million baht) for listed companies which have complied with the SET’s regulations on disclosing financial and operating information, and upheld good corporate governance. This is the second time INTOUCH has received this award (the first time was in 2013).

The **“Thailand Sustainability Investment Awards”** organized by the Stock Exchange of Thailand are presented to listed companies with sustainable stocks and outstanding performance in environmental, social and governance (ESG) aspects.

“Excellence CG Scoring” a third consecutive year award from Corporate Governance Report of Thai Listed Companies 2015 by Thai IOD surveyed 588 listed companies in Thailand.



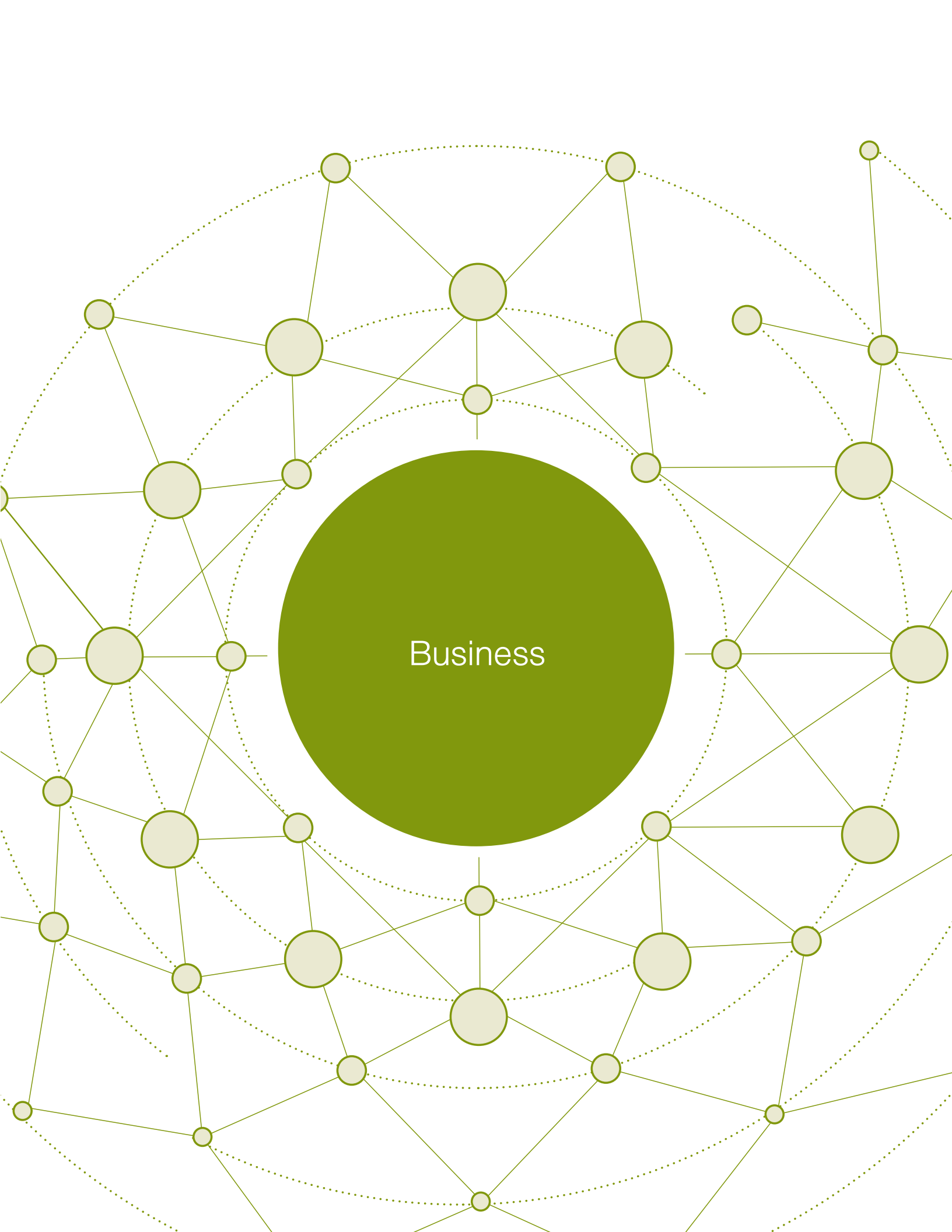
“ESG 100 Certificate” from Thaipat Institute, to certify that INTOUCH is in the top 100 companies (out of 567) listed on the Stock Exchange of Thailand that have an outstanding Environmental, Social and Governance (ESG) performance.

“ASEAN Corporate Governance Awards 2015” were presented to the **“TOP 50 ASEAN Publicly Listed Companies for achieving the highest ranking on the ASEAN CG Scorecard”**, which was held in Manila, the Philippines.

The **“Asian Excellence Recognition Awards 2015”** organized by Corporate Governance Asia Journal of Hong Kong, recognized the performance of the Company’s investor relations in the following three categories:

- **Asia’s Best CEO (Investor Relations)**, to honor Mr. Somprasong Boonyachai, CEO, for his contribution to maintaining the growth of the Company and boosting shareholder value.
- **Best Investor Relations Company**, to recognize the Company’s commitment to the highest standards of disclosure, transparency and fairness in disseminating information in order to build and enhance investor confidence.
- **Best Investor Relations Professional**, to honor Miss Tomyantee Kongpoolsilpa, Vice President-Investor Relations, for her leading role in keeping the Company in touch with its investors and ensuring that they are well informed.

The **“Best Popular Stock Award”** and the **“Best Popular Technology Stock Award”** for the second time in the “Popular Stock Awards 2014”, organized by the Stock Exchange of Thailand and Khao Hoon Thurakit newspaper, polls investors in the Thai stock market which have strong fundamentals and keep its investors well informed about business matters and corporate social responsibility programs.





INTOUCH Group's Investment Structure

as of 8 January 2016

Intouch Holdings Plc ^{1), 2)}

Advanced Info Service Plc ²⁾ 40.45%

Advanced Wiress Network Co., Ltd.	99.99%
Wireless Device Supply Co., Ltd.	99.99%
Advanced Contact Center Co., Ltd.	99.99%
Advanced MPAY Co., Ltd.	99.99%
Advanced Magic Card Co., Ltd.	99.99%
AIN GlobalComm Co., Ltd.	99.99%
Super Broadband Network Co., Ltd.	99.99%
MIMO Tech Co., Ltd.	99.99%
Fax Lite Co., Ltd.	99.98%
Advanced Broadband Network Co., Ltd.	99.99%
Information Highway Co., Ltd.	29.00%
Digital Phone Co., Ltd.	98.55%
Advanced Datanetwork Communications Co., Ltd.	51.00%
Clearing House for Number Portability Co., Ltd.	20.00%
Bridge Mobile Pte. Ltd.	10.00%

Wireless Telecommunication Business

Thaicom Plc ²⁾ 41.14%

Satellite services

IPSTAR Co., Ltd.	100%
IPSTAR New Zealand Ltd.	100%
IPSTAR Australia Pty Ltd.	100%
Orion Satellite Systems Pty Ltd.	100%
IPSTAR International Pte. Ltd.	100%
IPSTAR Global Services Co., Ltd.	100%
IPSTAR Japan Co., Ltd.	100%
Star Nucleus Co., Ltd.	100%
Spacecode LLC	70.00%
TC Broadcasting Co., Ltd.	99.99%
International Satellite Co., Ltd.	100%

Telephone services abroad

Shenington Investments Pte Ltd. ¹⁾	51.00%
Lao Telecommunications Co., Ltd.	49.00%

Satellite and International Businesses



¹⁾ Holding Company

²⁾ Listed Company on the Stock Exchange of Thailand

³⁾ Currently not in operation.



Summary of Operating Results

The consolidated net operational results by business segment for the previous 3 years are as follows:

Business Segment	Operated by	Operation interest as at 31-Dec-15	2015		2014		2013	
			Baht Million	%	Baht Million	%	Baht Million	%
Wireless telecommunications - domestic	AIS and its subsidiaries	40.45	15,854	98.61	14,538	98.49	14,644	100.53
Satellite and international businesses								
- Share of profit, excluding loss of Mfone	THAICOM and its subsidiaries	41.14	874	5.44	659	4.46	484	3.33
- Share of loss from discontinued operation of Mfone ^{/1}			-	-	-	-	(21)	(0.15)
Other businesses:	Operated by							
- Loss from operation, excluding Matchbox	Intouch Holdings PLC and its subsidiaries ^{/2}		(651)	(4.05)	(371)	(2.51)	(534)	(3.66)
- Discontinued operation of Matchbox			1	-	(65)	(0.44)	(5)	(0.05)
Net profit to owners of the Company			16,078	100	14,761	100	14,568	100

Remark:

/1 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.

/2 Comprised of I.T. Applications and Services Co., Ltd., Matchbox Co., Ltd. (Regarding to the continued operation loss, Matchbox has closed 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.

Milestones

2015

- The Company, through InVent, invested in 4 more companies which are Sinoze Co., Ltd., by taking 17% stake with total investment of 22.50 million baht, Playbasis Pte. Ltd. amounting to 52.02 million baht with 15% shareholding, Golfdigg Co., Ltd. amounting to 23.83 million baht with 25% shareholding and Shopspot Mobility Pte. Ltd.
- Intouch Media Co., Ltd. (Intouch Media) and South Korea-based Hyundai Home Shopping Network Corporation (Hyundai Home Shopping) announced High Shopping Co., Ltd., a home-shopping business in Thailand with authorized capital of 500 million baht, of which Intouch Media has invested 255 million baht for a shareholding of 51% and Hyundai Home Shopping has invested the remaining amount for a shareholding of 49%.
- Intouch Media and Kantana Group Plc. (Kantana Group) created new experience for Thai TV viewers, producing a new TV series called Gossip Girl Thailand. It was the first launch of a full-scale second-screen viewing platform in Thailand.
- AIS launched the “AIS Fibre” broadband home internet service with 1 Gbps speed as the first and only full-scale PURE Fibre service provider. A package that includes entertainment from the AIS Playbox was also introduced.
- On 25 November 2015, Advanced Wireless Network Co., Ltd. (AWN) was granted an 1800MHz license covering 1725-1740MHz paring to 1820-1835MHz from the National Broadcasting and Telecommunications Commission (NBTC). As of January 2016, AWN will have already installed 4G network access in 6,000 locations nationwide.
- Shenington Investment Pte. Ltd. (SHEN), a subsidiary of THAICOM, and Lao PDR’s government have officially reached the agreement to extend the Joint Venture Agreement and the Master Agreement for the Development of Telecommunications Services in the Lao PDR, as a result Lao Telecommunications Co., Ltd., a joint venture holding via SHEN, obtain right to operate communication service in Lao PDR for a further period of 25 years until 2046.

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 Co., Ltd., (Ookbee) equivalent to 11.11% of the paid-up capital, in the amount of 5 million USD (approximately 161.6 million baht), which resulted in 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”.
- Intouch Media invested in a joint venture with Kantana Group with initial investment of 40 million baht by 50% each in order to produce the digital television content and leverage the potential of its existing businesses.
- INTOUCH made new investment in Infinity Levels Studio Pte. Ltd. under InVent project.
- 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.
- THCOM launched Thaicom 7 on 7 September 2014 at the 120 degrees East orbital slot.

2013

- INTOUCH made additional investments in InVent project which are Meditech Solution Co., Ltd. and Computerlogy Co., Ltd.
- AWN officially launched the 3G mobile telephone services on 2.1GHz band.



Nature of Business

INTOUCH operates its business by investing in companies with potential, and currently focuses on Telecom, Media, IT and Digital Content. Our investments are divided into two types as follows:

1) Businesses in which INTOUCH is a major shareholder, establishes policy and direction, and is involved in managing. These companies are Advanced Info Service Plc. (AIS), Thaicom Plc. (THAICOM), I.T. Applications and Services Co., Ltd. (ITAS), and High Shopping Co., Ltd. (High Shopping)

2) Joint ventures, in which INTOUCH holds a stake of less than 30% and is not involved in managing. INTOUCH has established a venture capital project called “InVent”, which aims to support and promote high-potential startup companies in related businesses that can create added value for the group.

INTOUCH is committed to the successful management of its core businesses, namely AIS and THAICOM, in order to create sustainable growth. We stand by our ability to pay dividends in order to assure our shareholders and all other stakeholders that INTOUCH will maintain sustainable growth in the future.

Wireless Telecommunications Business operated by AIS

AIS is the leading mobile operator in Thailand with 38.5 million subscribers nationwide or approximately 46% of the subscriber market share. AIS is currently transforming itself into a “Digital Life Service Provider” that includes fixed-broadband and digital content along with its mobile business.

AIS had been providing a 2G service on the 900MHz frequency band under a concession from TOT, which expired in September 2015. This concession has been extended for a remedial period

until further notice from the National Broadcasting and Telecommunication Commission (NBTC). The 3G network operates on the 2.1GHz frequency band with nationwide coverage, and the license, granted by the NBTC in December 2012, is valid until 2027. Moreover, AIS launched a 4G service in January 2016 on the 1800MHz band, and the license, granted by the NBTC in November 2015, is valid until 2033.

Mobile data usage has grown significantly in recent years due to the constant improvements in technology. Consumers now rely less on voice calls because they are able to communicate through the internet via applications such as LINE and Facebook. The smartphone penetration rate among AIS subscribers is increasing, and reached 59% in 2015. This has become the key driver for AIS to increase its network capacity and improve the quality of its 3G service. Another significant movement is the increasing role of 4G technology: consumers want to connect to the internet wherever they are at any time so they need a fast and reliable network. Therefore, AIS is also committed to the development of a 4G network operating on the 1800MHz band, for which the license has already been secured.

AIS has seen big changes in the industry and consumer behavior so it has had to transform itself in order to cater to the digital lives of its customers. A clear decision was made to launch the fixed-broadband business in April 2015 under the brand “AIS Fibre”. With the ability to leverage the extensive fiber optic network around the country, which is part of the investment in 3G on 2.1GHz coverage, AIS can provide the new technology of the FTTx service to households nationwide. In only nine months of operation, AIS Fibre has already passed 1.7 million homes and secured 44,000 customers. AIS aims to be one of the key players in this market over the next five years.

To stay in an advanced position in the digital era, AIS is officially



driving the digital content business to serve growing mobile data usage over the next three to five years. This is a great opportunity for AIS to provide its customers with a variety of new additional contents by forming business partnerships to encourage the creation of more digital content services. AIS focuses on five key areas, namely entertainment (video streaming), games, mobile banking, cloud computing, and M2M, all of which will provide convenience to customers and generate new sources of revenue. This diversity in digital contents will be the main driver for AIS to become a leading Digital Life Service Provider.

Industry Outlook and Competition in 2015

In 2015, the mobile phone business grew in terms of data services, arising from a rapid increase in social networks and cheaper smartphones. Mobile phones, especially smartphones, are now an important tool for expanding the company's customer base, maintaining existing customers, and driving revenue from data usage. AIS organized a trade-in campaign for customers to exchange their old 2G handsets for new 3G phones. This was because 3G network can provided a better experience with higher quality and faster internet speed, along with the expiration of 900MHz concession.

AIS has been lagging behind its competitors due to a lack of spectrum so it has continued to expand and improve its 3G network as well as prepare for the 4G service. By the end of 2015, AIS had over 27,200 3G base stations, covering more than 98% of the population. In addition, more AIS WiFi and AIS Super WiFi access points have been installed in urban areas

with a high population density around the country in order to maintain customer satisfaction with a data speed equal to or faster than 4G. In addition, 4G handsets were offered to customers at cost price to support the launch of the 4G service in 2016.

The high competition in the industry in 2015, along with the lower-than-expected economic recovery, led to a decline in new subscribers and lower spending and usage limits of existing ones. Moreover, the NBTC issued a new regulation on SIM card registration, which resulted in more than 10.8 million prepaid numbers of all operators combined to be churned from the system. However, this regulation helped to eliminate inactive numbers, resulting in a more efficient number management system and a well-ordered customer database that will improve national security.

Industry Outlook and Competition in 2016

In 2016, the mobile business is expected to see growth in data services, especially after the launch of the 4G network. The positive prospects in 2016 are as follows: 1) increasing demand for internet usage; 2) more affordable smartphones; 3) expanding services related to online communications; 4) convergence services; 5) an economic recovery from more spending and investment in megaprojects along with government stimulus programs; and 6) greater population mobility in the ASEAN region.

However, the following challenges lie ahead: 1) heightened competition in 4G technology that focuses on quality and speed; 2) higher customer expectations for service quality and mobile

internet experience; 3) substitute services leading to a decline in SMS usage, especially Over-The-Top (OTT) services such as LINE and Whatsapp; 4) new regulations from the government or telecom regulators that might limit prices or service quality; and 5) political uncertainty or other issues, such as the predicted drought, which would directly affect economic growth and consumer spending. AIS has prepared itself for future adverse situations by differentiating its network quality and customer service, and developing new applications. The present frequency bands are sufficient for providing mobile services. When combined with AIS's strong foundation from investing in technology, customer insight from regular feedback, and the quality and experience of the AIS team, AIS is confident that it can provide the best user experience in every aspect of its business.

As for the fixed-broadband business, in the past few years, the government has released a national policy focused on the digital economy while research by the National Science and Technology Development Agency has estimated that the number of households using fixed-broadband in Thailand reached five million in 2015, generating up to 50 billion baht in revenue, a growth of 12-15% from the previous year. This data shows an increasing demand for high-speed internet while there are only three service providers (True, 3BB and TOT). Therefore, fixed-broadband is seen as an opportunity by AIS. Moreover, the content is provided in the High Definition format as well as a higher capability of device to support this, resulting in higher data consumption. As data consumption increases, competition among the fixed-broadband service providers will be focused on speed. AIS entered this business by providing 100% pure fibre-optic technology in early 2015. Competitors are now trying to promote a fibre-optic services by emphasizing bundle packages but AIS has the capability to use a "Seamless Connection" strategy, providing a service at every touch-point of its customers' lifestyles, including AIS Fibre at home, AIS 3G on the go, and AIS WiFi.

The market growth of smartphones, as well as the increase in application and content providers worldwide, has resulted in a large scale and variety of OTT services. In 2015, AIS

co-operated with its business partners to introduce new content in order to meet the increasing demand from consumers, strengthen customer loyalty, and secure a new revenue stream from digital content.

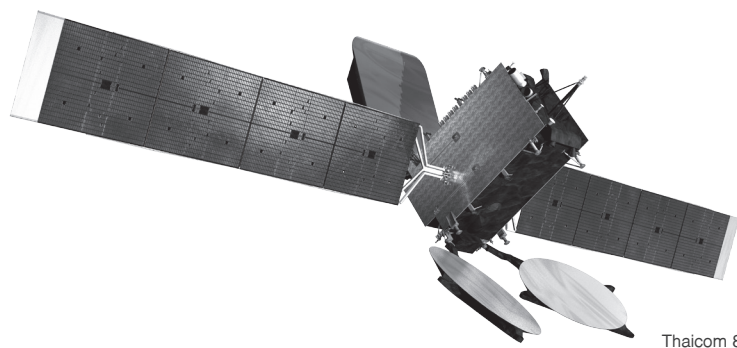
In 2016, AIS has a vision to create additional revenue streams from the predicted strong growth in the digital content business, using both the mobile and fixed-broadband networks. AIS will provide high-quality services that offer a wide variety of content along with secure and convenient payment channels, strongly supported by business partners and technology providers. AIS has planned to launch a new mobile application that offers complete entertainment for mass consumers, such as a new generation of AIS Playbox, a new system and service platform for games, and online shopping, which will become a key driver in the digital content business as consumer demand increases.

Business Direction over the next three to five years

The telecommunications industry in Thailand is expected to undergo a transformation over the next three to five years. A shift in consumer behavior to a much more digital-based environment will make it necessary to provide faster internet connection speeds in order to access all forms of digital content, especially high-definition content. AIS understands the importance of this change in consumer behavior and can foresee compelling opportunities that will arise. This is why the company is transforming itself into a "Digital Life Service Provider" to satisfy all the needs of its customers and their always-connected lifestyles, through AIS's quality networks and by using a strategy of three core businesses, namely mobile services, a fixed-broadband service, and digital content.

Satellite and International Businesses operated by THAICOM

THAICOM provides satellite transponder leasing in both the domestic and international markets under a concession from the Ministry of Information and Communications Technology (MICT), which expires in 2021, and the Telecommunications Service License Type III granted by the NBTC, which expires



Thaicom 8

in 2032. THAICOM currently operates four satellites: one broadband satellite, Thaicom 4 (IPSTAR), and three conventional satellites, Thaicom 5, 6 & 7. Another satellite (Thaicom 8) is under construction and is expected to be launched in the first half of 2016. This satellite will be located at the 78.5 degrees East orbital slot to provide services for Indochina, South Asia and Africa using 24Ku-band transponders, and strengthen THAICOM's broadcasting platform by increasing the number of satellite television channels and eyeballs.

As THAICOM's satellite footprints allow broadcasters and telecommunication operators to benefit from nationwide and cross-regional coverage, the company can offer services to the government and enterprise markets, as well as broadcasters and terrestrial cellular network operators who face growing demand for broadband backhaul solutions.

In addition to supporting Direct-To-Home (DTH) broadcasters and channel operators, THAICOM provides mobility services to people on the move at sea, on land, and in the air. THAICOM's mobility platform began to take shape in 2014 with the launch of In-Flight Entertainment and Connectivity (IFEC) services in Thailand, providing broadband at speeds similar to 3G on commercial flights (Nok Air) in partnership with Global Eagle Entertainment (GEE). On the maritime front, THAICOM joined with AIS to implement a 3G on 2.1GHz service via satellite to the Royal Thai Navy's offshore patrol vessel HTMS Krabi. This service provides the crew with reliable and cost-effective access to email and the internet while at sea.

Industry Outlook and Competition in 2015

Broadcast and Media - Northern Sky Research (NSR) expects strong growth in global demand for both C-band and Ku-band

transponders over the next decade. The DTH market will make the largest Ku-band gains, primarily for carrying the new SD and HD channels as well as an emerging Ultra HD segment, and the strongest regions will be 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 an increase in market prices. The next few years are expected to see sustainable growth in the demand for satellite TV DTH platforms and HD & Ultra HD television, which will continue to boost the demand for C-band and Ku-band transponders in Asia-Pacific.

In *Thailand*, the NBTC has issued a new regulation requiring satellite TV operators to have a pay-TV license for broadcasting. This will encourage broadcasters to provide high-quality content and create a level playing field among them, which will increase sustainable growth in the industry. Moreover, the deployment of Digital Terrestrial Television (DTT) will generate additional demand in the conventional satellite market.

THAICOM believes that the competition in the industry will be minimized due to the company's long-term reputation, good relationship with its customers, and the selective neighborhood channels on its satellites. In Thailand, 73% of the population are currently receiving satellite and cable TV through the THAICOM satellites at the 78.5 degrees East orbital slot, creating a barrier that will prevent other operators from entering this market. As for the international markets, THAICOM still holds a leading position in Indochina and is one of the key players in South Asia, where the company strengthened its market position in 2015 with the successful broadcasting service in India provided by Thaicom 7.

Africa is an emerging market full of potential. There are two key drivers for satellite services, namely the growth of video distribution, due to a trend of content localization, and high demand for telecommunication applications. Very Small Aperture Terminal (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 cooperating with strategic partners and the expanding its existing customers' networks.

Broadband and Data - Thaicom 4 (IPSTAR) will maintain its competitiveness as the first mover with a more reliable Ku-band High Throughput Satellite (HTS) system. THAICOM has been in the broadband satellite business for almost ten years and has a corporate presence and landing rights in more than ten countries in the Asia-Pacific region. Moreover, THAICOM has maintained good relationships with its customers and business partners, and satisfied their requirements using a win-win cooperation framework.

The global demand for broadband satellite services is expected to grow exponentially over the next decade. There were more than 3.3 billion internet users worldwide at the end of 2015. In addition, the increasing deployment of aeronautical and maritime satellite communication services will drive growth in the commercial mobility segment. By 2024, it is expected that at least 16,000 commercial aircraft will offer an In-Flight Entertainment and Connectivity service while over 900,000 maritime vessels will also be connected to the internet via satellite.

Strategies in 2016

Broadcasting Satellites - THAICOM will continue to strengthen its "Hot bird" strategy for Thaicom 5 & 6. The number of satellite TV channels increased from 702 (592 SD & 110 HD) in 2013 to 784 (660 SD & 124 HD) in 2015 (as of October 31, 2015). Scheduled to be launched in the first half of 2016, Thaicom 8 will further increase capacity and the number of channels available from this prime orbital slot. As for Thaicom 7

at 120 degrees East, the company initially focused on the telecommunications segment, and will now strive to implement its "Hot bird" strategy at this new orbital slot in the medium- to long-term.

In the African market, THAICOM's strategy is to differentiate itself from competitors by targeting specific countries and segments such as mobile backhaul, VSAT, internet trunking and video distribution, and by leveraging more than 24 years of experience and expertise, as well as entering strategic partnerships, to provide end-to-end solutions and managed services to customers.

Broadband Satellite - 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 its customers' needs in order to utilize Thaicom 4 (IPSTAR) capacity in countries that still have room to grow such as India, Indonesia and the Philippines. In countries where the capacity is fully utilized, THAICOM will survey its customers to determine whether IPSTAR will be replaced when it reaches the end of its useful life in 2021. In addition, THAICOM will continue to develop long-term strategic partnerships in order to address the future needs of its customers in different territories under the mobility and OTT platforms.

The internet and media services business operated by **CS Loxinfo Plc. (CSL)** has grown continuously, especially the Internet Data Center (IDC), ICT Solutions, and Cloud Computing. In addition, CSL provides integrated uplink/downlink services for TV signals, live broadcasts, and tape playbacks (analog and digital).

Moreover, THAICOM has provided fixed-line, mobile and telecommunication services in Lao PDR under **Lao Telecommunications Co., Ltd. (LTC)**, a joint venture between the government of Lao PDR and Shenington Investments Pte. Ltd. (SHEN). LTC is the leading company in the mobile business with more than 50% market share and around two million subscribers. In 2015, LTC was granted an extension to its

agreement to operate a telecommunications business in Lao PDR until the year 2046 to enhance future growth.

Other Businesses

ITAS provides computer and SAP systems to all the companies in INTOUCH Group. This business has performed well and pays consistent dividends to INTOUCH.

New Business

Throughout 2015 INTOUCH continued to explore relevant new business opportunities within the Telecom, Media, IT, and Digital Content industries. Various compelling investment opportunities were carefully examined and, after thorough consideration, the Company decided to invest in a TV home shopping business, a non-store-based retailer in Thailand via TV channel, mobile, and online platforms.

Home shopping in Thailand, which is still in its infancy, has been identified as one of the fastest growing retail platforms. The TV home shopping market is expected to double in market value to 20 billion baht by 2020, a figure that excludes sales in other channels such as mobile and internet commerce. Home shopping will augment the Company's digital content business, which can create product demonstrations and other marketing tools for TV programs, mobile applications and social internet media. Therefore, this investment will add value to INTOUCH Group by promoting mobile, satellite TV and broadband access to Thai consumers everywhere and at any time.

In order to become a market leader in this new business within a short period of time, INTOUCH made a strategic decision to co-invest with Hyundai Home Shopping Network Corporation (Hyundai Home Shopping), a leading home shopping company in South Korea. Hyundai Home Shopping is a subsidiary of Pan Hyundai Group, one of the largest holding conglomerates in South Korea, which is involved in many profitable ventures in the automotive, construction and other heavy industries, as well as retail outlets including department stores. In addition to its strong business expertise

and financial stability, Hyundai Home Shopping has a similar vision to that of INTOUCH Group, and is strongly determined to collaboratively develop the home shopping business in Thailand and achieve market leader status in partnership with INTOUCH.

As a result, Intouch Media Co., Ltd. (Intouch Media), a wholly-owned subsidiary of INTOUCH, and Hyundai Home Shopping have set up a joint venture named High Shopping Co., Ltd. (High Shopping) with a registered capital of 500 million baht. Intouch Media holds a 51% stake while Hyundai Home Shopping holds the other 49%. High Shopping offers various high-quality products, such as kitchenware, cosmetics, electronics, IT gadgets, exercise equipment, and fashion & accessories from South Korea, Thailand and other countries. Customers can conveniently access product details and purchase items through the available channels such as TV, mobile devices, the internet and other media outlets. In addition, the Company provides a 24-hour contact center, nationwide delivery, multiple payment options, and other value-added services. High Shopping began broadcasting TV programs on satellite platforms, through both C-band and Ku-band, such as PSI, GMMZ, BIG4 and DTV, and also became available on OTT channels such as AIS Playbox, mobile applications, commercial websites and social media in order to ensure maximum reach.

In 2016, we predict that the TV home shopping market will continue to grow, leading to increased competition. A near-term strategy that High Shopping intends to employ focuses on building brand awareness and credibility by leveraging these attributes of the companies in INTOUCH Group, and pursuing top-quality services with our IT & technological advantages. Moreover, INTOUCH Group is facilitating High Shopping's customer base growth strategy with existing resources to ensure strong initial sales. High Shopping is also expanding its product range and launching marketing campaigns to increase sales volume. We forecast that annual sales will reach approximately 4,500 million baht in 2020, or the equivalent of 20% of the TV home shopping market in Thailand.

HIGH
SHOPPING

ซื้อเพลินระดับ ทุกวันทุกเวลา
Call Center 02-1234-555

ช่อง 49 ช่อง 40 ช่อง 45 ช่อง 37

As for new business in 2016, INTOUCH will continue to focus on Telecom, Media, IT and Digital Content by carefully exploring new opportunities in order to create a sustainable competitive advantage for the group. For example, investment opportunities that will build value in relation to the AIS 3G & 4G services, as well as THAICOM's satellite projects, are currently being analyzed. These include the Digital Content and IT-related businesses, such as Digital Finance, the Internet of Things and Big Data. In addition, INTOUCH has expressed interest in adjacent businesses such as e-Retailing and Logistics, which would be able to help drive Thailand's economic growth, in accordance with the Thai Government's Digital Economy initiatives.

Venture Capital Investments under the "InVent" Project

InVent is a venture capital project that was launched by INTOUCH in 2012, with the main purpose of supporting and promoting high-potential start-up companies in Telecom, Media, IT, Digital Content and other related businesses. This will enable them to gain a competitive advantage and be prepared for the AEC, whilst also enhancing future growth in INTOUCH Group.

Since 2012, INTOUCH has been proactively promoting Thai entrepreneurship through its Venture Capital program. The activities include supporting and participating in events organized by the incubation centers of major Thai universities, government agencies, start-up communities and the investment community. INTOUCH believes in the creativity and potential of young entrepreneurs to develop innovative products and services; therefore, it will support promising start-up companies in order to help them succeed as quickly as possible.

INTOUCH believes that the aforementioned activities will help strengthen the start-up ecosystem in Thailand, resulting in high-quality entrepreneurs who will establish more companies, create jobs, increase tax revenue, and contribute to economic growth in the future.

During the years 2012 to 2014, INTOUCH invested in four companies, namely Ookbee Co., Ltd., Meditech Solution Co., Ltd., Computerlogy Co., Ltd. and Infinity Level Studio Pte. Ltd. In 2015, after careful consideration by the Venture Capital Committee, investments were made in another four companies as described in the table below.

Company	Business Description
Sinoze Co., Ltd. (16.67% of paid-up capital, in the amount of 22.5 million baht)	Developed a popular mobile game called “Thapster”, which has already been downloaded five million times and has one million monthly active users. The funding will be used to develop new features on Thapster and create a new game in the near future.
Playbasis Pte. Ltd. (15.36% of paid-up capital, in the amount of 2.04 million SGD)	Provided a gamification platform for websites and mobile applications. Using this innovation in digital marketing will enhance consumer brand engagement. The funding will be used to expand the customer base and develop new features on the platform.
Golfdigg Co., Ltd. (25% of paid-up capital, in the amount of 23.83 million baht)	Developed a mobile application called “Golfdigg”, an online golf-course reservation system. The funding will enable more golf clubs and related services to be added to the application, including hotels, rental cars, golf apparel, and golf equipment.
ShopSpot Mobility Pte. Ltd.	Developed a social commerce application called “ShopSpot”. This is a joint investment involving several parties, including INTOUCH’s strategic partner, Singtel Innov8. The funding will be used for developing applications and expanding the business.

In addition to financial support, INTOUCH has provided professional consultants to advise these companies on management, marketing, finance and accounting, and legal matters, as stated in the Venture Capital Investment Policy. This expertise has helped new businesses grow rapidly. Once they have become stable and reached a certain level, these businesses will be capable of taking the next step by joining with other partners to expand internationally. In January 2016, INTOUCH decided to monetize Computerlogy, which it had supported since 2013. So this is a good opportunity for INTOUCH to let its new business partners utilize their strength and ability, and help entrepreneurs achieve new milestones.

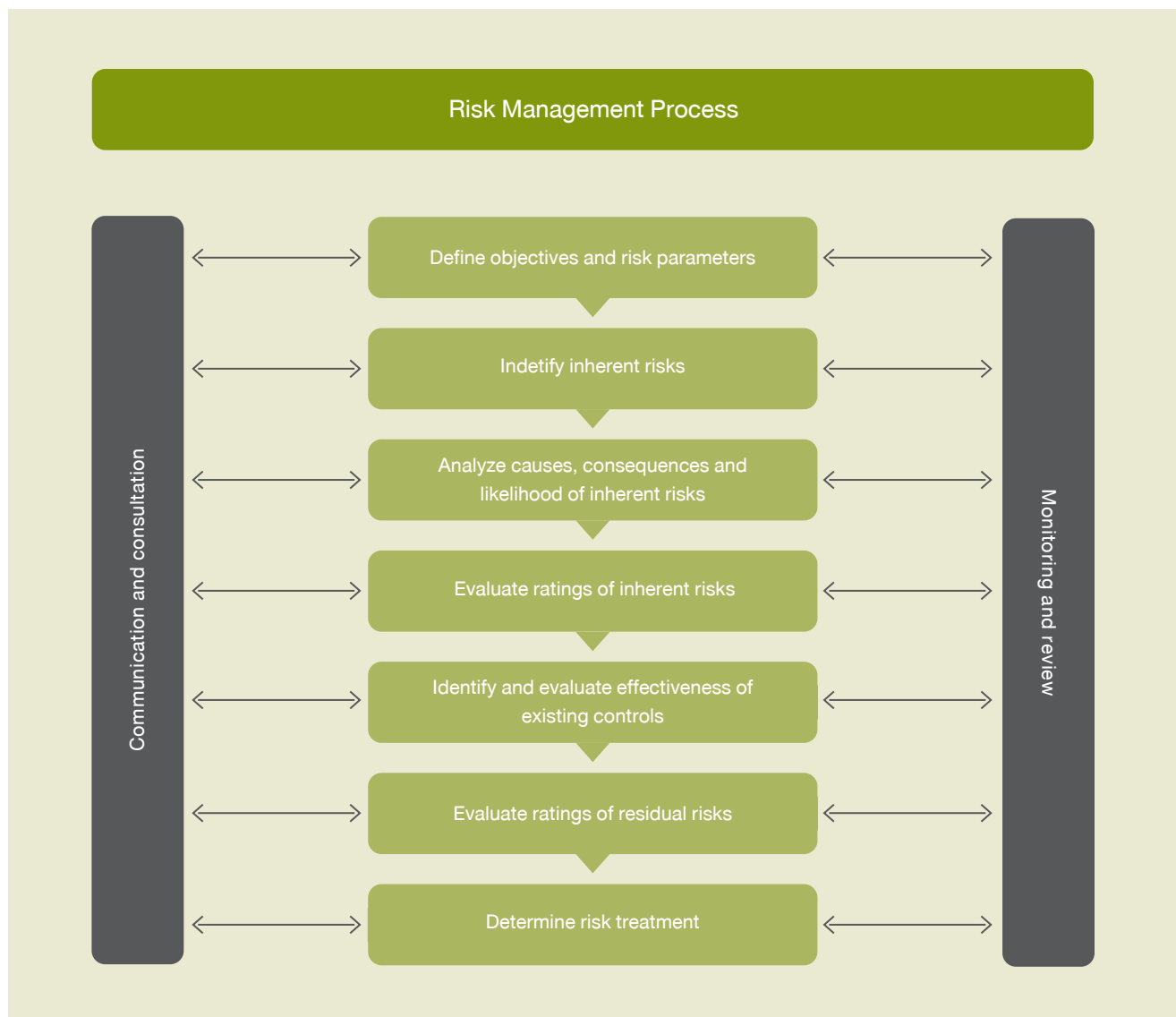
The InVent project has been an invaluable opportunity for these start-up companies, not only in terms of financial support but also the professional expertise and synergistic networking provided by INTOUCH Group. Ultimately, this will create sustainable growth for the technology industry in Thailand with the resultant economic benefits.



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 results 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 has 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 97.99% are paid by Advanced Info Service Plc. These subsidiaries and associated companies face business risks that might have an adverse impact on their financial position and result in lower-than-expected dividends, which will subsequently have the same impact on the Company.

In addition, the ability of the subsidiaries and associated companies to pay dividends to their shareholders, including the Company, is subject to applicable laws and any restrictions or covenants contained in each company's debt instruments and credit agreements.

(Investors should study the risk factors for Advanced Info Service Plc. [AIS] 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 respective 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 mitigation measures are 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, which may have an impact on the dividend payment capability in the future.

Risk mitigation: The Company has a strong financial status and sustainable cash inflow from dividend income, which should maintain its liquidity. The Company also places a strong emphasis on preserving 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 engagement and 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 a fair compensation management system. 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 both 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 talent management and succession plan, and has appointed a committee to oversee the plan in order to ensure that it 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 rates

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 2015, the Company and its subsidiaries had outstanding foreign currency assets and liabilities totaling 3,353 million baht and 7,718 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 34.)

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. The 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 instruments are selected.

As for the 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 slowdown

Risk: In the year 2015, Thailand's economy was affected by a slowdown in the export and consumer spending sectors due to the economic downturn in emerging economies led by China, as well as falling commodity and agricultural prices which resulted in a decline in farm income. In the year 2016, many analysts have predicted there will be a gradual recovery in Thailand's economy, mainly driven by government spending, additional fiscal stimulus packages and infrastructure development projects, along with an increase in tourism.

However, since there has been an improvement in the US economy and the US Federal Reserve has hiked interest rates for the first time in nine years, there is still a downside risk of sudden capital outflows, which would result in big fluctuations in foreign exchange rates against the Thai baht. Financial institutions may become more selective in extending credit, which could have an impact on INTOUCH Group's liquidity as well as the financing cost and availability of funds for its future investment needs.

Risk mitigation: INTOUCH Group has prudently managed its own liquidity by maintaining excess cash on hand, 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 and implementing appropriate foreign exchange and interest rate hedging instruments.

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 the 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 remitted to the MICT; and 3) the Company's shareholding in THAICOM be increased to not less than 51 percent. The Coordination Committee under Section 22 has now been superseded by a committee under Sections 43 & 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 THAICOM both replied to the MICT and stated clearly that the matters had been handled under the provisions of the agreement. All of the Company's and THAICOM's actions pertaining to these issues had been approved by the MICT, and the Company had provided the necessary facts and background information to find a solution that was mutually beneficial. Therefore, any dispute should be resolved under the dispute resolution clauses in the agreement.

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

7. Environmental risks

Risk: As a holding company, the Company's daily business activities do not have a material exposure to environmental risk. However, this risk may arise from the Company's investment in a business that creates a negative impact on the environment, while resource utilization for the Company's own operations may also have a negative impact.

Moreover, the Company's business continuity may be affected by natural disasters caused by changes in environmental conditions.

Risk mitigation: The Company integrates environmental concerns into its strategy. In the investment process, potential environmental impacts from the operation of a business will be evaluated before a decision is made to invest in that business.

In addition, the Company emphasizes environmental management and strives to mitigate the impact from its operations on the environment. The Company has a policy to reduce the amount of energy and other utilities it uses, reduce waste by reusing and recycling items where possible, and support activities that protect the environment and save energy in order to optimize the utilization of resources.

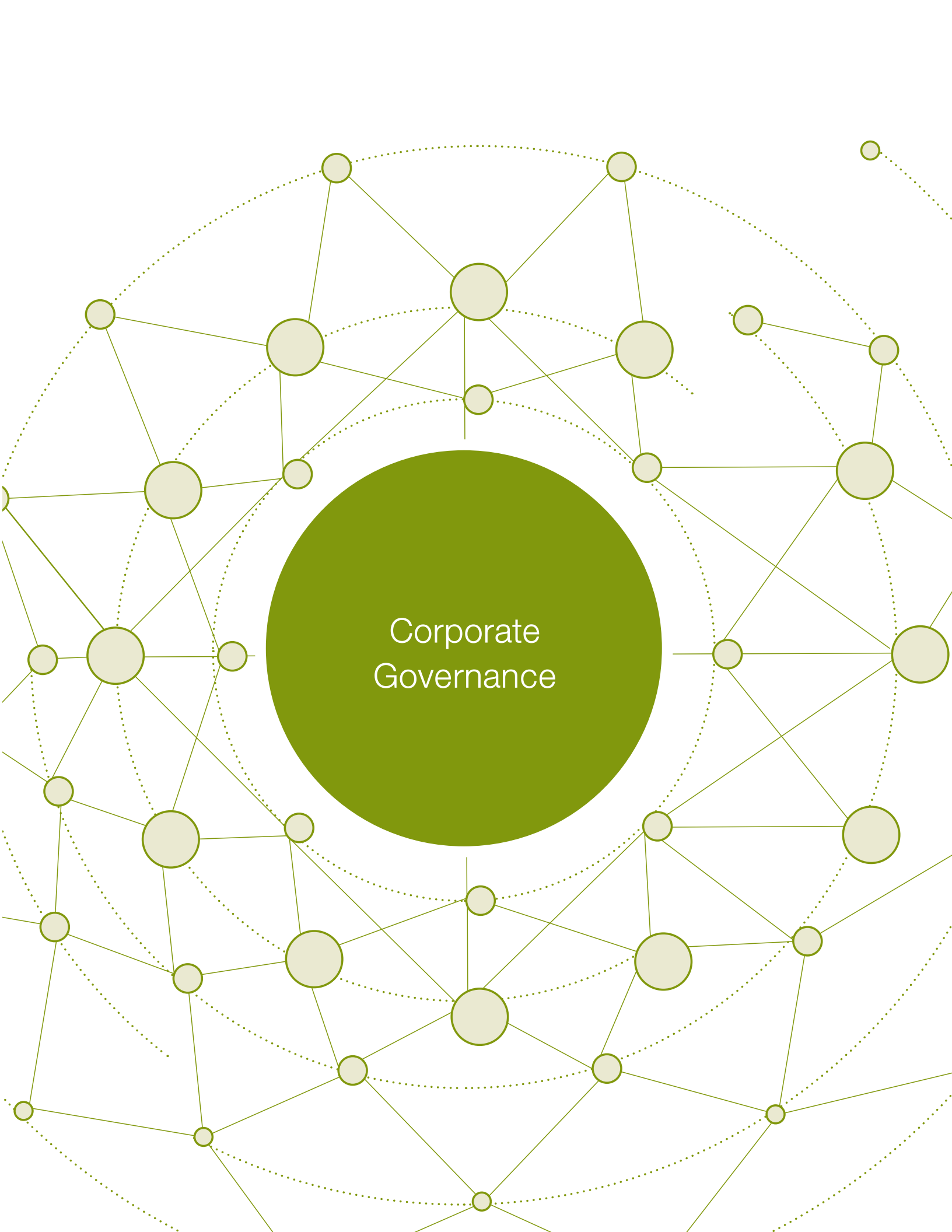
As for business continuity management, the Company has a contingency plan to minimize the impact of any serious incident. All of the staff are able to work outside the office and access the Company's information and systems in an effective way that will prevent business interruption.

8. Social risks

Risk: As a holding company, the Company may be exposed to social risks arising from its investment in businesses that create a negative impact on society.

Risk mitigation: In order to avoid investing in a business that may have a negative impact on society, the potential social risks are evaluated before the Company makes an investment decision.

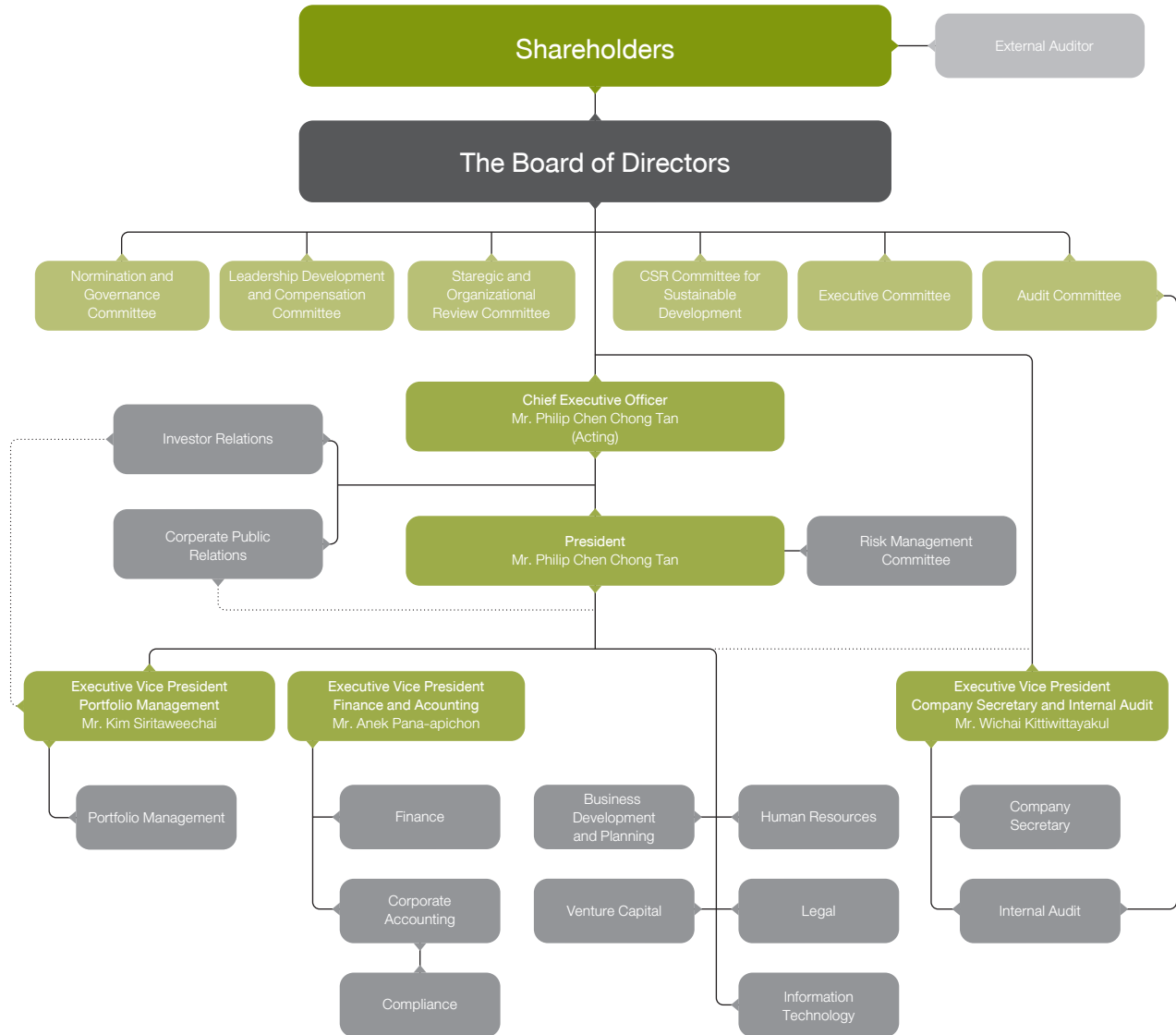
Moreover, the Company, as part of society, is aware that it has social responsibilities, and has implemented activities that encourage young people and local communities to become self-dependent and build a sustainable future.




Corporate
Governance



Governance Structure



 Executives as defined by Capital Market Supervisory Board

Under the governance structure of Intouch Holdings Plc. (the “Company” or “Intouch”), shareholders exercise their decision-making rights through the shareholders’ meetings. The Board of Directors (the “Board”) represents all the shareholders and is responsible for governing the operations of the Company.

The Board has delegated responsibility for managing the Company’s day-to-day business and operations to the management through the Chief Executive Officer and the President.

The Company’s external auditor is appointed by the Annual General Meeting of Shareholders.


Corporate Governance Report

INTRODUCTION

The Board 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 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 16 March 2015.

This section of the annual report describes the Company's corporate governance framework, policies and practices that have been applied throughout the year 2015.

 The Corporate Governance Policy can be found in the "Corporate Governance" section of our website at 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 (the "Comply or Explain" principle).

The Board has assessed its corporate governance practices during 2015, and concluded that it complied with the SET's Principles of Good Corporate Governance throughout the year, with the exception of certain deviations set out below.

SET Recommendation	The Company's Explanation
1. 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, the Board considers that he is able to exercise his judgment independently.
2. The board should set a limit of five directorships in listed companies an individual director can hold simultaneously.	It is the Board's policy that an individual director should not serve on more than six (6) other boards of listed companies unless the Board grants specific approval. Under this policy, the Board considers that all directors will be able to allocate sufficient time to prepare for and attend board and board committee meetings.

SET Recommendation	The Company's Explanation
3. The nomination committee should be comprised entirely of independent directors.	As at 31 December 2015, 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.
4. The majority of the compensation committee should be independent directors.	As at 31 December 2015, 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.
5. 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.
6. The board should appoint an external consultant to facilitate a board assessment at least once every three years.	The Board conducts ongoing self-assessments 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.

SHAREHOLDERS

Capital Structures and Significant Shareholders

On 27 August 2015, the last closing date of the share registration book, the Company's registered capital was 5,000,000,000 baht, consisting of 5,000,000,000 ordinary shares with a par value of one (1) baht each. The paid-up capital of 3,206,420,305 baht consists of 3,206,420,305 ordinary shares with a par value of one (1) baht each.

The following shareholders hold five percent (5%) or more of the Company's paid-up capital:

	Number of shares as of 27 August 2015	%	Number of shares as of 27 August 2014	%
ASPEN HOLDINGS LIMITED	1,334,354,825	41.62	1,334,354,825	41.62
THAI NVDR COMPANY LIMITED	684,866,457	21.36	476,444,021	14.86

Voting Rights

INTOUCH has only one class of share, namely ordinary shares which carry a right to one vote per share. Voting rights may be exercised only after a shareholder has been recorded in the Company's share registration book.

Rights of Shareholders

The Company respects its 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 entitlement since they consider that they are unfairly treated.
- The right to elect directors.

Shareholders may propose agenda items for the annual shareholders' meeting and nominate candidates for directorship by submitting their proposals to the Company Secretary between 1 October and 30 December of the preceding year.

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

Dividend Policy

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

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 Resolutions

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

Annual General Meeting of Shareholders for 2015

At the Annual General Meeting of Shareholders for 2015, held at Centara Grand Central Plaza Ladprao, Bangkok, on 27 March 2015, there were 4,406 shareholders present in person along with proxies acting for absent shareholders, representing 59.49% of the Company's total issued shares. All the Company's directors attended along with the Company's external auditor.

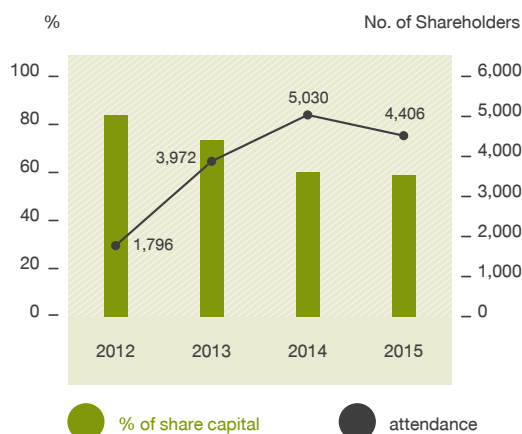
The meeting passed the following resolutions:

- Approved the financial statements for the year ended December 31, 2014.
- Approved the appropriation of the net profit for the period January 1 - March 26, 2015 to pay an interim dividend of 2.23 baht per share.
- Reappointed the auditors from KPMG Phoomchai Audit Co., Ltd. as the Company's external auditor, and fixed the audit fees for 2015 at an amount not exceeding 2.03 million baht.
- Reappointed Dr. Virach Aphimeteetamrong, Mr. Prasert Bunsumpun and Mr. Boon Swan Foo to the Board of Directors.
- Approved the remuneration for the Board of Directors and its board committees in 2015 at not more than 33 million baht.
- Approved the issuance of warrants, not exceeding 933,700 units, to be offered to executives of the Company and/or its subsidiaries in the year 2015 under the performance share plan.
- Approved the allotment of not more than 933,700 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 each executive who will receive more than 5 percent issued under the performance share plan.



The minutes of the shareholders' meeting can be found in the "Investor Relations" section of our website at www.intouchcompany.com.

Attendance at AGM 2012-2015



Number of Shares Held		
As at 27 August 2015	Number of registered shareholders	% of registered share capital
1-1,000	25,492	0.40
1,001-10,000	24,191	2.95
10,001-100,000	7,004	6.50
100,001-1,000,000	927	7.86
1,000,001-5,000,000	111	6.67
over 5,000,000	33	75.62
Total	57,758	100.00

THE BOARD OF DIRECTORS

1. Role of the Board and Management

The Board represents all the shareholders and is responsible for governing the Company's operations in accordance with the provisions of the law, the Articles of Association, resolutions of the shareholders' meetings and the Corporate Governance Policy. In governing the Company, the directors must exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its shareholders.

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

The roles and responsibilities of the Board are as follows:

- Review and approve the Company's vision, mission and values with a focus on creating sustainable value for the shareholders.
- Review and approve the Company's strategic direction, annual business plan and annual budget, and monitor the implementation of this direction along with the performance against business plan and budget.
- Consider and approve major issues such as large investments, policies, 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.

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
- Organizational 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

- 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.
- Prepare a report titled "The Board of Directors' Responsibility for Financial Reporting" to be disclosed in the annual report along with the audited financial statements. This report covers key issues according to the Policy Statement and the Stock Exchange of Thailand's *Code of Best Practices for Directors of a Listed Company*.



2. Authorized Signatories

Dr. Virach Aphimeteetamrong, Mr. Somprasong Boonyachai and Mr. Kwek Buck Chye have been designated as the Company's authorized signatories. Validation of all documents requires the signatures of any two of these three 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 2015, the Board comprised nine (9) members as listed below. (All the directors' biographies are shown in the Annual Report for 2015, pp. 22-26.)

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. Kwek Buck Chye	Singaporean	Non-Executive Director	28 January 2015
9. Mr. Somprasong Boonyachai	Thai	Executive Director	25 April 2007

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-appointment.

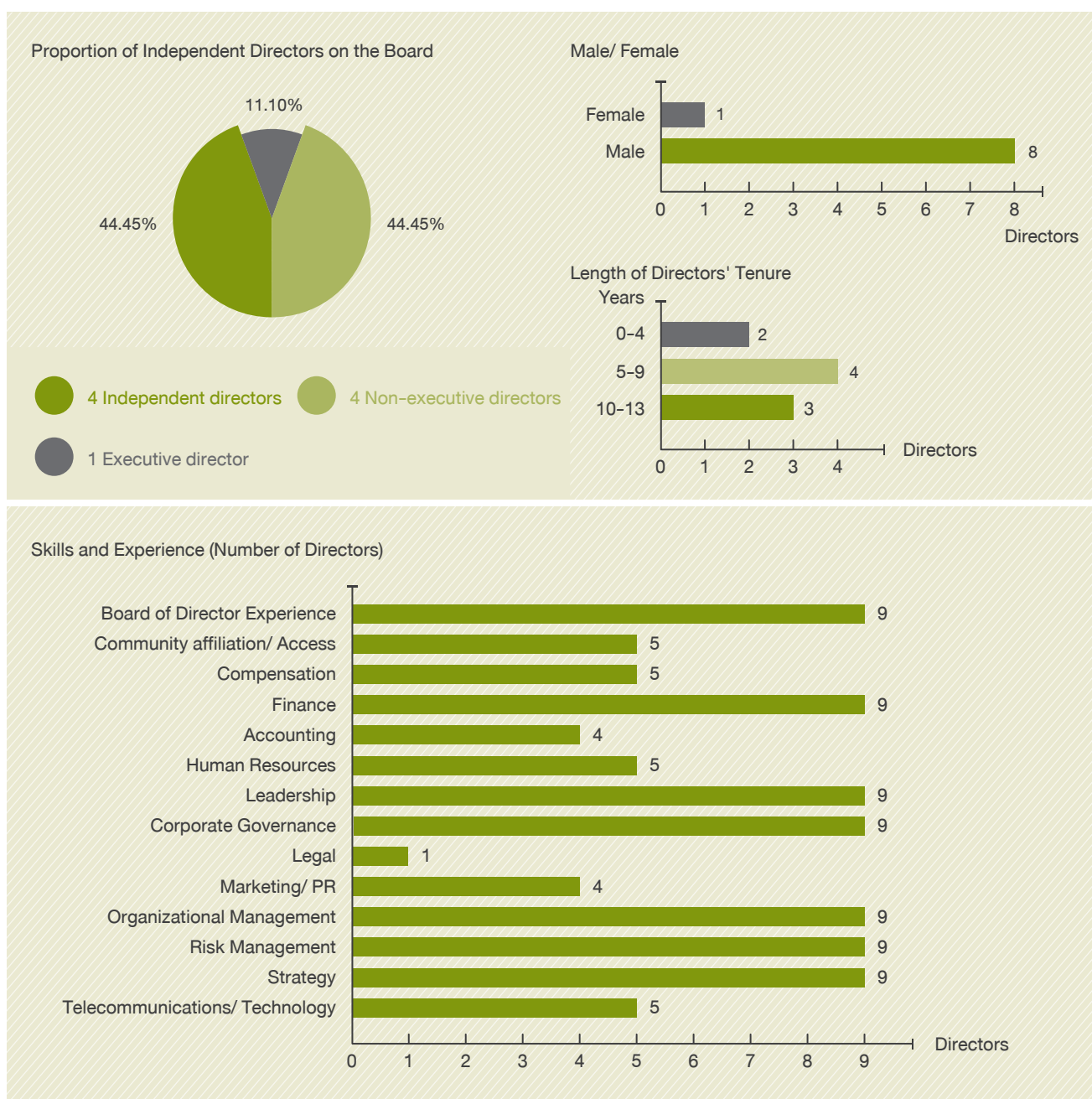
If a vacancy arises on the Board for reasons other than the expiration of a director's term of office, the Board will, at the next scheduled meeting, select a temporary replacement, choosing a person with the appropriate qualifications in accordance with Section 68 and Section 75 of the *Public Limited 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 (2) 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.

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.



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, along with the Company's current and future business and strategic directions. The nomination process is 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 2015, this procedure was followed when Mr. Kwek Buck Chye 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 2015, this procedure was followed when Dr. Virach Aphimeteetamrong, Mr. Prasert Bunsumpun and Mr. Boon Swan Foo were re-appointed as directors.

8. Age Limit

In 2015, the Board determined a policy that an individual who will be 72 years of age or older at the time of appointment shall not be nominated as a director. When this policy becomes effective, current directors who are 72 years of age or older may still hold their positions for their remaining terms of office.

However, the Board may approve the nomination for re-appointment of directors who will be 72 years of age or older at the time of appointment for one more term.

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.

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.

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. In the year 2015, the Chairman of the Board, Dr. Virach Aphimeteetamrong, was a non-executive director, while the Chief Executive Officer, Mr. Somprasong Boonyachai*, was 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.

* Mr. Somprasong Boonyachai retired from the position of Chief Executive Officer on 31 December 2015, and Mr. Philip Chen Chong Tan, the President, was appointed as Acting Chief Executive Officer, effective 1 January 2016.

The Chairman of the Board	The Chief Executive Officer
<ul style="list-style-type: none"> • Acts as the chairman of board, shareholders' and non-executive meetings. • Sets the agenda for board meetings in conjunction with the Chief Executive Officer ("CEO") and the Company Secretary. • Ensures that all directors receive timely information needed to deliberate on agenda items. • Encourages all board members to debate issues vigorously during meetings, ask questions and express opinions. • Ensures that decisions made by the Board are executed. • Ensures appropriate delegation of authority from the Board to the management. • Acts as the link between the Board and the management, and particularly between the Board and the CEO, in order to build strong and respectful working relationships. • Acts as an advisor to and sounding board for the CEO. 	<ul style="list-style-type: none"> • Establishes and prepares the Company's vision, mission, strategic direction, business plan, budget and key performance indicators for the Board's approval; monitors progress against business plan and budget, and reports this regularly to the Board. • Manages and controls all aspects of the Company's business according to the approved policies and plans. • Identifies business opportunities which are consistent with the Company's vision and strategic direction. • Builds and maintains an effective top management team capable of delivering the Company's objectives, and identifies and recruits new talent to ensure effective succession to top management positions. • Acts as the link between the management and the Board.

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 54 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 2015, the Board had established six (6) standing board committees to assist it in discharging its responsibilities. Each committee performs its duties in accordance with a written charter approved by the Board. These 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.

 All the board committee charters can be found in the "Corporate Governance" section of our website at www.intouchcompany.com.

12.1 The Audit Committee

Membership and Meeting Attendance in 2015

Name	Position	Status	Meetings attended
1. Mr. Somchai Supphatada	Chairman	Independent Director	13/13
2. Mr. Chalaluck Bunnag	Member	Independent Director	13/13
3. Miss Sopawadee Lertmanaschai	Member	Independent Director	13/13

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 whistle-blowing system and arrangements by which employees and any other stakeholders may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and ensure that there is independent investigation into all whistleblower complaints with appropriate follow-up.
- 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 services to the Company.
- Review the Company's Corporate Governance Policy and propose any changes to the Board for approval.

- Review the Company's Code of Conduct and the effectiveness of the system to monitor compliance with and enforcement of this code.
- 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 auditor.
- 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 2015 can be found in the Audit Committee Report on pp. 12-14 of the Annual Report for 2015.

12.2 The Nomination and Governance Committee

Membership and Meeting Attendance in 2015

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

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 2015, and concluded that it had completely discharged its duties as set forth in its charter. The details can be found in the Nomination and Governance Committee Report on pp. 15-16 of the Annual Report for 2015.

12.3 The Leadership Development and Compensation Committee

Membership and Meeting Attendance in 2015

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

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 executives.
- Draw up guidelines to provide appropriate remuneration for the Board and executives to be submitted to the Board and/or the shareholders' meetings for approval.
- Review and determine the annual KPI targets for the Company and the Chief Executive Officer (CEO), and propose these to the Board for approval.
- Review and approve the Company's performance in order to determine the annual KPI bonuses and merit-based salary increases.
- Consider and approve the EV bonus plan and related guidelines.
- Consider the performance evaluations of the Company's and its subsidiaries' CEOs and those (at UC level) who report directly to them in order to determine their annual bonuses and merit-based salary increases.
- 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 CEO, identify and evaluate potential successors for the Company's and its subsidiaries' CEO positions and those who report directly to them, and report annually to the Board on executive succession planning.
- In consultation with the Company's CEO, identify and evaluate potential successors for the Company's and its subsidiaries' CEO positions 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 the other executives are evaluated.

The Leadership Development and Compensation Committee reviewed and evaluated its performance in 2015, and concluded that it had completely discharged its duties as set forth in its charter. The details can be found in the Leadership Development and Compensation Committee Report on p. 17 of the Annual Report for 2015.

12.4 The CSR Committee for Sustainable Development

Membership and Meeting Attendance in 2015

Name	Position	Status	Meetings attended
1. Mr. Chalaluck Bunnag	Chairman	Independent Director	8/8
2. Mr. Vithit Leenutaphong	Member	Non-Executive Director	8/8
3. Mr. Somprasong Boonyachai	Member	Executive Director	8/8

Role and Responsibilities

- Review and approve the Company's sustainable development policy and annual sustainable development report.
- Ensure the Company's operations comply with its sustainable development policy in social and environmental aspects, and report the results to the Board.
- Review the Company's corporate social responsibility strategy, programs and budget.
- Identify current and emerging issues and trends in the field of sustainable development, evaluate their potential impact on the Company, and bring these matters to the attention of the Board.

The CSR Committee for Sustainable Development reviewed and evaluated its performance in 2015, and concluded that it had completely discharged its duties as set forth in its charter. The details can be found in the CSR Committee for Sustainable Development Report on pp. 18-19 of the Annual Report for 2015.

12.5 The Strategic and Organizational Review Committee

Membership and Meeting Attendance in 2015

Name	Position	Status	Meetings attended
1. Mr. Boon Swan Foo	Chairman	Non-Executive Director	4/4
2. Mr. Prasert Bunsumpun	Member	Independent Director	3/4
3. Miss Sopawadee Lertmanaschai	Member	Independent Director	4/4
4. Mr. Vithit Leenutaphong	Member	Non-Executive Director	4/4
5. Mr. Kwek Buck Chye	Member	Non-Executive Director	4/4
6. Mr. Somprasong Boonyachai	Member	Executive Director	4/4

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, and integrate economic, environmental and social aspects into the process of making investment decisions.
- 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 2015, 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 2015

Name	Position	Status	Meetings attended
1. Mr. Somprasong Boonyachai	Chairman	CEO	13/13
2. Mr. Wichian Mektrakarn	Member	AIS Advisor	13/13
3. Mrs. Suphajee Suthumpun*	Member	CEO of Thaicom	8/10
4. Mrs. Suwimol Kaewkoon**	Member	Chief Organization Development Officer at AIS	13/13

* Mrs. Suphajee Suthumpun resigned from the committee on 1 October 2015.

** Mr. Philip Chen Chong Tan was appointed to the committee on 1 January 2016, replacing Mrs. Suwimol Kaewkoon who had resigned from the committee on 31 December 2015.

Role and Responsibilities

- Provide recommendations on the Company's strategic direction, management structure, annual business plan and annual budget for the Strategic and 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 through monthly reports.
- Identify and evaluate new investment opportunities, and integrate economic, environmental and social aspects into the process of making investment decisions.
- 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 internal control systems.

The Executive Committee reviewed and evaluated its performance in 2015, 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, has developed a succession plan for the CEO position and those executives 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 transition 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 Agendas

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 iPads.

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.

		(Number of meetings attended / Total meetings held)			
Name	2015 Annual General Meeting	Board Meetings			
		2015	%	2014	%
Dr. Virach Aphimeteetamrong	Yes	9/9	100.00	10/10	100.00
Mr. Somchai Supphatada	Yes	9/9	100.00	9/10	90.00
Mr. Chalaluck Bunnag	Yes	8/9	88.89	9/10	90.00
Miss Sopawadee Lertmanaschai	Yes	9/9	100.00	5/5	100.00
Mr. Prasert Bunsumpun	Yes	8/9	88.89	9/10	90.00
Mr. Vithit Leenutaphong	Yes	8/9	88.89	10/10	100.00
Mr. Boon Swan Foo	Yes	8/9	88.89	9/10	90.00
Mr. Kwek Buck Chye*	Yes	8/8	100.00	-	-
Mr. Somprasong Boonyachai	Yes	8/9	88.89	10/10	100.00

* Mr. Kwek Buck Chye was appointed to the Board on 28 January 2015.

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 related to the Company's business, or issues of common interest, without the presence of executive directors.

During the year 2015, four executive sessions were held on 28 January, 11 May, 13 August and 13 November, 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 the Company's director orientation program prior to assuming their responsibilities. The intention of this program is to enable new directors to gain a 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 2015, Mr. Kwek Buck Chye, 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 discusses this matter with each director in order to create an individual 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 2015 are shown below.

Name	Training / Seminars / Exhibitions			Board Seminars		Site Visits
	IOD ¹⁾	High Performance Board ²⁾	Microsoft CEO Summit	ICT Trend and Digital Transformation ³⁾	Thailand Economic Outlook ⁴⁾	Satellite business (THCOM)
1. Dr. Virach Aphimeteetamrong				✓	✓	
2. Mr. Somchai Supphatada		✓		✓	✓	
3. Mr. Chalaluck Bunnag				✓	✓	
4. Ms. Sopawadee Lertmanaschai				✓	✓	
5. Mr. Vithit Leenutaphong		✓		✓	✓	
6. Mr. Kwek Buck Chye	DCP#214/2015	✓		✓	✓	✓
7. Mr. Somprasong Boonyachai		✓	✓	✓	✓	

Remarks:

- 1) DCP: The Director Certification Program is arranged by the Thai Institute of Directors Association.
- 2) The High Performance Board program is arranged by the International Institute for Management Development in Switzerland.
- 3) Ms. Maggie Chen from Huawei Technologies Co. Ltd. was the speaker.
- 4) Dr. Sethaput Suthiwart-narueput, Executive Chairman of Thailand Future Foundation, 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 board committee in order to improve overall effectiveness. The evaluations for the year 2015 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 at a non-executive session and submitted to the Board for consideration. A summary of the areas reviewed is shown below.

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

Based on the results of the evaluation for the year 2015, the Board concluded that it was operating in an effective manner and the overall score was higher than the previous year. The Board also made several recommendations to strengthen the following areas:

- The Company's long-term strategic plan.
- KPI targets for the Company's Chief Executive Officer and his or her performance evaluation.
- The succession plan for directors, the Chief Executive Officer and other executives.

16.2 Board Committees

Each board 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 board committee concluded that it had completely and effectively discharged its duties during the year 2015.

17. Outside Board Memberships

It is the Board's policy that an individual director should not serve on more than six (6) other boards of listed companies, unless the Board grants specific approval, in order to ensure that all directors allocate sufficient time to prepare for and attend board and board committee meetings.

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 Nomination and Governance Committee concluded that all of the directors, including the Chief Executive Officer, had complied with this policy in 2015, and had discharged their duties effectively during the year.

(The details of outside board memberships held by each director and the Chief Executive Officer can be found in the Annual Report for 2015, pp. 22-27).

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 2015.

19. Chief Executive Officer's Evaluation

The Leadership Development and Compensation Committee evaluates the performance of the Chief Executive Officer annually. The evaluation includes his specific performance goals and objectives, and the results are used by the committee to determine his or her compensation.

20. Access to Information

Every director has 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 or other information that is not 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,
30th Floor, 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 the Audit Committee.

MANAGEMENT TEAM

As at 31 December 2015, the Company 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
2. Mr. Philip Chen Chong Tan	President
3. Mr. Anek Pana-apichon	Executive Vice President - Finance and Accounting
4. Mr. Wichai Kittiwittayakul	Executive Vice President - Company Secretary and Internal Audit
5. Mr. Kim Siritaweechai	Executive Vice President - Portfolio Management

Remark: Mr. Somprasong Boonyachai retired from the position of Chief Executive Officer on 31 December 2015, and the Board appointed Mr. Philip Chen Chong Tan, the President, as Acting Chief Executive Officer effective 1 January, 2016.

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 Responsibility for Sustainable Development 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 Board 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 employees 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 for customers.

Intellectual Property

The Company respects the intellectual property of others and will only utilize it after obtaining permission to do so. Any infringement of intellectual property rights is against the Company's policy.

The Company purchases all the licensed software necessary for employees to perform their functions adequately. Employees are not permitted to install any unlicensed software onto the Company's computers or devices.

Creditors

The Company honors all its commitments, safeguards all guaranteed assets, and complies with all the terms and conditions agreed with its creditors for the repayment of principal and interest. To ensure compliance with loan covenants, the Company will:

- Maintain healthy financial ratios.
- Monitor its relevant financial ratios (such as interest-bearing debt to equity).
- Provide key information, even though it may have a negative impact on the Company's business, in a timely manner.

If the Company finds that it is unable to comply with any obligation in a loan agreement, it will notify its creditors as soon as possible in order to seek a mutually agreed solution.

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 Board 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.

Communication with Shareholders and Investors

The Investor Relations Department maintains a regular and open dialogue with shareholders and investors, promotes public relations, and clarifies news and rumors. Information is communicated through various channels, including analyst meetings, local and international road shows, newsletters, company visits, and publications in various kinds of media along with an annual communication plan. All the information disclosed during meetings is also posted on the Company's website in order to ensure fair and adequate distribution of information to the other stakeholders.

The meetings with financial analysts and local and international institutional investors to discuss the business performance and strategy, as well as corporate governance policy, are attended by the Group Chief Executive Officer, Executive Vice President of Portfolio Management, and Vice President of Group Investor Relations. The Company observes a 30-day quiet period prior to its scheduled earnings release 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.

Investor relations activities in 2015 included:

- Analyst meetings (2)
- Opportunity days arranged by the Stock Exchange of Thailand (4)
- Local and international road shows and conferences (13, attended by representatives of 141 funds)
- Newsletter (1)

For more information about the Company and its activities, please contact Ms. Tomyantee Kongpoolsilpa in the Investor Relations Department through one of the following channels: Tel: (66) 2118 6909 or Email: ir-intouch@intouchcompany.com or the Company's website at 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 the 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 board committees
- Articles of Association
- Corporate Governance Policy
- Risk Management Policy
- Dividend policy and historical dividend payments
- Annual reports / Form 56-1
- Operating results, including management discussion and analysis
- Real-time share price and historical price performance
- Minutes of shareholders' meetings and supporting documents
- Presentations for investors and analysts
- Contact details for Investor Relations
- Sustainable development activities

What did shareholders and investors ask about in 2015?

INTOUCH

- Investment policy in new business
- Potential growth of non-AIS business including Satellite business, Home Shopping business, and InVent Project
- Dividend policy

AIS

- Delay in 1800MHz & 900MHz auctions, spectrum auction price and timeframe
- 4G CAPEX, ARPU trend, and competitive landscape and industry environment of 4G service provision
- Potential growth of and investment plan for fixed-broadband business
- Dispute with TOT over transmitting towers

THCOM

- Potential growth of and business plan for Satellite business
- New satellite launching timeframe
- Competitive landscape in international markets, especially Africa

RISK MANAGEMENT AND INTERNAL CONTROL 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 has been 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 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.

Internal Control Systems

The Board has the overall responsibility for arranging and maintaining a sound and effective internal control system. At Board Meeting No. 2/2016, held on 17 February 2016 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 Exchange Commission): control environment; risk assessment; control activities; information and communication; and monitoring activities. The Board concluded that the Company's internal control system was adequate and effective, and had no material deficiencies. In addition, the monitoring system for safeguarding the Company's and its subsidiaries' assets from misappropriate use by the directors or management was also adequate and effective.

The key controls 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.

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 organization and, in related matters, to outside parties.

The Company has implemented a Whistle-blowing Policy to provide secure and confidential channels for all stakeholders to make a complaint or report any misconduct or fraud, or suspicions thereof, involving the Company. Whistle-blowing reports are also periodically reviewed by the Audit Committee.

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 conducted by functional managers, who are competent, have sufficient knowledge to understand the purpose of and procedure for each evaluation, and are able to analyze the information they receive carefully.

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 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 a Master's Degree in Business Administration from Kasetsart University, and is a Certified Internal Auditor (CIA). His areas of expertise include corporate governance, compliance, internal control, internal audit and risk management, and he previously worked as a compliance manager.

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

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

The Internal Audit Department conducts its activities by referring to the publication *International Standards for the Professional Practice of Internal Auditing* as a framework. All members of the department 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 the External 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 Fees

The Company's financial statement for 2015 was audited by Mr. Supot Singhasaneh (CPA No. 2826) of KPMG Phoomchai Audit Ltd. (KPMG), who expressed his opinion. The details of the audit fees for the Company and its subsidiaries for the year 2015 are shown in the table below.

(Unit: million baht)

Company	The external auditor under KPMG	The other auditors under KPMG and KPMG's related firms
Intouch Holdings Plc.	2.03	-
Thaicom Plc. and its group	4.76	4.62
ITV Plc. and its group	0.46	0.05
Other subsidiaries	-	0.29
Total audit fees	7.25	4.96
Out-of-pocket expenses	0.19	0.03
Total audit fees and out-of-pocket expenses	7.44	4.99

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 external auditor must not provide to the Company 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.

Non-audit Fees

In 2015, the Company and its subsidiaries engaged the external auditor to provide non-audit services such as tax consulting, and auditing the revenue report and other related information. The non-audit service fees for the Company and its subsidiaries for the year 2015 are shown in the table below.

(Unit: million baht)

Company	KPMG	KPMG's related firms
Intouch Holdings Plc.	0.32	0.13
Other subsidiaries	0.72	-
Total	1.04	0.13

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. The code covers the following areas:

- Responsibility to shareholders
- Responsibility to customers
- Responsibility to business partners and creditors
- Responsibility to society and the environment
- Responsibility to staff
- Human rights
- Business competition
- Anti-corruption
- Compliance with laws, rules and regulations
- Participation in political activities
- Conflicts of interest
- Safeguarding the Company's assets
- Intellectual property
- Use of inside information and trading of the group's securities
- Distribution of information and interviews with the press or public
- 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.

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 reports the results to the Audit Committee.



The Code of Conduct can be found in the "Corporate Governance" section of our website at www.intouchcompany.com.

Whistle-Blowing Policy

The Company has established a policy and procedures providing secure and confidential channels for all the employees and other stakeholders of the Company to make a complaint or report any misconduct or fraud, or suspicions thereof, involving the Company to Human Resources, Internal Audit or the Audit Committee.

The Company will provide protection for employees who make a complaint, or report misconduct or fraud in good faith and/or assist an investigation, and will not tolerate threats or intimidation of any kind. No executive or manager may terminate the employment of a subordinate who made a complaint, or reported misconduct or fraud, or suspicions thereof, suspend that person from work, or punish that person in any way. Anyone violating this policy will be subject to disciplinary action.

There was only one case reported at the Company during 2015, regarding unfair treatment of an employee, although it did not involve fraud. After investigation, remedial action was taken.



The Whistle-blowing Policy can be found in the "Corporate Governance" section of our website at 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.

The Company's rules and guidelines for trading Intouch Group's securities are as follows:

- 1) 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.
- 2) 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 three (3) business days of the trading date. The

Company Secretary submits copies of these reports to the Chairman of the Board, the Chairman of the Audit Committee and the Chairman of the Executive Committee within seven (7) business days of receipt, and reports the details 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.

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

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

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

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:

- Encourages 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 direction, 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 Internal Audit Department to conduct audits at the Company's 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 Pte Ltd. and the related amendments, both parties stated that they did not have any mutual intention at the time of entering the agreement to act together, or exercise their voting rights, for the purpose of achieving a common control of the voting rights or 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 the Annual General Meeting of Shareholders for 2015, held on 27 March 2015, the shareholders approved total remuneration for members of the Board and its board committees of not more than 33 million baht.

The compensation consists of a monthly retainer, meeting fees, per diem and an annual bonus. The latter is based on the directors' performance and participation in meetings, and is not correlated with the Company's share price or performance, which may impair their ability to provide independent advice. (The annual bonus will be paid from the remaining amount of the approved directors' remuneration for that year after the other compensation has been deducted.)

Executive directors do not receive any compensation as members of the Board.

Details of Monthly Retainer & Meeting Fee

Unit : Baht

	Monthly retainer	Meeting fee	Annual bonus
The Board of Directors			
Chairman	300,000	-	✓
Member	75,000	25,000	✓
Audit Committee			
Chairman	25,000	25,000	✓
Member	-	25,000	✓
Other Board Committees			
Chairman	10,000	25,000	✓
Member	-	25,000	✓

During 2015, the total compensation paid to the Board and board committee members was 32,930,774 baht (including accrued annual bonuses of 17,770,000 baht paid in February 2016), an increase of 6,650,185 baht, or 25.30%, from 26,280,589 baht in 2014.

Name	Position	Compensation for 2015 (baht)
1. Dr. Virach Aphimeteetamrong	> Chairman of the Board of Directors	5,200,000
2. Mr. Somchai Supphatada	> Director	4,108,699
	> Chairman of the Audit Committee	
3. Mr. Chalaluck Bunnag	> Director	4,080,000
	> Chairman of the CSR Committee for Sustainable Development	
	> Member of the Audit Committee	
4. Miss Sopawadee Lertmanaschai	> Director	3,935,000
	> Member of the Audit Committee	
	> Member of the Strategic and Organizational Review Committee	
5. Mr. Prasert Bunsumpun	> Director	3,905,000
	> Chairman of the Nomination and Governance Committee	
	> Member of the Leadership Development and Compensation Committee	
	> Member of the Strategic and Organizational Review Committee	
6. Mr. Vithit Leenutaphong	> Director	4,228,699
	> 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 CSR Committee for Sustainable Development	

Name	Position	Compensation for 2015 (baht)
7. Mr. Boon Swan Foo	> Director > Chairman of the Strategic and Organizational Review Committee > Member of the Nomination and Governance Committee > Member of the Leadership Development and Compensation Committee	4,005,000
8. Mr. Kwek Buck Chye	> Director > Member of the Strategic and Organizational Review Committee	3,468,376
Total		32,930,774

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 those of its management and shareholders.

The compensation paid to the CEO and other executives, as approved by the Board, consists of the three components shown in the table below.

	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"> • To attract and retain high-caliber executives. • To align the interests of the executives with those of the shareholders. • To encourage the delivery of long-term growth and shareholder value.

In 2015, the total monetary compensation for the six (6) members of the management team (as defined by the Capital Market Supervisory Board) was 60.93 million baht, which comprised salaries, bonuses, provident fund contributions 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.

	Grant 1		Grant 2		Grant 3	
Exercise Price (per share)	68.072 baht		72.732 baht		81.276 baht	
Name	Units	%	Units	%	Units	%
1. Mr. Somprasong Boonyachai ¹	234,200	54.13	351,400	41.63	388,400	41.60
2. Mr. Philip Chen Chong Tan ²	-	-	-	-	-	-
3. Mrs. Suphajee Suthumpun ³	21,700	5.02	32,400	3.84	37,800	4.05
4. Mr. Anek Pana-apichon	45,600	10.54	69,857	8.28	70,662	7.57
5. Mr. Wichai Kittiwittayakul	24,600	5.69	69,857	8.28	70,662	7.57
6. Mr. Kim Siritaweechai	18,800	4.34	69,857	8.28	70,662	7.57

¹ Mr. Somprasong Boonyachai retired from the position of Chief Executive Officer on 31 December 2015.

² Mr. Philip Chen Chong Tan was hired as President of Intouch on 2 November 2015 and then appointed as Acting Chief Executive Officer, effective 1 January 2016.

³ Mrs. Suphajee Suthumpun resigned from the Company on 1 October 2015.

2. Compensation for Core Subsidiaries' Directors and Executives

2.1 Compensation for Thaicom's Directors

During 2015, Thaicom paid its directors total compensation of 14,541,935 baht (including accrued annual bonuses of 4,499,602 baht paid in February 2016 and other benefits), an increase of 3,041,935 baht, or 26.45 %, from 11,500,000 baht in 2014.

Name	Position	Compensation for 2015 (baht)
1. Mr. Paron Isarasena Na Ayudhaya	> Chairman of the Board of Directors	2,775,000
2. Prof. Hiran Radeesri	> Director	2,850,000
	> Chairman of the Audit Committee	
3. Mrs. Charintorn Vongsbootorn	> Director	2,700,000
	> Chairman of the Governance and Nomination Committee	
	> Chairman of the Compensation Committee	
	> Member of the Audit Committee	
4. Prof. Samrieng Mekkiengkrai	> Director	2,400,000
	> Member of the Audit Committee	
	> Member of the Governance and Nomination Committee	
	> Member of the Compensation Committee	
5. Mr. Prasert Bunsumpun	> Director	1,725,000
	> Chairman of the Executive Committee	
6. Mr. Kwek Buck Chye	> Director	1,700,000
	> Member of the Executive Committee	
7. Mr. Yong Lum Sung*	> Director	391,935
	> Member of the Executive Committee	
Total		14,541,935

* Mr. Yong Lum Sung resign from the Board of Directors on 26 March 2015

2.2 Compensation for Thaicom's Executives

In 2015, the total compensation for the five (5) members of Thaicom's management team (as defined by the Capital Market Supervisory Board) was 54.91 million baht, which comprised salaries, bonuses 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.

	Grant 1		Grant 2		Grant 3	
Exercise Price (per share)	23.266 baht		38.265 baht		37.626 baht	
Name	Units	%	Units	%	Units	%
1. Mrs. Suphajee Suthumpun ¹	111,600	16.36	167,900	14.02	164,900	15.19
2. Mr. Paiboon Panuwattanawong ¹	77,122	11.31	116,400	9.72	88,728	8.18
3. Mr. Vuthi Asvasermcharoen	70,022	10.27	84,600	7.06	70,963	6.54
4. Mr. Patompob Suwansiri	32,111	4.71	116,400	9.72	97,611	8.99
5. Mr. Pradeep Unni ²	47,800	7.01	105,800	8.83	88,728	8.18

¹ Mr. Paiboon Panuwattanawong was appointed Chief Executive Officer on 1 October 2015, replacing Mrs. Suphajee Suthumpun who had resigned as a director and Chief Executive Officer on the same day.

² Mr. Pradeep Unni resigned as Chief Commercial Officer — International Business on 31 December 2015.

Securities Holding of Directors and Executives

Name ^{1/}	Position	Intouch Holdings Plc				Advanced Info Service Plc				Thacom Plc			
		Ordinary shares (shares)			31 Dec 2015	Ordinary shares (shares)			31 Dec 2015	Ordinary shares (shares)			31 Dec 2015
		31 Dec 2014	Changes during 2015	Increase	Decrease	31 Dec 2014	Changes during 2015	Increase	Decrease	31 Dec 2014	Changes during 2015	Increase	Decrease
1 Dr. Virach Aphineteetamrong	Chairman of the Board of Directors	-	-	-	-	-	-	-	-	-	-	-	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 Lermanasochai	Independent Director and Member of the Audit Committee	-	28,900 (500)	-	6,400	-	6,400	-	-	-	44,200 (44,200)	-	-
5 Mr. Prasert Bunsumpun	Independent Director	20,000	-	-	20,000	-	60,000	-	60,000	50,000	-	-	-
6 Mr. Vithit Leenuaphong	Director	-	-	-	-	-	-	-	-	-	-	-	-
7 Mr. Boon Swan Foo	Director	-	-	-	-	-	-	-	-	-	-	-	-
8 Mr. Kwek Buck Chye ^{2/}	Director	N/A	-	-	-	N/A	-	-	-	N/A	-	-	-
9 Mr. Somprasong Boonyachai ^{3/}	Director and Chief Executive Officer	756,459	- (575,000)	-	181,459	-	-	-	-	-	-	-	-
10 Mr. Wichian Mektrakarn	Member of the Executive Committee	37,000	13,000	-	50,000	17,025	3,000	-	20,025	-	-	-	-
11 Mrs. Suwimol Kaewkoon	Member of the Executive Committee	-	-	-	-	105,357	-	-	105,357	-	-	-	-
12 Mr. Philip Chen Chong Tan ^{4/}	President	N/A	-	-	-	N/A	-	-	-	N/A	-	-	-
13 Mr. Anek Pana-apichon	Executive Vice President-Finance & Accounting	50,000	20,000	-	70,000	-	-	-	-	-	-	-	-
14 Mr. Wichai Kittiwitayakul	Executive Vice President-Company Secretary & Internal Audit	87	-	-	87	-	-	-	-	50	-	-	-
15 Mr. Kim Sirifawecheai	Executive Vice President-Portfolio Management	-	-	-	-	-	-	-	-	-	-	-	-

Remark ^{1/} The number of ordinary shares and debentures includes those held by spouses and minor children.

^{2/} Mr. Kwek Buck Chye was appointed as director of Intouch Holdings Plc. on 28 January 2015.

^{3/} Mr. Somprasong Boonyachai retired from Chief Executive Officer on 31 December 2015 and he was appointed as Advisor to the Chief Executive Officer from 1 January 2016-31 December 2016. At present, he continues in his roles as a director and Chairman of the Executive Committee of Intouch Holdings Plc.

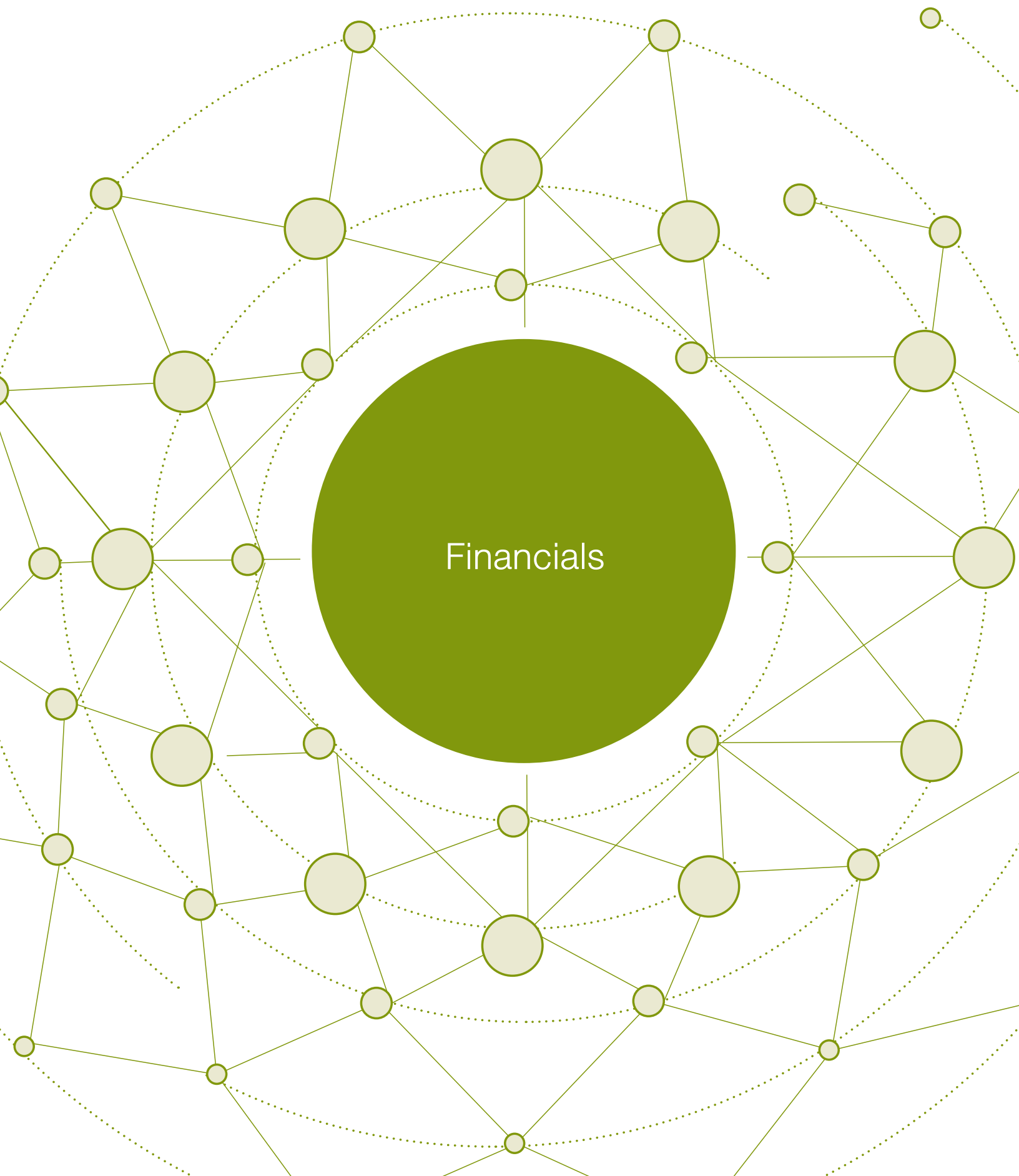
^{4/} Mr. Philip Chen Chong Tan was appointed as president of Intouch Holdings Plc. on 2 November 2015 and he was appointed as Acting Chief Executive Officer effective on 1 January 2016.

Securities Holding of Directors and Executives

Name ^{1/}	Position	I.T. Applications and Services Co., Ltd.					Intouch Media Co., Ltd.					ITV Plc ^{2/}					Matchbox Co., Ltd. ^{2/}				
		Ordinary shares (shares)					Ordinary shares (shares)					Ordinary shares (shares)					Ordinary Shares (shares)				
		31 Dec 2014	Changes during 2015	Increase	Decrease	31 Dec 2015	31 Dec 2014	Changes during 2015	Increase	Decrease	31 Dec 2015	31 Dec 2014	Changes during 2015	Increase	Decrease	31 Dec 2015	31 Dec 2014	Changes during 2015	Increase	Decrease	31 Dec 2015
1 Dr. Virach Aphineteetamrong	Chairman of the Board of Directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Mr. Somchai Supphatada	Independent Director and Chairman of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Mr. Chalaluck Burnag	Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Ms. Sopawadee Lerfmanaschai	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. Kwek Buck Chye	Director	N/A	-	-	-	-	N/A	-	-	-	-	N/A	-	-	-	-	N/A	-	-	-	-
9 Mr. Somprasong Boonyachai	Director and Chief Executive Officer	4	-	-	-	4	-	-	-	-	-	-	-	-	-	-	260	-	-	-	260
10 Mr. Wichian Mektrakarn	Member of the Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Mrs. Suwimol Kaewkoon	Member of the Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Mr. Philip Chen Chong Tan	President	N/A	-	-	-	-	N/A	-	-	-	-	N/A	-	-	-	-	N/A	-	-	-	-
13 Mr. Anek Pana-apichon	Executive Vice President-Finance & Accounting	2	-	-	-	2	-	-	-	-	-	20	-	-	-	-	10	-	-	-	10
14 Mr. Wichai Kitiwittayakul	Executive Vice President-Company Secretary & Internal Audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Mr. Kim Siriaweewchai	Executive Vice President-Portfolio Management	-	-	-	-	-	1	-	-	-	1	20	-	-	-	20	-	-	-	-	-

Remark ^{1/} The number of ordinary shares and debentures includes those held by spouses and minor children.

^{2/} Currently not in operation.



Related-Party Transactions

During the year 2015, 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 2015.

Transactions with related companies that may cause conflicts of interest

In 2015, the Company and its subsidiaries 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 2015 (in million baht)				Rational and Price Policy
		The Company	THAIKOM and its subsidiaries	Other companies	Total	
1. Advanced Info Service Plc and its group (AIS)	Expenditure: INTOUCH Group used a Singtel holds 23.32% of AIS, mobile phone service and an associate company of the other related services Company, and has the same provided by AIS major shareholder as the Company.	2.46	36.46	2.11	41.03	INTOUCH Group uses the services of AIS including mobile phone, datanet and leased line internet 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:					
	1. Dividend income	14,986	-	-	14,986	INTOUCH receives dividend income, as per the resolutions of the AIS shareholders' or the Board of Directors' meetings.
	2. Income from maintenance services and developing of computer software	-	-	189.50	189.50	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 2015 (in million baht)				Rational and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
	3. Income from transponder rental and others	-	71.55	-	71.55	A subsidiary (THAICOM) provides satellite transponder leasing services for transmission of television and communications signals. This is normal business practice and internal customers pay the same prices as external customers.
	4. Service income from providing mobile content and outsource call center	-	301.55	-	301.55	A subsidiary (ADV) is specialized in designing and creating website with variety of content. A subsidiary (TMC) is specialized in providing information for content on mobile and outsource call center. These are normal business practices and internal customers pay the same prices as external customers.
	5. Interest income	1.57	-	-	1.57	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	-	59.06	-	59.06	A subsidiary (THAICOM) sells satellite equipment. This is normal business practice and internal customers pay the same prices as external customers.
	7. Income from advertising	-	-	21.36	21.36	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. <i>* The transaction was occurred before MB discontinued its operation.</i>

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 2015 (in million baht)				Rational and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
2. CS Loxinfo Plc and its group (CSL) CSL is an indirectly subsidiary of INTOUCH (and an subsidiary 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	0.57	23.31	0.47	24.35	CSL provides uplink transmission and monthly internet in general. This is normal business practice and internal customers are normally charged at the market rate.
	2. Advertising	0.11	-	-	0.11	A subsidiary (TMC) provides printing & publishing of business telephone directories. 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	-	-	5.07	5.07	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	-	-	0.07	0.07	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. <i>* The transaction was occurred before MB discontinued its operation</i>

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 2015 (in million baht)				Rational and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
	3. Income from transponder rental and others	-	11.61	-	11.61	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	-	100.04	-	100.04	A subsidiary of THAICOM (DTV) receives dividend income, as per the resolutions of the CSL shareholders' or the Board of Directors' meetings.
3. Shenington Investment Pte Limited (SHEN) SHEN is held by THAICOM and AMH 51% and 49%, respectively. AMH has the same major shareholder as the Company.	Income: INTOUCH Group provided business consultancy and financial assistance.					
	1. Income from business consultant	-	7.87	-	7.87	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.
	2. Interest income	-	37.71	-	37.71	A subsidiary (THAICOM) provided financial support to a joint venture (SHEN). The interest was charged at 6 months LIBOR plus margin on an arm's length basis.
4. SingTel Strategic Investments Private Limited and its group (Singtel) Singtel has the same major shareholder as the Company.	Expenditure: Intouch Group paid for the rental of gateway and international link					
		-	5.57	-	5.57	A subsidiary (CSL) uses the services of Singtel for domestic and international connectivity. 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 2015 (in million baht)				Rational and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
	Income: INTOUCH Group provides internet services and server co-location	-	2.46	-	2.46	A subsidiary (CSL) provides internet services which has connecting data from domestic to worldwide through its network. This is normal business practice and internal customers are normally charged at the same rates as external customers.
5. Equinix Private Limited (Equinix) Equinix has the same major shareholder as the Company.	Expenditure: Intouch Group paid for the international link	-	3.81	-	3.81	INTOUCH Group uses the services of Equinix for international link. This is normal business practice and internal customers are normally charged the same rates as external customers.
6. Aspen Aspen is major a shareholder of the Company	Dividend paid	6,178	-	-	6,178	INTOUCH pays dividends, as per the resolutions of its shareholders' or the Board of Directors' meetings.
7. Thai Yarnyon Group Thai Yarnyon Group has a joint director as the Company.	INTOUCH Group purchased and maintenance cars.	8.17	0.56	-	8.73	INTOUCH Group purchased cars for executives 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 is 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. The shareholders who have conflict of interests do not have the rights to vote in such agenda.

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 2015).

The Audit Committee had reviewed and concluded the terms and charges of 2015 transactions were entered on an arm's length basis in the ordinary course of business and according to normal business conditions.

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

2016 Management Outlook and Guidance

Revenue from sales and rendering of services	→ Expected to increase 3-5% from 2015
Share of profit of associates	→ 40.45% of AIS results
Share of profit of joint ventures	→ Investment portion in LTC and High Shopping
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 in accordance with Thai Accounting Standards. The financial statements of the companies controlled by INTOUCH are included in the consolidated financial statements. Thus, the revenues from THAICOM Group and ITAS are included in the consolidated revenue. In 2015, the sales and service revenue increased 5% mainly from THAICOM Group, the satellite business, especially from Thaicom 7, which officially achieved full utilization in 4Q15. The 5-7% rise of revenue was as per guidance. In 2016, the revenue has continued to grow due to a rising demand in Thailand and around the region for available capacity on both conventional and broadband satellites. In addition, THAICOM expects to launch Thaicom 8 in the first half of 2016, which will increase revenue of THAICOM and eventually INTOUCH by 3-5%. Moreover, THAICOM is planning to build another broadband satellite to meet excess demand in several countries where the Thaicom 4's capacity is insufficient. THAICOM currently operates three conventional satellites (Thaicom 5, 6 & 7), with a total leasing capacity of 87 transponders and one broadband satellite (Thaicom 4). For ITAS, the revenue generated from this business continues to increase, although it is still relatively small compared to THAICOM's revenue.

Share of profit of associates: Under the basis of consolidation in the Thai Accounting Standards, the entities in which INTOUCH has significant influence are accounted for in the consolidated financial statements using the equity method. The major contribution of the share of net profit is currently from AIS, in which INTOUCH has an investment of 40.45%. AIS's service revenue (excluding IC) growth in 2015 was 2.2%, which was less than our guidance of 3% due to the economic was slowly recovering in Thailand leading to lower consumer spending. Although voice revenue has declined, a change in consumer behavior has resulted in a significant increase in mobile data usage, which rose from an average of 1.48 GB/month/sub at the end of 2014 to 2GB/month/sub at the end of 2015. As a result, non-voice revenue has grown by 27% in 2015. Furthermore, smartphone penetration rate has increased from 39% at the end of 2014 to 59% at the end of 2015.

Economic growth in 2016 is expected to be better than 2015, due to the government's stimulus policy and investment in infrastructure projects. In the wireless industry, high competition is predicted and the focus will be on providing high-quality services and data content. AIS expects service revenue (excluding IC) to be flat as the 2G service is wound down and the loss of revenue is offset by the new 4G on 1800MHz service, for which the license was granted in November 2015. AIS has expanded its 4G service to 42 cities around the country, and will cover 77 provinces by middle of this year and 50% of the population by

the end of the year. AIS will continue to expand its 3G network in order to provide better quality. The total CAPEX is budgeted at around 40 billion baht, mostly for investment in 4G network. The EBITDA margin is expected to decline to 37-38%, which will be less than 2015 at 45.6%. This is due to the predicted flat revenue, expenses for migrating 2G subscribers to 3G network, and the cost of a potential partnership with TOT; however, these costs will be offset by lower regulatory fees, which will drop to nearly 5.25%. Moreover, AIS will continue its strategy of providing cheap handsets, taking into account that competition may be lower than last year. Consequently, the device margin is expected at 3-4%. Based on its forecast of operating results in 2016, AIS expects to maintain a 100% dividend payout ratio.

Share of profit of joint ventures: The contribution of the share of net profit of joint ventures is from Lao Telecommunications Co., Ltd. (“LTC”) and High Shopping. The revenue and operational result of LTC, an indirect joint venture of THAI COM, has grown due to an increase in the number of subscribers. LTC is the market leader with a subscriber share of 52% in 2015, a rise from 47% in 2014. THAI COM's share of the net profit from LTC was 194 million baht in 2015, an increase of 40 million baht or 26% from 2014.

Moreover, in 2015, LTC was able to extend its right to operate a telecommunications business in Lao PDR for a further period of 25 years, from 2022 to 2046. This will allow LTC to expand its business and ensure long-term growth.

High Shopping, an indirect joint venture of INTOUCH, which invested 255 million baht for a stake of 51%, began operations at the beginning of 2016 as INTOUCH can foresee the popularity of TV and online shopping. Home shopping will augment INTOUCH's digital content business, which can create product demonstrations and other marketing tools for TV programs, mobile applications and social internet media. Therefore, this investment will add value to INTOUCH by promoting mobile, satellite TV and broadband access to Thai consumers. The TV home shopping market is expected to double in value to 20,000 million baht by 2020 and High Shopping expects to gain a market share of 20%. The estimated revenue in 2016 is 500 million baht. High Shopping has already begun broadcasting on the following satellite channels: PSI 49&444, DTV 37&55, GMMZ 45&61, and BIG4 40&70. It is also available on AIS Playbox.

Venture capital: Under the InVent project, INTOUCH has invested in several new companies for a shareholding of less than 30%. 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 budget of up to 200 million baht a year. The investment is targeted at the Series A or Series B financing rounds, when start-up companies have already created their own products and services but need more funding to develop them. There are a growing number of start-up companies in these funding rounds. By the end of 2015, INTOUCH had eight investments in its portfolio. The following four venture capital investments were made in 2015: Sinoze Co., Ltd. (provides and develops games on smart device); Playbasis Pte Ltd. (provides a gamification platform for websites and mobile applications); Golfdigg Co., Ltd. (developed a mobile application for golf courses reservations); and ShopSpot Mobility Pte Ltd. (developed a social commerce application). However, at the beginning of 2016, the Company monetized one of its investments, Computerlogy Co., Ltd., which it had supported since 2013. This enabled Computerlogy to move forward and build on its strengths so the entrepreneurial owners could achieve a new milestone.

The Company's standalone performance: As INTOUCH is a holding company that has to cooperate with other companies; the main revenue is dividend income from associates and subsidiaries. In 2015, INTOUCH had a dividend income of 15,294 million baht, an increase of 6% from 2014. The administrative expenses were 442 million baht, in line with our guidance of 400-450 million baht,

mainly from staff costs and expenses associated with seeking new business. In 2016, the administrative expenses are expected to be between 400–450 million baht, part of which will be spent on additional staff and exploring new investment opportunities.

Dividend payout: INTOUCH has a policy of paying dividends from the net profit after tax recorded on its standalone financial statements. In the past years, dividend received from associates and subsidiaries are passed through to the shareholders after the deduction of operating expenses. The Company expects to maintain this practice in 2016.

Possible key and influential factors affecting the Company's future operations or financial position

The Company conducts business as a holding company that has investments in other companies. Therefore, the financial position or operational results of these companies could have a material impact on the Company.

The performance of the Company's major investments has been disclosed in the Management Discussion and Analysis sections of the Annual Registration Statement (Form 56-1) for 2015 submitted by ADVANC and THCOM.

Significant Events

Changes in accounting policies

On 1 January 2015, INTOUCH Group adopted the newly issued and revised Thai Financial Reporting Standards ("TFRS"), which had resulted in changes to its accounting policies applied to the financial statements for the year ended 31 December 2014. The following newly issued and revised TFRS have had a material effect on the Group's financial statements: TFRS 10 *Consolidated Financial Statements*; TFRS 11 *Joint Arrangements*; TFRS 12 *Disclosure of Interests in Other Entities*; and TFRS 13 *Fair Value Measurement*.

The impacts from TFRS 10 & 11 have been recognized retrospectively in the consolidated financial statements although there has been no impact on the separate financial statements. As a consequence, the Group changed the control conclusion for CS Loxinfo Plc. ("CSL"), held by a subsidiary of THAICOM, to consolidation. In addition, the Group had to consolidate an investment in "current investment in fixed-income securities through private funds", which is managed by an independent fund manager. This was because the Group has control over the fund manager's policies. Besides this, the Group had to change the accounting treatment for the investment in Shenington Investment Pte Ltd. ("SHEN"), held by THAICOM, from proportionate consolidation to the equity method. The data for the last period was retrospective so it could be compared with the current period. The details of each change have been disclosed in Note 3 to the financial statement for the year ended 31 December 2015.

The only impact from TFRS 12 & 13 is on the Group's disclosure.

The launch of 4G services on 1800MHz frequency band

AIS was granted the 1800MHz license at the spectrum auction held in November 2015, and commercially launched its 4G service in 42 cities around the country on 26 January 2016. The coverage will be expanded to all urban area of 77 provinces by the middle of this year. AIS also aims to migrate its remaining 2G customers on the 900MHz frequency band to 3G on the 2.1GHz band and will enhance its network coverage and capacity to support this. The necessary sites for base stations have been identified in order to ensure that the current 3G network can completely replace the old 2G one.

Satellite business

On 19 November 2015, the Thaicom 7 satellite reached 100% capability following an order from Grant Investrade Ltd., a subsidiary of Hinduja Ventures Ltd., which provides digital cable TV services through a Headend-in-the-Sky (HITS) system. This will facilitate a smooth transition to digital TV and allow customers to choose channels through a satellite multiplex across India.

Telecommunications services business in Lao PDR

The performance of LTC has grown significantly in both profits and the number of subscribers, as a result of providing the best service quality, telephone network and data packages for all customer groups, and continuing to promote marketing events and activities. As at the end of 2015, LTC was ranked the number one mobile service provider in Lao PDR with a market share of 51.98%.

Summary of the ruling on the dispute over ITV's operating agreement

On 14 January 2016, the Arbitration Institute handed down its ruling on the dispute between ITV and the Office of the Permanent Secretary of the Office of the Prime Minister (the "PMO") to establish whether or not the termination of the Operating Agreement was legal and if not, award damages. The ruling stated that the termination of Operating Agreement had been unlawful and awarded damages of 2,890 million baht to ITV. However, ITV still had to pay the PMO the unpaid operating fees shortfall plus interest, which now total 2,890 million baht. As the aforementioned amounts cancel each other out, there is no outstanding debt. Moreover, the other claims raised by both parties in this case were dismissed by the arbitration panel.

Although, the ruling is final and binding both parties, however, ITV and the PMO can submit a petition to the Court having jurisdiction over the case to reconsider the arbitral award, as disclosed in Note 39 to the financial statements. ITV does not include any adjustments that may be necessary as a result of this uncertainty to the financial statements.

Dividend payments

The 2015 Annual General Meeting of Shareholders, held on 27 March 2015, and the Board of Directors Meeting, held on 13 August 2015, passed resolutions to pay the following dividends:

	Interim dividend from operating results for the period	Dividend per share (baht/share)	Total dividend (million baht)	Payment date
AGM resolution	1 January — 26 March 2015	2.23	7,142	24 April 2015
BoD resolution	27 March — 12 August 2015	2.40	7,692	10 September 2015

On 17 February 2016, the Board of Directors approved an interim dividend of 2.47 baht per share from the operating results for the period from 1 January to 30 March 2016, totaling approximately 7,920 million baht. The Company will propose this dividend at the Annual General Meeting of Shareholders for 2016.

Overview of operational result

Share of profit (loss) by business segment (in million baht)	For the year ended 31 December				
	2014		2015		%YoY
The Company	13,948	94%	14,913	93%	7%
Local wireless telecommunication business	14,538	98%	15,854	99%	9%
Satellite & International Businesses	659	4%	874	5%	33%
Other Businesses	(216)	-1%	(247)	-2%	15%
Discontinued operation*	(65)	0%	1	0%	-102%
Consolidation eliminations **	(14,103)	-96%	(15,317)	-95%	9%
Net Profit	14,761	100%	16,078	100%	9%

* A profit (loss) contribution from Matchbox Co., Ltd., which was closed down due to the continuous operating losses.

** Mainly the elimination of intercompany dividends

The consolidated financial statements for the year ended 31 December 2015 ("FY15") showed consolidated profit attributable to owners of the Company of 16,078 million baht, an increase of 9% from last year. 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. In 2015, the share of the net profit of AIS Group was 15,854 million baht, which contributed 54% of total consolidated revenue and 99% of consolidated net profit attributable to owners of the Company. Besides this, the profit from the satellite & international businesses increased mainly due to higher revenue from conventional satellite.

Key operational results

The Company (in million baht)	For the year ended 31 December		
	2014	2015	%YoY
Dividend income	14,383	15,294	6%
Expenses	(508)	(442)	-13%
Net profit (loss)	13,948	14,913	7%

Dividend income from both AIS and THAICOM increased in 2015. The dividends received from AIS totaled 12.46 baht per share, or 14,986 million baht, compared to 11.79 baht per share, or 14,180 million baht in the previous year. The dividend received from THAICOM was 0.65 baht per share, or 293 million baht, compared to 0.45 baht per share or 203 million baht in 2014.

Expenses dropped 13% YoY as a result of an impairment loss on investment in Matchbox Company Limited, but this was offset with higher staff costs.

Local wireless telecommunications (in million baht)	For the year ended 31 December		
	2014	2015	%YoY
Share of net result from investment in AIS Group using equity method	14,538	15,854	9%

The share of the net results from AIS Group rose 9% YoY. The net profit of AIS Group FY15 was 39,152 million baht, a 9% increase from 36,033 million baht in 2014 due to higher service revenue and lower regulatory fees, even though depreciation & amortization and network OPEX increased.

Overall revenue in AIS Group increased 4% YoY mainly due to:

- **Non-voice service revenue** rose 27% YoY driven by the accelerating growth in mobile data and greater smartphone penetration.
- **SIM card & device sales revenue** increased 19% YoY due to continual promotions of handsets, especially the trade-in campaign which resulted in a lower handset sales margin.

However, these items were offset by

- Voice service revenue dropped 12% YoY due to substitution by mobile data.

Overall costs in AIS Group dropped 2% from last year as follows:

- **Regulatory fees** dropped 27% YoY due to the successful strategy of migrating subscribers to 3G, which carries lower regulatory costs.

However, this was offset by

- **Depreciation & Amortization** rose 8% YoY due to the 3G investment on 2.1GHz-License network and the amortization of spectrum licenses 2.1GHz and 1800MHz, although this was offset with fully amortization of 2G assets after the expiration of operating agreement in 3Q15.
- **Cost of sales** rose 21% YoY following SIM card & device sales revenue. However, the handset trade-in campaign resulted to higher costs than the rise in revenue, which contributed fewer margins.
- **Network OPEX** rose 12% in line with the increasing numbers of 3G base stations

SG&A in AIS Group increased 6% YoY, mainly from 11% higher of marketing expenses as AIS continued to create brand awareness as well as handset trade-in and fixed broadband campaigns. Besides, the administrative expenses increased 4% mainly from higher staff costs.

Satellite & International Businesses (in million baht)	For the year ended 31 December		
	2014	2015	%YoY
Sales and service revenue	11,893	12,453	5%
Sales and service costs	(6,056)	(6,287)	4%
Operating agreement fees	(985)	(1,067)	8%
SG&A	(2,862)	(2,117)	-26%
Share of profit of investments in joint ventures	154	194	26%
Other incomes	181	489	170%
Net foreign exchange gain (loss)	71	(595)	-938%
Net Profit	1,514	2,306	52%
Contributed to INTOUCH Group	659	874	33%

THAICOM's net profit rose YoY, primarily due to the growth in revenue from the conventional satellite and the capital gain from the partial sale of the current investment in Synertone and lower SG&A. However, this was partially offset by a net loss from foreign currency due to the depreciation of the baht against the US dollar.

Sales and service revenue rose 5% YoY mainly due to:

- The conventional satellite: Revenue rose from transponder leasing following the growing demand from satellite broadcasting operators and the launch of Thaicom 7, which has achieved a 100% booking in 4Q15. In addition, the revenue from Thaicom 6 rose from value added services and satellite equipment sold to broadcasting operators, especially in Myanmar.
- Media business in Cambodia: Revenue rose from the sales of satellite receiver sets.
- Internet services: Revenue rose, mainly from leased-line internet, IDC and other value added services, while there was a decrease from advertising in Yellow Pages, voice info services and mobile content due to industry trends, consumer behavior and the changes in technology. However, this was offset by:
- Thaicom 4 (IPSTAR): Revenue decreased slightly from the sales and the installation of equipment which were depended on the projects of customer in several countries each year. Though, in 2015, the sale of user terminal ("UT") increased from Australia and Japan, however this was offset with a drop from other countries, following the Open Access Platform ("OAP") strategy of THAICOM.

Sales and service costs increased 4% from 2014 mainly due to:

- The conventional satellite: Costs rose from the amortization of Thaicom 6 & 7 and the sale of satellite equipment sold to broadcasting operators, following revenue. However, this was offset by a decrease of transponder rental cost for an interim satellite to provide services ahead of the launch of Thaicom 6.
- Media business in Cambodia: Costs rose in line with revenue. However, this was offset by:
- Thaicom 4 (IPSTAR): Costs dropped slightly from the sales and installation of equipment following the sales revenue.

Operating agreement fees rose 8% from the previous year due to an increase of license fees and operating fees following the revenue.

SG&A in THAICOM Group dropped 26% mainly due to an impairment loss on goodwill of a subsidiary in internet business that was recorded in 3Q14. While, in 2015, there was a decrease of obsolete inventory in internet & media business and marketing expenses of satellite and internet & media businesses. Although, this was offset with an increase of staff costs in both satellite and internet & media businesses in addition with a rise of provision for doubtful debts in internet & media businesses.

The share of the net results from joint ventures, namely SHEN, a joint venture of LTC, which provides telecommunications in Lao PDR, increased 26% YoY. This was mainly due to a growth in revenue from the services of fixed-wireless telephones and internet SIM cards. However, this was offset with a net foreign exchange loss from the currency translation of a USD loan for supporting the extension of LTC's right to operate communication services in Lao PDR along with higher finance costs.

Gain (loss) from exchange rate showed a loss, mainly due to a depreciation of the Thai baht against the US dollar, resulting in a loss after the currency translation of a USD loan.

Other Businesses (in million baht)	For the year ended 31 December		
	2014	2015	%YoY
Service revenue	150	227	51%
Service costs	(105)	(188)	79%
Loss on provision for interest on unpaid operating agreement fees	(433)	(433)	0%
SG&A	(40)	(35)	-13%
Net Loss	(413)	(441)	7%
Contributed to INTOUCH Group	(216)	(247)	15%

Other businesses include media and advertising, information technology, and businesses under the InVent project. The net loss was mainly from a provision for interest on ITV's unpaid operating agreement fees.

Financial Position Summary

Key financial position data

Separated Financial Position	As at 31 Dec 2014		As at 31 December 2015		Change
	million baht	%	million baht	%	%
Assets					
Cash & cash equivalents	305	2%	175	1%	-43%
Current investments	1,788	12%	1,624	11%	-9%
Investment in subsidiaries and associates	12,121	85%	12,519	87%	3%
Other assets	128	1%	108	1%	-16%
Total Assets	14,342	100%	14,426	100%	1%
Liabilities and Equity					
Other liabilities	191	1%	180	1%	-6%
Total Equity	14,151	99%	14,246	99%	1%
Total Liabilities and Equity	14,342	100%	14,426	100%	1%

Total assets increased slightly from the end of 2014 after additional investments in a subsidiary and associates were made, offset by a drop in current investments and cash & cash equivalents.

Total liabilities and equity increased slightly. The equity increased moderately from the operational gain during the year 2015, although this was partially offset by the payment of interim dividends at 2.23 baht per share in April 2015 and 2.40 baht per share in September 2015.

Consolidated Financial Position	As at 31 Dec 2014		As at 31 December 2015		Change
	million baht	%	million baht	%	%
Assets					
Cash & cash equivalents	3,454	6%	3,621	6%	5%
Current investments	4,378	8%	4,404	8%	1%
Other current assets	2,618	5%	3,070	5%	17%
Long-term loans to related parties	-	0%	2,162	4%	100%
Investment in associates and a joint venture	20,925	38%	22,030	38%	5%
Property & equipment, net	8,448	15%	9,146	16%	8%
Intangible assets under operating agreements, net	13,249	24%	11,227	19%	-15%
Other non-current assets	2,303	4%	2,113	4%	-8%
Non-current assets held for discontinued operations	235	0%	54	0%	-77%
Total Assets	55,610	100%	57,827	100%	4%
Liabilities and Equity					
Borrowings	11,102	20%	11,724	20%	6%
Other current liabilities	8,942	16%	9,601	17%	7%
Other liabilities	1,102	2%	1,161	2%	5%
Liabilities of non-current assets held for discontinued operations	233	0%	-	0%	-100%
Total Liabilities	21,379	38%	22,486	39%	5%
Total Equity	34,231	62%	35,341	61%	3%
Total Liabilities and Equity	55,610	100%	57,827	100%	4%

Total consolidated assets increased from the end of 2014, mainly due to the investment in associates and a joint venture due to a result of the operation in 2015, although this was offset by the dividend payments made by an associate of which had been passed through to the shareholders during the same period. Long-term loan to related party increased. This long-term loan was to support the extension of LTC's right to operate communication services in Lao PDR. However, this was offset by a decrease of intangible assets under operating agreements following the amortization during 2015.

Total consolidated liabilities and equity: Total liabilities increased from the end of 2014 due to short-term loan while Equity rose as a result of the operational gains of 2015, although this was partially offset by the Company's dividend payments.

Liquidity and cash flow: as at the end of 2015, the current ratio of 1 remains the same as last year. INTOUCH Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations as well as securing short-term credit facilities from various banks for financial backup. The consolidated cash rose 220 million

baht from 2014, mainly from the operating activities although this was partially offset by a long-term loan to related party and an asset purchase for Thaicom 8.

Account receivable: INTOUCH Group has policies in place to ensure that sales of products and rendering of services are made to customers with an appropriate credit history. As at the end of 2015, the Group had account receivable equivalent to 4% of total assets, a slight increase from 2014. INTOUCH Group has reserved an appropriate allowance for bad debt.

Inventory: as at the end of 2015, INTOUCH Group's inventory was 233 million baht, a 3% increase from the previous year. The Group assesses the allowance for obsolete inventories regularly to ensure that it is sufficient. Inventories are reported at their net realizable value, i.e. the estimated selling price in the ordinary course of business less the estimated costs to complete the sale.

Profitability ratio: INTOUCH Group's net profit margin and return on equity were 55% and 64%, respectively, a slight increase from 2014 due to the business growth in AIS Group and THAICOM Group.

Debt to equity ratio: as at the end of 2015, the Group had a debt to equity ratio 0.5 times, close to 0.4 times in 2014. INTOUCH Group has the ability to repay both short-term and long-term loans without any impact to the conditions in the loan agreement in respect of maintaining certain financial ratios.

The Group's commitments including those off the balance sheet have been disclosed in the notes to financial statements, namely: *Contingent liabilities and commitments; Bank guarantees; Significant events, disputes and litigations.*

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 2015 had not been presented fairly. However, the auditor had emphasized ITV's current liabilities at YE15, which exceed its current assets by 5,569 million baht, and a deficit of 5,571 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 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. On 14 January 2016, the Arbitration Institute ruled that ITV and the PMO had to pay each other at the same amount of 2,890 million baht. However, ITV and the PMO can submit a petition to the Court having jurisdiction over the case to reconsider the arbitral award within the period stipulated by law. The financial statements of ITV do not include any adjustments that may be necessary as a result of this uncertainty which indicates a material impact on the contingency liabilities.

In addition, the external auditor has drawn attention to Note 3 to the financial statements for 2015, describing the effects of the Group's adoption of certain new accounting policies from 1 January 2015 in accordance with the new and revised TFRS. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2014 after making the adjustments described in Note 3.

Additional Financial Data and Key Ratios

Separate Statements of Income (in million baht)	For the year ended 31 December		
	2014	2015	%YoY
Dividend income	14,383	15,294	6%
Other income	76	64	-16%
Total revenue	14,459	15,358	6%
Administrative expenses	(416)	(348)	-16%
Management benefit expenses	(92)	(94)	2%
Total expenses	(508)	(442)	-13%
Profit before finance costs	13,951	14,916	7%
Finance costs	(3)	(3)	0%
Net Profit	13,948	14,913	7%

Consolidated Statements of Income (in million baht)	For the year ended 31 December		
	2014	2015	%YoY
Sales and service revenue	12,021	12,665	5%
Construction revenue under operating agreements	172	1	-99%
Share of profit of investments in joint ventures	154	169	10%
Share of profit of investments in associates	14,522	15,833	9%
Net foreign exchange gain	71	-	100%
Other income	293	600	105%
Total revenue	27,233	29,268	7%
Sales and service costs	(6,160)	(6,474)	5%
Construction cost under operating agreements	(172)	(1)	-99%
Operating agreement fee	(985)	(1,067)	8%
Loss on provision for interest on unpaid operating agreement fees	(433)	(433)	0%
Selling expenses	(379)	(344)	-9%
Administrative expenses	(2,532)	(2,066)	-18%
Net foreign exchange loss	-	(595)	100%
Management benefit expenses	(192)	(194)	1%
Total expenses	(10,853)	(11,174)	3%
Profit before finance costs & income tax expenses	16,380	18,094	10%
Finance costs	(388)	(309)	-20%
Profit before income tax expenses	15,992	17,785	11%
Income tax expenses	(508)	(470)	-7%
Profit for the year - continued operations	15,484	17,315	12%
Profit (loss) from discontinued operation - net	(65)	1	-102%
Net profit	15,419	17,316	12%

Consolidated Statements of Income (in million baht) (continued)	For the year ended 31 December		
	2014	2015	%YoY
Attributable to:			
Owners of the Parent	14,761	16,078	9%
Profit for the year - continued operations	14,826	16,077	8%
Profit (loss) for the year - discontinued operation	(65)	1	-102%
Non-controlling interests	658	1,238	88%
Profit for the year - continued operations	658	1,238	88%
Net profit	15,419	17,316	12%

Consolidated source and use of Cash Flows *

million baht

For the year ended 31 December

Source of funds		Use of funds	
Dividends received	14,986	Dividend paid	15,390
Operating Cash Flow	4,835	Loan repayments	4,696
Proceeds from borrowings	5,120	Purchase of CAPEX & Fixed assets	1,315
Decrease in loans and advances to related parties	106	Acquisition of associates and a joint venture	353
Disposal of Fixed assets	9	Increase in current and other investments	850
		Increase in long-term loans to related parties	1,973
		Interest paid	259
		Cash increased	220
Total	25,056		25,056

* Consolidated cash flows consisted of cash and cash equivalents

Material financial ratios (based on consolidated financial statements)	For the year ended 31 December		
	2014	2015	Changed
Net profit margin	54.2 %	54.9 %	0.7 %
Current ratio (times)	1.0	1.0	(0.0)
Return on equity attributed to owners of the parent	60.9 %	64.1 %	3.2 %
Return on assets	27.5 %	28.3 %	0.9 %
Debt to equity attributed to owners of the parent (times)	0.9	0.9	0.0
Interest bearing debt to equity attributed to owners of the parent (times)	0.4	0.5	0.0
Basic earnings per share (baht)	4.60	5.01	0.41
Book value per share (baht)	7.70	7.95	0.25
Dividend per share (baht)	4.39	4.63	0.24

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 judgment and the best estimations. Important information is adequately and transparently disclosed in the notes to financial statements for the Company's shareholders and investors.

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

In this regard, the Board of Directors has appointed the Audit Committee to be responsible for reviewing the accounting policy, financial reports, risk management, internal controls, internal audit and disclosure of connected transactions. All the Audit Committee's opinions on these issues have been presented in the Audit Committee Report for 2015 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 2015. 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. Philip Chen Chong Tan)
Acting Chief Executive Officer

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 2015, the consolidated and separate statements of income, 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 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matter

Without qualifying my opinion, as mentioned in notes 2.2 and 35 to the financial statements, as at 31 December 2015, ITV Public Company Limited (“ITV”) (subsidiary) has current liabilities exceeding its current assets by an amount of Baht 5,569 million and a deficit in excess of the share capital of an amount of Baht 5,571 million and ITV ‘s Television Broadcasting Station under a UHF Radio-Television Broadcasting Agreement (“Operating Agreement”) was revoked by the Office of the Permanent Secretary of the Office of the Prime Minister (“PMO”) as ITV did not pay the unpaid operating fee totaling Baht 2,210 million and the interest on the total unpaid operating agreement fee at 15% per annum including the penalty arising from the alteration of television programming of Baht 97,760 million and adjust television programs fee which are still under dispute with PMO. Subsequently, ITV ceased its operations and delivered their assets under the operating agreement to PMO. ITV has filed statements of claim regarding the unpaid operating agreement totaling Baht 2,210 million plus the interest and adjust television programs fee to the arbitration process. The Arbitration Panel has made the verdict on 14 January 2016 that both ITV and PMO have to compensate to each other with the same amount of Baht 2,890 million. However, either party may submit a petition to revoke the verdict at the Court having jurisdiction over the case within the certain periods as specified by laws. The financial statements of ITV do not include any adjustments that may be necessary as a result of these uncertainties.

These events indicate a material uncertainty of the liabilities arising from the litigation cases as described in the previous paragraph. The auditor of ITV has expressed a disclaimer of opinion on the ITV’s financial statements for the year ended 31 December 2015 due to the significance of the matters mentioned above. Assets and liabilities of ITV included in the consolidated financial statements as at 31 December 2015, represent 2.1% and 30.0% of consolidated total assets and liabilities, respectively and the net book value of the investment in ITV included in the Company’s separate financial statements as at 31 December 2015 is nil.

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effects of the Company’s adoption from 1 January 2015 of certain new accounting policies in accordance with revised and new Thai Financial Reporting Standards promulgated by the Federation of Accounting Professions. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2014 after making the adjustments described in note 3.

P. Singhasaneh

(Supot Singhasaneh)

Certified Public Accountant

Registration No. 2826

KPMG Phoomchai Audit Ltd.

Bangkok

17 February 2016

Statements of financial position

As at 31 December 2015

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December	1 January	31 December	
		2015	2014	2015	2014
			(Restated)		
					(in Baht)
Current assets					
Cash and cash equivalents	6	3,620,623,432	3,453,549,439	3,037,795,715	175,109,709
Current investments	7	4,403,959,740	4,378,024,777	3,926,328,571	1,624,486,905
Trade and other receivables	5, 8	2,631,893,607	2,080,697,958	2,511,423,003	11,476,625
Amounts due from, advances and loans to related parties	5	209,147,564	300,775,159	377,841,013	275,458
Inventories	9	229,799,487	236,495,205	306,409,499	-
Non-current assets held for discontinued operations	10	54,144,626	235,193,532	-	-
Total current assets		11,149,568,456	10,684,736,070	10,159,797,801	1,811,348,697
Non-current assets					
Investments in subsidiaries	11	-	-	-	3,951,954,036
Investments in joint ventures	11	1,440,394,231	1,082,914,067	909,144,877	-
Investments in associates	11	20,589,751,755	19,842,369,288	19,455,564,632	8,567,294,923
Long-term investments	7	22,665,000	40,000,000	724,839,569	22,665,000
Long-term loans to related parties	5	2,161,864,194	-	-	-
Property, plant and equipment	13	9,145,628,719	8,447,686,545	2,423,583,304	63,148,676
Intangible assets under operating agreements	14	11,227,186,999	13,249,340,669	15,041,927,574	-
Other intangible assets	15	974,723,886	1,132,131,879	1,486,391,556	5,251,501
Deferred tax assets	16	243,005,342	250,883,748	507,249,270	-
Other non-current assets		871,973,683	880,306,134	1,153,001,440	4,036,257
Total non-current assets		46,677,193,809	44,925,632,330	41,701,702,222	12,614,350,393
Total assets		57,826,762,265	55,610,368,400	51,861,500,023	14,425,699,090

Statements of financial position

As at 31 December 2015

Liabilities and equity	Note	Consolidated			Separate	
		financial statements			financial statements	
		31 December		1 January	31 December	
		2015	2014	2014	2015	2014
			(Restated)	(Restated)		
				(in Baht)		
Current liabilities						
Short-term borrowings from financial institutions	17	1,650,520,587	871,104,665	-	-	-
Trade and other payables	5, 18	2,251,523,083	2,103,911,517	2,816,398,827	114,295,728	122,048,553
Accounts payable – equipment		92,473,095	173,000,945	89,290,205	-	-
Amounts due to related parties	5	271,727	380,210	337,427	200,914	9,852,032
Current portion of long-term borrowings	17	69,063,419	640,203,575	4,376,414,215	-	667,259
Accrued operating agreement fees		333,401,729	285,698,928	265,274,095	-	-
Provision for unpaid operating agreement fee and interest	36.2	6,756,831,620	6,323,413,812	5,889,996,003	-	-
Income tax payable		166,481,213	56,317,933	46,220,398	-	-
Liabilities of non-current assets held for discontinued operations	10	190,828	232,734,514	-	-	-
Total current liabilities		11,320,757,301	10,686,766,099	13,483,931,170	114,496,642	132,567,844
Non-current liabilities						
Long-term accounts payable – equipment		250,151,220	307,952,760	434,932,080	-	-
Long-term borrowings	17	10,004,091,865	9,590,329,196	4,032,086,754	-	-
Employee benefit obligations	19	484,087,617	408,069,426	403,957,899	65,518,588	57,905,754
Other non-current liabilities		427,289,896	386,382,328	387,613,257	-	-
Total non-current liabilities		11,165,620,598	10,692,733,710	5,258,589,990	65,518,588	57,905,754
Total liabilities		22,486,377,899	21,379,499,809	18,742,521,160	180,015,230	190,473,598

Statements of financial position

As at 31 December 2015

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December	1 January	31 December	
		2015	2014 (Restated)	2014 (Restated)	2015
				(in Baht)	2014
Equity					
Share capital	20				
Authorised share capital - ordinary shares		5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Issued and paid-up share capital - ordinary shares		3,206,420,305	3,206,420,305	3,206,420,305	3,206,420,305
Reserves	20, 21				
Share premium on issued of share - ordinary shares		10,341,569,221	10,341,569,221	10,341,569,221	10,341,569,221
Retained earnings					
Appropriated					
Legal reserve	21	500,000,000	500,000,000	500,000,000	500,000,000
Unappropriated		7,056,985,062	6,086,696,215	5,379,679,929	164,404,144
Other components of equity		4,378,744,552	4,543,600,576	4,388,517,989	33,290,190
Total equity attributable to equity holders of the Company		25,483,719,140	24,678,286,317	23,816,187,444	14,245,683,860
Non-controlling interests	23	9,856,665,226	9,552,582,274	9,302,791,419	-
Total equity		35,340,384,366	34,230,868,591	33,118,978,863	14,245,683,860
Total liabilities and equity		57,826,762,265	55,610,368,400	51,861,500,023	14,425,699,090
					14,341,882,512

The accompanying notes are an integral part of these financial statements

Statements of income

For the year ended 31 December 2015

		Consolidated		Separate	
		financial statements		financial statements	
Note		2015	2014	2015	2014
		(Restated)			
		(in Baht)			
Revenue	26				
Revenue from sales and rendering of services		12,664,670,164	12,021,310,926	-	-
Construction revenue under operating agreements		543,915	172,270,278	-	-
Dividend income	11	-	-	15,293,857,522	14,382,866,400
Share of profit of investments					
in joint ventures	11	168,703,034	154,057,274	-	-
Share of profit of investments in associates	11	15,833,430,096	14,521,615,405	-	-
Net foreign exchange gain		-	71,713,122	-	-
Other income	27	600,892,310	292,841,304	64,056,137	75,632,153
Total revenue		29,268,239,519	27,233,808,309	15,357,913,659	14,458,498,553
Expenses	26				
Cost of sales and rendering of services		6,474,449,909	6,160,061,812	-	-
Construction cost under operating agreements		543,915	172,270,278	-	-
Operating agreement fee		1,066,618,826	985,260,005	-	-
Loss on provision for interest of unpaid					
operating agreement fee	36.2	433,417,808	433,417,808	-	-
Selling expenses		344,438,563	378,918,098	-	-
Administrative expenses		2,039,106,372	2,531,431,106	343,612,332	317,239,517
Net foreign exchange loss		595,002,146	-	-	-
Impairment of investment in a subsidiary, associate					
and long - term investment - net	7, 11	27,406,410	-	3,999,629	97,966,402
Management benefit expenses	5	194,322,747	191,964,925	93,839,677	91,780,589
Total expenses		11,175,306,696	10,853,324,032	441,451,638	506,986,508
Profit before finance costs and income tax expense		18,092,932,823	16,380,484,277	14,916,462,021	13,951,512,045
Finance costs		(308,668,568)	(388,207,356)	(3,028,299)	(3,425,490)
Profit before income tax expense		17,784,264,255	15,992,276,921	14,913,433,722	13,948,086,555
Income tax expense	30	(469,697,825)	(508,168,810)	-	-
Profit for the year - continued operations		17,314,566,430	15,484,108,111	14,913,433,722	13,948,086,555
Profit (loss) for the year from discontinued operations - net of income tax	10	1,514,780	(64,491,659)	-	-
Profit for the year		17,316,081,210	15,419,616,452	14,913,433,722	13,948,086,555

The accompanying notes are an integral part of these financial statements

Statements of income

For the year ended 31 December 2015

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2015	2014	2015	2014
			(Restated)		
				(in Baht)	
Attributable to:					
Owners of the Company					
Profit for the year - continued operations		16,076,278,832	14,825,727,590	14,913,433,722	13,948,086,555
Profit (loss) for the year - discontinued operation		1,514,174	(64,465,863)	-	-
Profit for the year to owners of the Company		16,077,793,006	14,761,261,727	14,913,433,722	13,948,086,555
Non-controlling interests					
Profit for the year - continued operations	23	1,238,287,598	658,380,521	-	-
Profit (loss) for the year - discontinued operation		606	(25,796)	-	-
Profit for the year to non-controlling interests		1,238,288,204	658,354,725	-	-
		17,316,081,210	15,419,616,452	14,913,433,722	13,948,086,555
Basic earnings (loss) per share					
From continued operations		5.01	4.62	4.65	4.35
From discontinued operation	10	-	(0.02)	-	-
Owners of the Company	32	5.01	4.60	4.65	4.35
Diluted earnings (loss) per share					
From continued operations		5.01	4.62	4.65	4.35
From discontinued operation	10	-	(0.02)	-	-
Owners of the Company	32	5.01	4.60	4.65	4.35

The accompanying notes are an integral part of these financial statements

Statements of comprehensive income

For the year ended 31 December 2015

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
		(in Baht)			
Profit for the year		17,316,081,210	15,419,616,452	14,913,433,722	13,948,086,555
Other comprehensive income, net of income tax	25				
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		334,925,885	(3,238,371)	-	-
Net change in fair value of available-for-sale investments		(792,843,927)	245,131,215	3,041,539	4,057,541
Share of other comprehensive income of associates		(3,089,436)	973,503	-	-
		(461,007,478)	242,866,347	3,041,539	4,057,541
Items that will never be reclassified to profit or loss					
Defined benefit plan actuarial losses		(23,206,909)	-	(120,652)	-
Share of other comprehensive income of associates and joint ventures		(363,191,385)	-	-	-
		(386,398,294)	-	(120,652)	-
Other comprehensive income for the year, net of income tax		(847,405,772)	242,866,347	2,920,887	4,057,541
Total comprehensive income for the year		16,468,675,438	15,662,482,799	14,916,354,609	13,952,144,096
Total comprehensive income attributable to:					
Owners of the Company		15,612,205,291	14,864,695,903	14,916,354,609	13,952,144,096
Non-controlling interests	23	856,470,147	797,786,896	-	-
		16,468,675,438	15,662,482,799	14,916,354,609	13,952,144,096

At as 31 December 2015

Consolidated financial statements														
Equity attributable to owners of the Company														
	Issued and paid-up share capital	Premium on share capital	Retain earnings		Other reserves share-based payment	Unrealised gain on dilution from investments	Currency translation differences <i>(in Bahr)</i>	Other components of equity			Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
			Legal reserve	Unappropriated				Fair value changes in available-for-sale investments	Share of other comprehensive income of associates					
Note	3,208,420,305	10,341,569,221	500,000,000	5,379,679,929	3,769,582	4,175,396,338	(31,482,042)	239,326,114	1,506,017	4,388,517,989	23,816,187,444	8,595,474,687	32,411,692,061	
	-	-	-	-	-	-	-	-	-	-	-	707,316,782	707,316,782	
For the year ended 31 December 2014														
Opening balance at 1 January 2014 - as reported	3,208,420,305	10,341,569,221	500,000,000	5,379,679,929	3,769,582	4,175,396,338	(31,482,042)	239,326,114	1,506,017	4,388,517,989	23,816,187,444	8,595,474,687	32,411,692,061	
Impact of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	707,316,782	707,316,782	
Changes in equity for the year	3,208,420,305	10,341,569,221	500,000,000	5,379,679,929	3,769,582	4,175,396,338	(31,482,042)	239,326,114	1,506,017	4,388,517,989	23,816,187,444	9,302,791,419	33,118,978,863	
Dividends	-	-	-	(14,054,245,441)	-	-	-	-	-	-	(14,054,245,441)	(552,037,900)	(14,606,283,341)	
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	-	-	-	14,761,261,727	-	-	-	-	-	-	14,761,261,727	688,354,725	15,419,616,452	
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	
Items that are or may be reclassified to profit or loss	-	-	-	-	-	-	(1,404,177)	103,864,860	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)	103,864,860	973,503	103,434,176	14,864,695,903	797,766,896	15,662,482,799	
Balance at 31 December 2014	3,208,420,305	10,341,569,221	500,000,000	6,096,696,215	13,839,799	4,216,974,512	(32,886,219)	343,190,964	2,481,520	4,543,600,576	24,679,286,317	9,552,592,274	34,230,898,591	

1

Equity attributable to owners of the Company

The accompanying notes are an integral part of these financial statements

Statement of change in equity

As at 31 December 2015

Separate financial statements

	Note	Other components of equity							Total equity	
		Issued and paid-up share capital	Share premium	Retain earnings		Other reserves share-based payment	Fair value changes in available-for-sale investments	Total other components of equity		
				Legal reserve	Unappropriated					
										(in Baht)
For the year ended 31 December 2014										
Balance at 1 January 2014		3,206,420,305	10,341,569,221	500,000,000		190,823,760	2,769,215	4,982,565	7,651,780	14,246,265,066
Changes in equity for the year										
Dividends		-	-	-		(14,054,245,442)	-	-	-	(14,054,245,442)
Shared - based Payment	24	-	-	-		-	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	25									
Items that are or may be reclassified to profit or loss		-	-	-		-	-	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 2015		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
For the year ended 31 December 2015										
Balance at 1 January 2015		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
Changes in equity for the year										
Dividends	33	-	-	-		(14,833,373,799)	-	-	-	(14,833,373,799)
Share - based payment	24	-	-	-		-	11,294,136	-	11,294,136	11,294,136
Comprehensive income for the year										
Profit for the year		-	-	-		14,913,433,722	-	-	-	14,913,433,722
Other comprehensive income for the year	25									
Items that are or may be reclassified to profit or loss		-	-	-		-	-	3,041,539	3,041,539	3,041,539
Items that will never be reclassified to profit or loss	19	-	-	-		(120,652)	-	-	-	(120,652)
Total comprehensive income for the year		-	-	-		14,913,313,070	-	3,041,539	3,041,539	14,916,354,609
Balance at 31 December 2015		3,206,420,305	10,341,569,221	500,000,000		164,404,144	21,308,545	11,981,645	33,290,190	14,245,683,860

The accompanying notes are an integral part of these financial statements

Statements of cash flows

For the year ended 31 December 2015

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2015	2014	2015	2014
			(Restated)		
		(in Baht)			
Cash flows from operating activities					
Profit for the year attributed to owners of the Company		17,314,566,430	15,484,108,111	14,913,433,722	13,948,086,555
Adjustments for					
Depreciation and amortisation	13, 14, 15	2,843,568,766	2,603,782,289	23,032,226	16,254,685
Past and current service costs of employee and share-based payment expense	19, 24	53,281,421	49,468,826	14,835,336	10,861,754
Interest income		(181,826,573)	(185,517,053)	(57,986,350)	(68,030,203)
Interest expense		261,343,996	359,616,394	1,964,957	1,978,367
Income tax expense	30	469,697,825	508,168,810	-	-
Share of profit of investments in joint ventures	11	(168,703,034)	(154,057,274)	-	-
Share of profit of investments in associates	11	(15,833,430,096)	(14,521,615,405)	-	-
Dividend income	11	-	-	(15,293,857,522)	(14,382,866,400)
Impairment of investments in a subsidiary, associates and long-term investments - net	7, 11	27,406,410	-	3,999,629	97,966,402
Loss on provision for interest of unpaid operating agreement fee	36.2	433,417,808	433,417,808	-	-
Unrealised (gain) loss on foreign exchange		269,756,941	(29,353,035)	-	-
Allowance for doubtful accounts		61,686,173	18,745,913	-	-
(Reversal of) allowance for obsolete inventory		(49,956,287)	31,049,627	-	-
(Reversal of) impairment loss on assets		(41,203,112)	428,548,625	4,200,543	-
Loss from write-off equipment		30,113,254	19,000,977	-	-
Amortisation cost of loans	17	1,065,891	2,363,082	-	-
Others		820,207	149,997	(476,507)	(1,369,860)
		5,491,606,020	5,047,877,692	(390,853,966)	(377,118,700)
Changes in operating assets and liabilities					
Trade and other receivables		(676,328,931)	84,468,346	50,082,390	39,535,800
Inventories		73,645,184	57,152,369	-	-
Other non-current assets		37,371,662	(81,002,467)	3,069,250	(3,234,681)
Trade and other payables		(65,268,118)	(280,374,330)	9,754,268	(4,327,335)
Accrued operating agreement fees		47,702,801	20,424,834	-	-
Other non-current liabilities		3,042,940	(48,485,600)	-	-
Interest received		207,957,539	178,531,560	16,155,699	26,445,885
Dividends received		14,985,791,520	14,248,547,423	15,293,857,522	14,382,866,400
Income tax paid		(284,441,409)	(325,284,591)	-	-
Net cash from operating activities		19,821,079,208	18,901,855,236	14,982,065,163	14,064,167,369

The accompanying notes are an integral part of these financial statements

Statements of cash flows

For the year ended 31 December 2015

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
			(Restated)		
		<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>					
Additional investments in subsidiaries	11	-	(172,173,017)	(304,980,000)	(22,000,000)
Additional investment in joint venture	11	(254,999,995)	-	-	-
Additional investment in associates	11	(98,492,295)	-	(98,492,295)	-
Purchase of long-term investment		(7,665,000)	(15,000,000)	(7,665,000)	(15,000,000)
Purchase of property, plant and equipment		(1,295,386,089)	(6,378,585,921)	(33,430,140)	(19,837,181)
Purchase of other intangible assets		(19,716,583)	(57,851,921)	(1,664,355)	(1,128,846)
(Increase) decrease in current investments		(842,431,694)	493,894,588	166,351,986	(194,039,487)
Decrease in loans and advances					
to related parties		106,258,081	9,533,693	-	39,070,000
Increase in long-term loans to related parties		(1,972,424,724)	-	-	-
Net cash received from disposal of equipment		9,470,559	9,987,395	1,800,737	1,844,114
Net cash used in investing activities		(4,375,387,740)	(6,110,195,183)	(278,079,067)	(211,091,400)
<i>Cash flows from financing activities</i>					
Proceeds from short-term borrowings		1,351,393,540	2,074,029,744	-	-
Proceeds from long-term borrowings		3,768,146,234	6,287,832,509	-	-
Repayments of short-term borrowings		(657,305,743)	(1,202,925,078)	-	-
Repayments of long-term borrowings		(4,038,688,843)	(4,482,072,149)	(667,259)	(785,797)
Interest paid		(259,139,994)	(341,396,694)	(13,975)	(45,754)
Dividend paid		(15,390,433,627)	(14,606,282,821)	(14,833,373,799)	(14,054,245,441)
Net cash used in financing activities		(15,226,028,433)	(12,270,814,489)	(14,834,055,033)	(14,055,076,992)
Net increase (decrease) in cash and cash equivalents		219,663,035	520,845,564	(130,068,937)	(202,001,023)
Cash and cash equivalents at 1 January		3,453,549,439	3,037,795,715	305,178,646	507,179,669
Reclassification of cash and cash equivalents in discontinued operations		(49,980,000)	(107,590,701)	-	-
Effects of exchange rate changes on balances held in foreign currencies		(2,609,042)	2,498,861	-	-
Cash and cash equivalents at 31 December	6	3,620,623,432	3,453,549,439	175,109,709	305,178,646
<i>Non-cash transactions</i>					
Purchase of property, plant and equipment and other intangible assets by liabilities		31,683,523	65,028,138	841,790	10,673,340
Purchase of property, plant and equipment under finance leases		25,988,785	11,823,925	-	-

The accompanying notes are an integral part of these financial statements

Note to the financial statements

For the year ended 31 December 2015

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Note to the financial statements

For the year ended 31 December 2015

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 17 February 2016.

1 General information

The Company is a public limited company and is incorporated and domiciled in Thailand and its registered office is at 29th – 30th floor, SJ Infinite One Business Complex, 349 Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok, 10900.

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

As at 31 December 2015, the principle shareholder of the Company is Aspen Holdings Limited (“Aspen”), holding 40.5% (2014: 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 2015 and 2014 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2015	2014
<i>Subsidiaries</i>			<i>(%)</i>	
Thaicom Public Company Limited and its Group (“THAICOM”)	Operating transponder services for domestic & international communications, sale of user terminal of IPSTAR, broadband content services, sale of direct television equipment, internet data center services, internet services, satellite uplink-downlink services, broadcasting television service & telecommunication, printing & publishing of business telephone directories, banner advertising, telephone network services, mobile contents, and engineering development services on communication technology & electronics.	Thailand	41.14	41.14
I.T. Applications and Service Company Limited (“ITAS”)	Providing computer program and related services.	Thailand	99.99	99.99
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
ITV Public Company Limited and its Group (“ITV”)	At present, ITV has ceased its operation <i>(notes 35 and 36)</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
Matchbox Company Limited (“MB”)	At present, MB has ceased its operation (note 10) having previously provided advertising services and production of advertisements for radio and television broadcast	Thailand	99.99	99.96

Note to the financial statements

For the year ended 31 December 2015

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2015	2014
<i>Associates</i>			<i>(%)</i>	
Advanced Info Service Public Company Limited and its Group (“AIS”)	Operating a 2.1-GHz and 1.8-GHz cellular telephone system, service provider of online data communications via telephone land line & optical fiber, telecom & network operator, broadcasting network services or television, importer & distribution of handset & accessories, and other related services.	Thailand	40.45	40.45
Ookbee Company Limited (“OOKBEE”)	Service provider for digital publication platform and e-booking.	Thailand	22.26	22.26
Meditech Solution Company Limited (“Meditech”)	A manufacturer and vendor of eye blink communication aids for paralytics and disabled people.	Thailand	24.00	24.00
Computerlogy Company Limited (“Computerlogy”)	A software or computer system and web site development, including social media management tool.	Thailand	25.01	25.01
Sinoze Company Limited (“Sinoze”)	Create and develop games on smart phone and tablet.	Thailand	16.67	-
Playbasis PTE Limited (“Playbasis”)	Service provider for the digital gamification platform.	Singapore	15.36	-
Golfdigg Company Limited (“Golfdigg”)	Service provider for the golf course booking platform and other golf-related services.	Thailand	25.00	-

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. 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.

Note to the financial statements

For the year ended 31 December 2015

As at 31 December 2015, the remaining minimum payment as specified in the agreement is Baht 479 million in the consolidated financial statements (2014: Baht 550 million), excluding ITV due to the dispute as discussed in notes 35 and 36. 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.

The significant principal agreements for operation and authorisations held by subsidiaries, joint ventures and associates at 31 December 2015 include:

Operating Agreement and License	Country	Held by	Expiry
<i>Subsidiaries</i>			
Satellites	Thailand	Thaicom Public Company Limited	September 2021
Telecom Operation License Type I	Thailand	Thaicom Public Company Limited	August 2016
Telecom Operation License Type III	Thailand	Thaicom Public Company Limited	June 2032
Radio-television broadcasting - under UHF system	Thailand	ITV Public Company Limited (the dispute discussed in notes 35 and 36)	July 2025
Broadcasting Operation License	Thailand	DTV Service Company Limited	January 2028
Broadcasting Operation License (Lao Star & D-Channel)	Thailand	DTV Service Company Limited	January 2016
Broadcasting Operation License (Bayon TV)	Thailand	DTV Service Company Limited	March 2016
Broadcasting Operation License (Lao PSTV, LNTV 3, TVK)	Thailand	DTV Service Company Limited	July 2016
Broadcasting Operation License (TV Lao)	Thailand	DTV Service Company Limited	November 2017
Broadcasting Operation License	Thailand	TC Broadcasting Company Limited	March 2028
Telecom Operation License Type III	Thailand	TC Broadcasting Company Limited	November 2030
Internet Operation License Type I	Thailand	CS Loxinfo Public Company Limited	September 2019
Internet Operation License Type II	Thailand	CS Loxinfo Public Company Limited	April 2017
Telecom Operation License Type I	Thailand	CS Loxinfo Public Company Limited	October 2019
Telecom Operation License Type III	Thailand	CS Loxinfo Public Company Limited	December 2022
<i>Joint ventures</i>			
Fixed phone, mobile phone, international facilities and internet	Lao PDR	Lao Telecommunications Company Limited	2046
<i>Associates</i>			
900-MHz cellular telephone system	Thailand	Advanced Info Service Public Company Limited	September 2015*
2.1-GHz cellular telephone system	Thailand	Advanced Wireless Network Company Limited	December 2027
1800-MHz cellular telephone system	Thailand	Advanced Wireless Network Company Limited	September 2033
Datakit Virtual Circuit Switch	Thailand	Advanced Datanetwork Communications Company Limited	September 2022

Note to the financial statements

For the year ended 31 December 2015

*As per the operating agreement of AIS that expired on 30 September 2015, the National Broadcasting and Telecommunications Commission ("NBTC") has announced a temporary customer protection measure after the Agreement expired (Issue no.2) to assign the operator to provide continuing services to the subscribers. The operator must comply with the rules and conditions set forth in the announcement. On 15 October 2015, the NBTC submitted a letter to AIS on determination on the end of customer protection period on 900 MHz and concluded that AIS must provide temporary continuing service until 19 November 2015. Later, on 2 November 2015, the National Telecommunication Commission ("NTC") decided to postpone the auction of 900MHz license from 12 November 2015 to 15 December 2015. However, NBTC has not yet announced the extension of the end of customer protection period on 900 MHz

2 Basis of preparation of the financial statements**2.1 Basis of preparation of the 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. Revisions to accounting estimates are recognised prospectively.

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 11 Judgments and assumptions to assess controls over investments, including the net realisable value of investments
- 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 obligation
- Note 24 Measurement of share-based payment
- Note 34 The measurement of fair values
- Note 35, 36 Provisions and contingencies

Note to the financial statements

For the year ended 31 December 2015

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

As at 31 December 2015, ITV's current liabilities exceed its current assets by an amount of Baht 5,569 million and deficit in excess of its share capital by an amount of Baht 5,571 million (*2014: Baht 5,158 million and Baht 5,158 million, respectively*). In addition, as discussed in note 35 a) and 36.2 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 has been 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.

However, on 1 February 2016, ITV received a copy of the Arbitration award, ruling of 14 January 2016. The ruling is summarised in note 39 to the financial statements. The financial statements of ITV do not include any adjustments that may be necessary as a result of these uncertainties.

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 1,200 million represent 2.1% of consolidated total assets (*2014: Baht 1,175 million, represented 2.1%*) and liabilities amounting to Baht 6,771 million represent 30.0% of consolidated total liabilities (*2014: Baht 6,333 million, represented 29.6%*), and therefore, the recorded deficit in excess of ITV's issued share capital amounting to Baht 5,571 million (*2014: Baht 5,158 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 2015 and 2014 would be reduced by Baht 5,571million and Baht 5,158 million, respectively. The retained earnings and shareholders' equity as at 31 December 2015 and 2014 would be increased by Baht 5,571 million and Baht 5,158 million, respectively.

Note to the financial statements

For the year ended 31 December 2015

3 Changes in accounting policies

From 1 January 2015, 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 2014. The change that had material impact to the financial statements of INTOUCH Group was as follows:

- *TFRS 10 Consolidated Financial Statements*

TFRS 10 introduces a control model to determine whether the investees should be consolidated. As a result, the investor has to re-consider and review its investments if it has to consolidate its investees, which could result to the change in its current accounting.

As a result, the Group reassessed and changed the control conclusion for CS Loxinfo Public Company Limited ("CSL"), held by a subsidiary of THAICOM. The Company shall recognise investment in CSL as investment in subsidiary and include CSL in consolidation. In addition, the Group has to consolidate an investment in "current investment in fixed income security through private funds", which is managed by independent fund manager. This is because the Group has control over policy.

- *TFRS 11 Joint Arrangements*

TFRS 11 requires a joint venturer to recognise its interests in joint ventures as an investment and shall account for that investment using the equity method. TAS 31 (revised 2012) *Interests in Joint Ventures* which permit joint venture to be accounted for using proportionate consolidation has been withdrawn.

As a result of TFRS 11, the Group has changed the accounting policy of the investment in Shenington Investment Pte Limited ("SHEN") from proportionate consolidation to the equity method.

- *TFRS 12 Disclosure of Interests in Other Entities*

TFRS 12 brings all the disclosure requirements about the Group's interest 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.

- *TFRS 13 Measurement of fair values*

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs.

TFRS 12 and TFRS 13 only impact to the Group's disclosure.

Note to the financial statements

For the year ended 31 December 2015

The impacts resulting from TFRS 10 and TFRS 11, including the reclassification of discontinued operation, are recognised retrospectively in some items of the consolidated financial statements (no impact to the separate financial statements):

	As previously reported	The impacts resulting from		
		TFRS 10	TFRS 11	As restated
		(in million Baht)		
<i>Statements of financial position</i>				
<i>Opening balance as at 1 January 2014</i>				
Assets				
Current assets				
Cash and cash equivalents	2,828	366	(156)	3,038
Current investments	4,028	(102)	-	3,926
Trade and other receivables	2,147	471	(107)	2,511
Amounts due from, advances and loans to related parties	153	(9)	234	378
Inventories	252	68	(14)	306
Non-current assets				
Investments in joint ventures	-	-	909	909
Investments in associates	19,762	(306)	-	19,456
Property, plant and equipment	3,260	598	(1,434)	2,424
Other intangible assets	971	521	(6)	1,486
Deferred tax assets	513	54	(60)	507
Other non-current assets	1,129	24	-	1,153
Liabilities				
Current liabilities				
Trade and other payables	2,334	667	(184)	2,817
Accounts payable - equipment	113	-	(24)	89
Amounts due to and loans from related parties	145	-	(145)	-
Current portion of long-term loans	4,345	61	(30)	4,376
Income tax payable	36	21	(11)	46
Non-current liabilities				
Long-term loans	4,029	65	(62)	4,032
Employee benefit obligations	431	123	(150)	404
Other non-current liabilities	375	22	(9)	388
Equity				
Non-controlling interests	8,596	707	-	9,303

Note to the financial statements

For the year ended 31 December 2015

	As previously reported	The impacts resulting from TFRS 10 TFRS 11		As restated
		<i>(in million Baht)</i>		

Statements of financial position at 31 December 2014**Assets****Current assets**

Cash and cash equivalents	2,970	665	(182)	3,453
Current investments	4,679	(301)	-	4,378
Trade and other receivables	1,719	479	(117)	2,081
Amounts due from, advances and loans to related parties	148	(14)	167	301
Inventories	225	43	(32)	236
Non-current assets held for discontinued operations	235	-	-	235

Non-current assets

Investments in joint ventures	-	-	1,083	1,083
Investments in associates	20,076	(234)	-	19,842
Property, plant and equipment	9,188	815	(1,555)	8,448
Other intangible assets	1,055	82	(5)	1,132
Deferred tax assets	257	53	(59)	251
Other non-current assets	857	23	-	880

Liabilities**Current liabilities**

Short-term loans from financial institutions	641	230	-	871
Trade and other payables	1,709	610	(215)	2,104
Accounts payable - equipment	294	-	(121)	173
Amounts due to and loans from related parties	145	(1)	(144)	-
Current portion of long-term loans	580	62	(2)	640
Income tax payable	62	12	(18)	56
Liabilities of non-current assets held for discontinued operations	233	-	-	233

Non-current liabilities

Long-term loans	9,435	164	(9)	9,590
Employee benefit obligations	438	134	(164)	408
Other non-current liabilities	372	23	(9)	386

Equity

Non-controlling interests	9,194	359	-	9,553
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Note to the financial statements

For the year ended 31 December 2015

	As previously reported	The impacts resulting from		As restated
		TFRS 10	TFRS 11	
		(in million Baht)		
<i>Statements of income</i>				
<i>For the year ended 31 December 2014</i>				
Income				
Revenue from sales and rendering of services	10,142	2,955	(1,076)	12,021
Share of profit of investments in joint ventures	-	-	154	154
Share of profit of investments in associates	14,640	(118)	-	14,522
Net foreign exchange gain	59	9	4	72
Other income	257	24	12	293
Expenses				
Cost of sales and rendering of services	4,971	1,741	(552)	6,160
Selling expenses	294	137	(52)	379
Administrative expenses	1,833	934	(236)	2,531
Management benefit expenses	165	27	-	192
Profit before finance costs and income tax expense	16,416	31	(66)	16,381
Finance costs	(385)	(15)	12	(388)
Profit before income tax expense	16,031	16	(54)	15,993
Income tax expense	(460)	(102)	54	(508)
Profit for the year – continuing operations	15,571	(86)	-	15,485
Profit for the year	15,506	(86)	-	15,420
Attributable to:				
Non-controlling interests				
Profit for the year - continuing operations	745	(86)	-	659
Profit for the year non-controlling interests	745	(86)	-	659
Profit for the year	15,506	(86)	-	15,420

Note to the financial statements

For the year ended 31 December 2015

	As previously reported	The impacts resulting from		
		TFRS 10	TFRS 11	As restated
		(in million Baht)		
<i>Statements of comprehensive income</i>				
<i>For the year ended 31 December 2014</i>				
Profit for the year	15,506	(86)	-	15,420
Total comprehensive income for the year	15,748	(86)	-	15,662
Total comprehensive income attributable to:				
Non-controlling interests	884	(86)	-	798
	<u>15,748</u>	<u>(86)</u>	<u>-</u>	<u>15,662</u>
<i>Statements of cash flow</i>				
<i>For the year ended 31 December 2014</i>				
Net cash from operating activities	19,045	475	(618)	18,902
Net cash used in investing activities	(6,384)	(239)	513	(6,110)
Net cash used in financing activities	(12,414)	64	79	(12,271)
Net increase (decrease) in cash and cash equivalents	247	300	(26)	521
Cash and cash equivalents at 1 January 2014	2,828	366	(156)	3,038
Cash and cash equivalents at 31 December 2014	2,970	666	(182)	3,454

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

Note to the financial statementsFor the year ended 31 December 2015

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries and joint operations and INTOUCH Group's interests in associates and joint ventures.

Subsidiaries

Subsidiaries are entities controlled by INTOUCH Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which 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.

Loss of control

Upon the loss of control, INTOUCH Group derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss 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.

Joint arrangements

Joint arrangements are those entities whose activities INTOUCH Group has joint controls or joint operations, established by contractual agreement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated financial statements include INTOUCH Group's proportionate share of the joint operation's 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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The investment in joint venture is accounted for in the consolidated financial statements using the equity method and is recognised initially at cost.

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.

Note to the financial statements

For the year ended 31 December 2015

The recognition of investments using the equity method after the initial recognition

The consolidated financial statements include INTOUCH Group's share of profit or loss and other comprehensive income of joint ventures and associates 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 exceeds its interest in the joint ventures and associates, the investment is reduced to zero and does not continue to recognise further losses, unless INTOUCH Group has incurred obligations or made payments on behalf of joint ventures and associates.

Transactions eliminated on consolidation

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

Business combinations

Business combinations occur when INTOUCH Group obtains control of a business or business group. The acquired assets and assumed liabilities constitute a business. A business combination is not the formation of a joint venture, nor does it involve the acquisition of a set of assets that do not constitute a business.

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

INTOUCH Group will assume the control over a business or business group, when it is entitled to obtain benefits from its activities. The benefits are varied by the return from such business or business group. INTOUCH Group has a power to govern activities that affect to the amount of return from such business or business group.

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.

Note to the financial statements

For the year ended 31 December 2015

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 statements of financial position.

(b) Foreign currencies*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of INTOUCH Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Gains and losses resulting from the settlement of foreign currency transactions are recognised in the statements of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates that fair value was determined.

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 until the disposal of foreign operations, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Note to the financial statements

For the year ended 31 December 2015

(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.

Derivative financial instruments

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.

The fair values of foreign currency forward contracts and cross currency and interest rate swap are recognised at fair value in the statements of financial position 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.

Note to the financial statementsFor the year ended 31 December 2015

(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 the statements of income. The gain recognition will not be exceeding the initial impairment loss.

(h) Investments*Investments in subsidiaries, Joint ventures and associates*

Investments in subsidiaries, Joint ventures and associates in the separate financial statements of the Company are accounted for using the cost method.

Investments in subsidiaries, Joint ventures 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 in the statements of financial position using reference rates from the closing prices at the reporting date.

Increases/decreases in the carrying amount are 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.

Note to the financial statements

For the year ended 31 December 2015

(i) Property, plant and equipment

Land is initially recorded at cost and subsequently shown at cost less impairment loss.

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, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the statements of income.

(ii) 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.

Note to the financial statements

For the year ended 31 December 2015

(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.

Note to the financial statements

For the year ended 31 December 2015

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.

Note to the financial statements

For the year ended 31 December 2015

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.

Note to the financial statements

For the year ended 31 December 2015

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

Revenue from rendering transponder services and services related to the satellite business, internet services, and other business related to the internet business and telephone services is recognised when the 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.

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

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

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

(t) Finance costs

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

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

(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.

Note to the financial statements

For the year ended 31 December 2015

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, joint ventures 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 conducted transactions with related parties in the ordinary course of business, the terms of which were negotiated on an arm's length basis and according to normal trade conditions.

Significant transactions for the years ended 31 December 2015 and 2014 with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
	<i>(in million Baht)</i>			
Sales of goods and services, including dividend received				
Subsidiaries				
Dividend received and others	-	-	309	203
Joint ventures				
Interest income and others	48	17	-	-
Associates				
Mobile content services	238	333	-	-
Computer services	189	112	-	-
Transponder lease	58	43	-	-
Call center and voice services	62	44	-	-
Sale income	59	11	-	-
Rental income and others	17	24	1	-
Dividend income	14,986	14,180	14,986	14,180
	15,609	14,747	14,987	14,180
Related parties				
Rental income	2	2	-	-

Note to the financial statements

For the year ended 31 December 2015

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
	(in million Baht)			
Purchase of goods and services, including dividend paid				
Subsidiaries				
Computer and other expenses	-	-	4	27
Joint ventures				
Rental and other expenses	6	1	-	-
Associates				
Rental and other expenses	39	40	2	2
Related parties				
Purchase assets	8	2	8	2
Rental and other expenses	10	11	-	-
	18	13	8	2
Directors				
Dividend paid	2	4	2	4
Major shareholders				
Dividend paid	6,178	5,858	6,178	5,858

Note to the financial statements

For the year ended 31 December 2015

Balances as at 31 December 2015 and 2014 with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	(in million Baht)			
Trade accounts and notes receivable				
Joint ventures	1	-	-	-
Associates	130	65	-	-
Related parties	61	56	-	-
Total	192	121	-	-
Less allowance for doubtful accounts	(60)	(55)	-	-
Net	132	66	-	-
Accrued income				
Associates	65	26	-	-
Amounts due from, advances and loans to related parties				
Subsidiaries	-	-	-	1
Joint ventures	209	300	-	-
Associates	-	1	-	1
	209	301	-	2
Other receivable				
Joint ventures	-	27	-	-
Current investment in debenture through private funds, managed by independent fund manager				
Subsidiaries	-	-	26	-
Associate	39	17	39	17
	39	17	65	17
Long-term loans to related parties				
Joint ventures	2,162	-	-	-

Note to the financial statements

For the year ended 31 December 2015

Movements of loan to related parties (included in amounts due from, advances and loans to related parties) during the years ended 31 December 2015 and 2014 were as follows:

	Separate financial statements	
	2015	2014
	<i>(in million Baht)</i>	
At 1 January	-	39
Repayments	-	(39)
At 31 December	-	-

Loan is an unsecured short-term loan to a 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.

	Consolidated financial statements	
	2015	2014
	<i>(in million Baht)</i>	
	<i>(Restated)</i>	
At 1 January	291	290
Repayments	(137)	-
Unrealised gain on currency translation	15	1
At 31 December	169	291

Loan in consolidated financial statements is a short-term loan to a joint venture, which is a call loan bearing interest rate at London Inter-Bank Offered Rate ("LIBOR") plus margin.

Movements of long-term loan to a related party during the years ended 31 December 2015 and 2014 were as follows:

	Consolidated financial statements	
	2015	2014
	<i>(in million Baht)</i>	
At 1 January	-	-
Additional	2,070	-
Unrealised gain on currency translation	92	-
Balance at 31 December	2,162	-

Long-term loan is a ten years loan to a joint venture bearing interest rates at LIBOR plus margin.

Note to the financial statements

For the year ended 31 December 2015

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(Restated)			
	(in million Baht)			
Trade accounts and notes payable				
Joint ventures	1	-	-	-
Associates	6	8	-	-
Related parties	2	3	-	-
Total	9	11	-	-
Amounts due to and loans from related parties				
Subsidiaries	-	-	-	10
Other payable				
Subsidiaries	-	-	-	1
Joint ventures	-	1	-	-
Associates	9	2	-	-
Total	9	3	-	1
Other non-current liabilities				
Associates	4	4	-	-

Management compensation

Directors' remuneration and key management personnel compensation for the years ended 31 December 2015 and 2014 comprised of:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(Restated)			
	(in million Baht)			
Short-term benefit				
Directors' remuneration	58	50	33	27
Key management compensation	136	142	61	65
Total management benefit expenses	194	192	94	92

Note to the financial statements

For the year ended 31 December 2015

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	(in million Baht)			
Long-term benefit				
Included in administrative expenses				
Current service costs	4	4	2	2
Share-based payment	12	10	9	6
Included in finance costs				
Interest on obligation	2	2	1	1
Total long-term management benefit expenses	18	16	12	9
Total	212	208	106	101

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 2015, 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 2015, the Company and associates had no commitment to pay the subsidiary for services in respect of the agreements as the agreement had matured (2014: nil as the agreement had matured).
2. A subsidiary entered into agreements with associates, under which the subsidiary committed to provide transponder service, advisory service and Thaicom 4 (IPSTAR) bandwidth service. As at 31 December 2015, associates committed to pay the subsidiary for the service of the agreements at Baht 25 million and approximately USD 3 million (2014: approximately USD 5 million).

Note to the financial statements

For the year ended 31 December 2015

6 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	(in million Baht)			
Cash on hand	7	2	-	-
Deposit at banks - current and saving accounts	2,631	1,922	175	305
Deposit at banks - fixed accounts and highly liquid short-term investments	983	1,530	-	-
Total	3,621	3,454	175	305

The weighted average effective interest rate of bank deposits, time deposits, and highly liquid short-term investments was 0.7 % per annum (2014: 0.9% per annum) in the consolidated financial statements and 0.3% per annum (2014: 1.7% per annum) in the separate financial statements.

7 Other investments

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	(in million Baht)			
<i>Current investments</i>				
Deposit at banks – fixed account	1,951	1,351	340	550
Debt securities available for sale	2,417	2,091	1,284	1,238
Equity security available for sale	36	936	-	-
	4,404	4,378	1,624	1,788
<i>Long-term investments</i>				
Investment in other company	48	40	48	40
Less impairment loss on investment	(25)	-	(25)	-
	23	40	23	40
Total	4,427	4,418	1,647	1,828

The weighted average effective interest rate of fixed deposit and bill of exchange was 1.7% per annum (2014: 2.5% per annum) in the consolidated financial statements and 1.7% per annum (2014: 2.6% per annum) in the separate financial statements.

The weighted average of the interest rate of current investments, for debt available-for-sale securities is 2.5% per annum (2014: 3.2 % per annum) in the consolidated financial statements and 2.5% per annum (2014: 3.0% per annum) in the separate financial statements.

Note to the financial statements

For the year ended 31 December 2015

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 THAICOM.

Movements of securities available for sale during the years ended 31 December 2015 and 2014 was as follows:

	Consolidated financial statements	
	2015	2014
	<i>(in million Baht)</i>	
At 1 January	936	700
Disposals during the year	(447)	-
Valuation adjustment of marketable securities	(456)	236
Unrealised gain on currency translation	3	-
At 31 December	36	936

8 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(Restated)</i>		<i>(in million Baht)</i>	
<i>Trade receivables</i>				
Trade and notes receivable	1,780	1,385	-	-
Accrued income	614	507	-	-
Less allowance for doubtful accounts	(233)	(226)	-	-
	2,161	1,666	-	-
<i>Other receivables</i>	471	415	11	18
Total	2,632	2,081	11	18

Note to the financial statements

For the year ended 31 December 2015

		Consolidated financial statements	
		2015	2014 (Restated)
		<i>(in million Baht)</i>	
		<i>Note</i>	
<i>Trade and notes receivable</i>			
Related parties	5	192	121
Other parties		1,588	1,264
Total		1,780	1,385
<i>Accrued income</i>			
Related parties	5	65	26
Other parties		549	481
Total		614	507
Total trade and notes receivable and accrued income		2,394	1,892
<i>Less allowance for doubtful accounts</i>		(233)	(226)
Net		2,161	1,666

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

	Consolidated financial statements	
	2015	2014
		(Restated)
	(in million Baht)	
Within credit terms	516	506
Overdue:		
Less than 3 months	643	477
3 - 6 months	350	164
6 - 12 months	77	54
Over 12 months	194	184
	1,780	1,385
Less allowance for doubtful accounts	(233)	(226)
Net	1,547	1,159

Note to the financial statements

For the year ended 31 December 2015

Other receivables as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
	<i>(in million Baht)</i>			
Prepaid expenses	118	142	3	5
Accrued interest income and other income	29	56	2	3
Advance payments	180	76	-	-
Deposits	45	30	-	2
Income tax receivable	35	15	-	2
Forward contract receivable	2	34	-	-
Others	62	62	6	6
Total	471	415	11	18

9 Inventories

	Consolidated financial statements	
	2015	2014 (Restated)
	<i>(in million Baht)</i>	
Raw materials	52	71
Work in process	4	11
Finished goods	217	262
Goods in transit	24	10
	297	354
<i>Less allowance for obsolete inventories</i>	(67)	(118)
Net	230	236

Note to the financial statements

For the year ended 31 December 2015

10 Non-current assets held for abandonment and discontinued operations

The Company reclassified assets, liabilities and the operating result of MB to assets held for discontinued operations in the consolidated financial statements. Assets and liabilities of MB as at 31 December 2015 and 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 flows as follows:

Consolidated financial statements	
	2015 2014
	<i>(in million Baht)</i>
The financial position of discontinued operations	
Assets	
Cash and cash equivalents	36 42
Trade and other receivables	6 190
Building and equipment	- 8
Other non-current assets	12 3
Less impairment loss	- (8)
Non-current assets held for discontinued operations	54 235
Liabilities and equity	
Trade and other payables	- 233
Liabilities of non-current assets held for discontinued operations	- 233

Consolidated financial statements	
	2015 2014
	<i>(in million Baht)</i>
For the year ended 31 December	
Operation result of discontinued operations	
Revenue	42 549
Expenditure	(41) (606)
Profit (loss) for the year of discontinued operations	1 (57)
Income tax	- (7)
Profit (loss) for the year of discontinued operations (net of tax)	1 (64)
Impact from operation loss of MB to earning per share of the Company	
Basic and diluted loss per share (Baht per share)	- (0.02)

Note to the financial statements

For the year ended 31 December 2015

For the year ended 31 December**Consolidated financial
statements**

2015 2014

*(in million Baht)***Cash flow from (used in) discontinued operations**

Net cash flow used in operating activities

(60) (67)

Net cash flow from investing activities

4 1

Net cash flow from financing activities

50 -

Net cash flow used in discontinued operations**(6) (66)**

Cash and cash equivalents at beginning of year

42 108

Cash and cash equivalents at end of year

36 42**11 Investments in subsidiaries, Joint ventures and associates**

Consolidated financial statements		Separate financial statements	
2015	2014	2015	2014
(Restated)			
<i>(in million Baht)</i>			

Investment in subsidiaries

At 1 January

- - 3,647 3,697

Increase of share capital

- - 305 22

Impairment loss on investment

- - - (72)

At 31 December**- - 3,952 3,647*****Investment in joint ventures***

At 1 January – as reported

- - - -

Adjustment

1,083 909 - -

At 1 January – as restated

1,083 909 - -

Acquisitions

255 - - -

Share of profits of joint ventures

169 154 - -

Share of other comprehensive income

(158) - - -

Unrealised gain on dilution from investment

91 20 - -

At 31 December**1,440 1,083 - -**

Note to the financial statements

For the year ended 31 December 2015

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	(in million Baht)			
<i>Investment in associates</i>				
At 1 January - as reported	20,076	19,762	8,474	8,474
Adjustment	(234)	(306)	-	-
At 1 January - as restated	19,842	19,456	8,474	8,474
Acquisitions	98	-	98	-
Share of profits of associates	15,833	14,522	-	-
Dividend received	(14,986)	(14,180)	-	-
Share of other comprehensive income	(208)	1	-	-
Unrealised gain on dilution from investment	13	43	-	-
Impairment loss	(2)	-	(5)	-
At 31 December	20,590	19,842	8,567	8,474

Note to the financial statements

For the year ended 31 December 2015

Investments in subsidiaries, joint ventures and associates as at 31 December 2015 and 2014 and dividend for the years then ended were as follows:

Consolidated financial statements

	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(%)		(in million)		(in million Baht)		(in million Baht)			
Joint ventures										
SHEN	51.00	51.00	15	15	138	138	1,210	1,083	-	-
High	51.00	-	500	-	255	-	230	-	-	-
Total					393	138	1,440	1,083	-	-

Note to the financial statements

For the year ended 31 December 2015

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the year ended	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(%)		(in million)								(in million Baht)	
Subsidiaries												
THAICOM	41.14	41.14	5,480	5,480	3,613	3,613	-	-	3,613	3,613	293	203
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	15	-
MB	99.99	99.96	59	9	122	72	(72)	(72)	50	-	-	-
Intouch Media	99.99	99.99	279	24	279	24	-	-	279	24	-	-
					7,321	7,016	(3,369)	(3,369)	3,952	3,647	308	203
Associates												
AIS	40.45	40.45	2,973	2,973	8,382	8,382	-	-	8,382	8,382	14,986	14,180
OOKBEE	22.26	22.26	2	2	58	58	-	-	58	58	-	-
Meditech	24.00	24.00	2	2	5	5	(5)	-	-	5	-	-
Computerlogy	25.01	25.01	1	1	29	29	-	-	29	29	-	-
Sinoze	16.67	-	4	-	22	-	-	-	22	-	-	-
Playbasis	15.36	-	3	-	52	-	-	-	52	-	-	-
Golfidigg	25.00	-	1	-	24	-	-	-	24	-	-	-
					8,572	8,474	(5)	-	8,567	8,474	14,986	14,180
Total					15,893	15,490	(3,374)	(3,369)	12,519	12,121	15,294	14,383

Note to the financial statements

For the year ended 31 December 2015

Significant movements in investments of INTOUCH Group during the year ended 31 December 2015 were as follows:

a) Additional investment in MB

On 16 February 2015, the Company paid the additional 4.998 million shares of MB, at par value of Baht 10, amounting to Baht 49.98 million. The investment portion of the Company is 99.99%. MB registered its increase in share capital with the Ministry of Commerce on 17 February 2015.

b) Investment in Intouch Media

On 24 April 2015 and 26 November 2015, the Company invested in an additional 25.5 million ordinary shares at par value of Baht 10, amounting to Baht 255 million. The investment portion of the Company is 99.99%. Intouch Media had registered its increase in share capital with the Ministry of Commerce.

c) Investments in Venture Capital project of the Company

Date of investment	Company		Investment		Ownership interest
			Number of share	Amount	
				(in thousand Baht)	
			(Share)		(%)
27 March 2015	Sinoze Company Limited	("Sinoze")	6,001	22,500	16.67
22 June 2015	Playbasis Pte. Limited	("Playbasis")	31,799	52,159	15.36
30 September 2015	Golfdigg Co., Ltd.	("Golfdigg")	33,334	23,834	25.00
Total				98,493	

The Company recognized investments in Venture Capital as the investments in associates.

d) Entering into an investment with Hyundai Home Shopping Network Corporation by a subsidiary

On 2 April 2015, Intouch Media, a subsidiary of the Company, entered into shareholders agreement with Hyundai Home Shopping Network Corporation for the establishment of a new joint venture company in Thailand, namely "High Shopping Company Limited" (High) which will operate a home shopping business in Thailand. Intouch Media's investment is Baht 255 million, equivalent to 51% of the registered capital.

e) The establishment of a subsidiary under High Shopping, an indirect joint venture of the Company

On 31 July 2015, High Shopping, a joint venture of Intouch Media, established "High Shopping TV Co., Ltd." with registered capital of Baht 10 million divided into one million shares with a par value of Baht 10 each. This business is home shopping through various media, including the High Shopping TV channel. The company was registered with the Ministry of Commerce on 5 August 2015, and High Shopping has an investment portion of 100%.

Note to the financial statements

For the year ended 31 December 2015

f) The impairment loss on investments

MB

In 2014, MB planned to close down its operation regarding to the continued operation loss. INTOUCH had recorded the impairment loss on investment in MB of Baht 72 million and a provision for loss of Baht 26 million in the separate financial statements for the year ended 31 December 2014 (note 10). However, at the end of 2015, a provision for loss of Baht 26 million was reversed as the recoverable amount was higher than what the Company had expected.

Meditech

As at 31 December 2015, the Company recognised an impairment loss on investment in Meditech of Baht 2 million and Baht 5 million in the consolidated and separate financial statements, respectively.

12 Financial summary of key joint arrangement and associate

Investment in joint arrangement – joint ventures

SHEN

SHEN is a joint venture between THAICOM and Asia Mobile Holding Pte Limited (“AMH”). As at 31 December 2015 and 2014, the interest in SHEN of THAICOM and AMH is 51% and 49%, respectively.

High Shopping

High Shopping is a joint venture between Intouch Media and Hyundai Home Shopping. As at 31 December 2015, the interest in High Shopping of Intouch Media and Hyundai Home Shopping is 51% and 49%, respectively.

Note to the financial statements

For the year ended 31 December 2015

The following table summarises the financial information of the joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies for the years ended 31 December 2015 and 2014.

	SHEN		High Shopping	
	2015	2014	2015	2014
	(Restated)			
	<i>(in million Baht)</i>			
Current assets	33	157	366	-
Non-current assets	7,007	2,607	176	-
Current liabilities	(77)	(68)	(91)	-
Non-current liabilities	(4,590)	(573)	-	-
Net assets	2,373	2,123	451	-
Revenue	674	414	1	-
Profit (loss) from continuing operations	380	302	(49)	-
Post-tax profit (loss) from discontinued operation	-	-	-	-
Other comprehensive income	(131)	38	-	-
Comprehensive income	249	340	(49)	-

The joint ventures of INTOUCH Group's is non-public listed companies, consequently they do not have published price quotations.

The following table reconciles the summarised financial information to the carrying amount of the Group's interest in these joint ventures for the years ended 31 December 2015 and 2014.

	SHEN		High Shopping	
	2015	2014	2015	2014
	(Restated)			
	<i>(in million Baht)</i>			
Group's interest in net assets of investee at 1 January	1,083	909	-	-
Acquisitions	-	-	255	-
Share of profits (loss) attributable to the Group	193	154	(25)	-
Share of other comprehensive income attributable to the Company	(66)	20	-	-
Group's interest in net assets of investee at 31 December	1,210	1,083	230	-
Carrying amount of interest in investee				
At 31 December	1,210	1,083	230	-

Note to the financial statements

For the year ended 31 December 2015

Investments in associates

The following table summarises the financial information of the associates, adjusted for fair value adjustments at acquisition and differences in accounting policies for the years ended 31 December 2015 and 2014.

		Statements of financial position				Market value		Statements of income		
		Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets		Revenue	Net profit (loss)	Comprehensive income (expense)
(in million Baht)										
AIS										
	2015	38,007	143,754	(57,533)	(75,735)	48,493	451,910	155,276	39,155	38,640
	2014	37,959	88,392	(42,906)	(36,580)	46,865	746,247	149,329	36,003	36,006
OOKBEE										
	2015	127	33	(71)	-	89	-	98	(66)	(66)
	2014	159	24	(24)	-	159	-	66	(58)	(58)
Meditech										
	2015	3	2	-	-	5	-	-	(4)	(4)
	2014	7	2	-	-	9	-	-	(4)	(4)
Computerlogy										
	2015	8	4	(2)	-	10	-	22	(11)	(11)
	2014	23	3	(4)	-	22	-	13	(7)	(7)
Sinoze										
	2015*	7	14	-	-	21	-	7	(3)	(3)
Playbasis										
	2015*	48	8	(1)	-	55	-	3	(8)	(8)
Golfdigg										
	2015*	21	-	(3)	-	18	-	2	(2)	(2)

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

Except the investment in AIS, which is a listed company in the SET, INTOUCH Group did not have any other associate companies that were listed companies.

Note to the financial statements

For the year ended 31 December 2015

13 Property, plant and equipment**Consolidated financial Statements**

	Land, buildings & improvements	Furniture, fixtures & equipment	Vehicles & vehicles under finance leases	Computers & equipment	Assets under construction	Total
	<i>(in million Baht)</i>					
As at 1 January 2014						
Cost	596	6,137	173	330	976	8,212
<i>Less</i> Accumulated depreciation	(331)	(4,219)	(105)	(275)	-	(4,930)
<i>Less</i> Allowance for impairment	-	(21)	-	-	-	(21)
Net book value – as reported	265	1,897	68	55	976	3,261
Adjustment – note 3	3	(770)	1	70	(142)	(838)
Net book value – as restated	268	1,127	69	125	834	2,423
Transactions during the year ended 31 December 2014						
Purchases	59	2,994	26	53	3,301	6,433
Transfer- net	95	100	-	2	(34)	163
Disposals- net	(2)	(1)	(5)	-	-	(8)
Acquisition of a subsidiary	11	1	-	-	-	12
Write-off- net	(1)	(18)	-	(1)	-	(20)
Depreciation charge	(54)	(357)	(25)	(60)	-	(496)
Loss from impairment	-	(36)	-	-	-	(36)
Loss from impairment - discontinued operation	(5)	-	-	(2)	-	(7)
Foreign currency translations adjustment	(6)	(10)	-	-	-	(16)
Closing net book value	365	3,800	65	117	4,101	8,448
As at 31 December 2014						
Cost	691	7,133	152	693	4,101	12,770
<i>Less</i> Accumulated depreciation	(326)	(3,290)	(87)	(576)	-	(4,279)
<i>Less</i> Allowance for impairment	-	(43)	-	-	-	(43)
Net book value	365	3,800	65	117	4,101	8,448

Note to the financial statements

For the year ended 31 December 2015

Consolidated financial Statements

	Land, buildings & improvements	Furniture, fixtures & equipment	Vehicles & vehicles under finance leases	Computers & equipment	Assets under construction	Total
	<i>(in million Baht)</i>					
As at 1 January 2015						
Cost	607	9,056	188	258	4,213	14,322
<i>Less</i> Accumulated depreciation	(368)	(4,394)	(107)	(207)	-	(5,076)
<i>Less</i> Allowance for impairment	-	(58)	-	-	-	(58)
Net book value – as reported	239	4,604	81	51	4,213	9,188
Adjustment – note 3	126	(804)	(16)	66	(112)	(740)
Net book value – as restated	365	3,800	65	117	4,101	8,448
Transactions during the year ended 31 December 2015						
Purchases	34	279	39	62	933	1,347
Transfer- net	24	27	-	2	(71)	(18)
Disposals- net	-	(2)	(3)	-	-	(5)
Write-off- net	(3)	(26)	-	-	-	(29)
Depreciation charge	(57)	(513)	(23)	(57)	-	(650)
Reversal of loss from impairment	-	43	-	-	-	43
Foreign currency translations adjustment	(2)	12	-	-	-	10
Closing net book value	361	3,620	78	124	4,963	9,146
As at 31 December 2015						
Cost	719	7,220	176	697	4,963	13,775
<i>Less</i> Accumulated depreciation	(358)	(3,600)	(98)	(573)	-	(4,629)
<i>Less</i> Allowance for impairment	-	-	-	-	-	-
Net book value	361	3,620	78	124	4,963	9,146

Borrowing costs to finance the construction of a project in process for the year ended 31 December 2015 amounting to Baht 134 million (2014: Baht 36 million) are capitalised as part of asset acquisition during the year.

As at 31 December 2015, land, property and equipment included a project in progress of Baht 4,926 million (2014: 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.

Note to the financial statements

For the year ended 31 December 2015

	Separate financial statements					Total
	Buildings & improvements	Furniture, fixtures & equipment	Vehicles & finance leases	Computers & equipment	Assets under construction	
	<i>(in million Baht)</i>					
As at 1 January 2014						
Cost	18	30	46	48	-	142
Less Accumulated depreciation	(16)	(25)	(20)	(40)	-	(101)
Net book value	2	5	26	8	-	41
Transactions during the year ended 31 December 2014						
Purchases	2	1	8	3	16	30
Depreciation charge	(1)	(2)	(8)	(4)	-	(15)
Closing net book value	3	4	26	7	16	56
As at 31 December 2014						
Cost	20	31	47	46	16	160
Less Accumulated depreciation	(17)	(27)	(21)	(39)	-	(104)
Net book value	3	4	26	7	16	56
Transactions during the year ended 31 December 2015						
Purchases	10	10	10	3	-	33
Transfer- net	16	-	-	-	(16)	-
Write-off- net	(3)	(2)	(1)	-	-	(6)
Depreciation charge	(5)	(2)	(9)	(4)	-	(20)
Closing net book value	21	10	26	6	-	63
As at 31 December 2015						
Cost	26	26	53	34	-	139
Less Accumulated depreciation	(5)	(16)	(27)	(28)	-	(76)
Net book value	21	10	26	6	-	63

Note to the financial statements

For the year ended 31 December 2015

14 Intangible assets under operating agreements

**Consolidated
financial statements**
(in million Baht)

At 1 January 2014

Cost	26,060
<i>Less</i> Accumulated amortisation	(11,018)
Net book value – as reported	15,042
Adjustment	–
Net book value – as restated	15,042

Transactions during the year ended 31 December 2014

Transfer- net	172
Amortisation charge	(1,965)
Closing net book value	13,249

At 31 December 2014

Cost	26,422
<i>Less</i> Accumulated amortisation	(13,173)
Net book value	13,249

Transactions during the year ended 31 December 2015

Transfer- net	1
Amortisation charge	(2,023)
Closing net book value	11,227

At 31 December 2015

Cost	26,423
<i>Less</i> Accumulated amortisation	(15,196)
Net book value	11,227

Note to the financial statements

For the year ended 31 December 2015

15 Other intangible assets

	Consolidated financial statements		
	Goodwill	Others	Total
	<i>(in million Baht)</i>		
At 1 January 2014			
Cost	1,247	2,554	3,801
Less Accumulated amortisation	-	(1,725)	(1,725)
Less Allowance for impairment	(1,105)	-	(1,105)
Net book value – as reported	142	829	971
Adjustment – note 3	366	149	515
Net book value – as restated	508	978	1,486
Transactions during the year ended 31 December 2014			
Purchases	-	75	75
Transfer- net	-	(55)	(55)
Disposals- net	-	(7)	(7)
Acquisition of a subsidiary	100	52	152
Amortisation charge	-	(143)	(143)
Loss from impairment	(369)	(7)	(376)
Closing net book value	239	893	1,132
At 31 December 2014			
Cost	1,713	2,819	4,532
Less Accumulated amortisation	-	(1,919)	(1,919)
Less Allowance for impairment	(1,474)	(7)	(1,481)
Net book value	239	893	1,132
Transactions during the year ended 31 December 2015			
Purchases	-	26	26
Write-off- net	-	(5)	(5)
Amortisation charge	-	(170)	(170)
Loss from impairment	-	(2)	(2)
Foreign currency translations adjustment	(10)	4	(6)
Closing net book value	229	746	975
At 31 December 2015			
Cost	1,703	2,850	4,553
Less Accumulated amortisation	-	(2,095)	(2,095)
Less Allowance for impairment	(1,474)	(9)	(1,483)
Net book value	229	746	975

The other intangible assets mainly were the development of Thaicom 4 (IPSTAR) technology.

Note to the financial statements

For the year ended 31 December 2015

	Separate financial statements (in million Baht)
At 1 January 2014	
Cost	64
Less Accumulated amortisation	(59)
Net book value	5
Transactions during the year ended 31 December 2014	
Purchases	2
Amortisation charge	(1)
Closing net book value	6
At 31 December 2014	
Cost	66
Less Accumulated amortisation	(60)
Net book value	6
Transactions during the year ended 31 December 2015	
Purchases	1
Amortisation charge	(2)
Closing net book value	5
At 31 December 2015	
Cost	67
Less Accumulated amortisation	(62)
Net book value	5

Note to the financial statements

For the year ended 31 December 2015

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	
	2015	2014 (Restated)
	<i>(in million Baht)</i>	
Deferred tax assets	243	251
Deferred tax liabilities	-	-
Total	243	251

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 at Baht 1,517 million (2014: Baht 1,344 million) in the consolidated financial statements and Baht 1,250 million (2014: 1,122 million) in the separate financial statements.

Deferred tax assets

Deferred tax assets							
Balance brought forward – as reported	262	5	13	42	137	69	513
Adjustment – note 3	9	4	(1)	-	(21)	1	(6)
Balance brought forward – as restated	271	9	12	42	116	70	507
Impact to statement of income – continued operation	(242)	1	(3)	1	(56)	6	(243)
Impact to statement of income – discontinued operation	-	-	-	-	-	(7)	(7)
Foreign currency translation differences	-	-	-	-	(8)	-	(6)
Balance carried forward	29	10	9	43	52	69	251

Note to the financial statements

For the year ended 31 December 2015

Consolidated financial statement
For the year ended 31 December 2015

(in million Baht)

	Loss carry forward	Allowance for doubtful accounts	Allowance for obsolescence	Deposits	Advance receipt from customer	Employee benefits	Others	Total
Deferred tax assets								
Balance brought forward – as reported	24	6	11	43	70	70	33	257
Adjustment - note 3	5	4	(2)	-	(18)	(1)	6	(6)
Balance brought forward – as restated	29	10	9	43	52	69	39	251
Impact to statement of income								
continued operation	5	-	-	-	(45)	10	20	(10)
Foreign currency translation differences								
impact to other comprehensive income	(2)	-	-	-	(3)	4	3	2
Balance carried forward	32	10	9	43	4	83	62	243

Note to the financial statements

For the year ended 31 December 2015

17 Interest bearing liabilities

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	(in million Baht)			
<i>Current liabilities</i>				
Short-term borrowings	1,651	871	-	-
Current portion of long-term borrowings	60	626	-	-
Current portion of finance lease liabilities	9	14	-	1
	1,720	1,511	-	1
<i>Non-current liabilities</i>				
Long-term borrowings	5,442	5,021	-	-
Debenture	4,519	4,544	-	-
Finance lease liabilities	43	25	-	-
	10,004	9,590	-	-
Total	11,724	11,101	-	1

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

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	(in million Baht)			
At 1 January – as reported	10,657	8,374	1	1
Adjustment - note 3	444	34	-	-
At 1 January – as restated	11,101	8,408	1	1
Additions	5,120	8,376	-	-
Repayments	(4,621)	(5,687)	(1)	-
Amortisation of finance cost	1	2	-	-
Foreign currency translation adjustment	123	2	-	-
At 31 December	11,724	11,101	-	1

Note to the financial statements

For the year ended 31 December 2015

Debenture

The current portion of long-term debenture and long-term debenture are from THAICOM. As at 31 December 2015 and 2014, there are two tranches value of Baht 2,275 million each. The debenture is registered, unsecured and unsubordinated as detailed below:

Tranche	Date of issue	Unit	Amount	Interest rate p.a.	Interest due	Principal due	Outstanding as at 31 December	
			(in million)				2015	2014
		(in million)	Baht				(in million Baht)	
1	29 Sep 14	2.275	2,275	4.28%	Semi annually	Entire redeemable on 2 October 2019	2,275	2,275
2	29 Sep 14	2.275	2,275	4.68%	Semi annually	Entire redeemable on 2 October 2021	2,275	2,275
Total debenture							4,550	4,550
Less Debenture issuing cost							(5)	(6)
Net							4,545	4,544

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		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	(in million Baht)			
Total borrowings:				
at fixed rates	4,571	4,582	-	1
at floating rates	7,153	6,519	-	-
	11,724	11,101	-	1

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	(%)			
Weighted average interest rate				
Long-term borrowings	2.47	2.73	-	-
Debenture	4.48	4.48	-	-
Finance lease liabilities	4.50	3.90	-	4.50

Note to the financial statements

For the year ended 31 December 2015

Maturity of borrowings as at 31 December 2015 is as follows:

	Consolidated financial statements		Separate financial statements	
		Financial lease		Financial lease
Maturity	Loan	liabilities	Loan	liabilities
	(in million Baht)			
2016	1,711	9	-	-
2017	797	8	-	-
2018 and after	9,164	35	-	-
Total	11,672	52	-	-

Borrowing facilities

As of 31 December 2015, INTOUCH Group has unutilised loan facilities made available by various financial institutions in an aggregate amount of Baht 5,617 million and USD 91 million (2014: Baht 3,100 million and USD 192 million) on the consolidated financial statements and Baht 510 million (2014: Baht 10 million) on the separate financial statements.

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

On 20 October 2015, THAICOM entered into long-term loan with a local bank for the purpose of the Thaicom 8 project and refinance for Thaicom 6 at USD 105 million and USD 103 million, respectively (refinancing was effective on 1 October 2015). The term of the loan is 10 years with the floating interest rate based on LIBOR. In addition, THAICOM must comply with the conditions in the loan agreement in respect of maintaining certain financial ratios.

18 Trade and other payables

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(Restated)</i>			
		<i>(in million Baht)</i>			
Trade payables					
Related parties	5	9	11	-	-
Other parties		510	393	-	-
Total		519	404	-	-
Other payables		1,733	1,700	114	122
Total		2,252	2,104	114	122

Note to the financial statements

For the year ended 31 December 2015

Other payables as at 31 December 2015 and 2014 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	<i>(in million Baht)</i>			
Accrued expenses	780	626	98	99
Deferred income and advance receipts	734	783	-	-
Other payables	68	94	16	23
Tax payable	82	95	-	-
Forward contract payable	5	-	-	-
Deposit from customers	21	25	-	-
Provision for warranty	2	1	-	-
Others	41	76	-	-
Total	1,733	1,700	114	122

19 Employee benefit obligations

Obligations as at 31 December 2015 and 2014 in the statements of financial position were determined as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	<i>(in million Baht)</i>			
Present value of unfunded obligations	484	408	66	58

Note to the financial statements

For the year ended 31 December 2015

Movement in the present value of the defined benefit obligations for the years ended 31 December 2015 and 2014 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	<i>(in million Baht)</i>			
At 1 January – as reported	438	431	58	52
Adjustment	(30)	(27)	-	-
At 1 January – as restated	408	404	58	52
Benefits paid by the plan	(7)	(18)	-	-
Transferred to liabilities of non-current assets held for discontinued operations	-	(32)	-	-
<i>Recognised in profit or loss:</i>				
Past & current service costs of employee and interest on obligation	50	50	6	6
Forfeited	-	4	-	-
<i>Recognised in other comprehensive income:</i>				
Actuarial losses recognised during the year	31	-	-	-
Transferred to employee benefit obligations	2	-	2	-
At 31 December	484	408	66	58

Expense recognised in profit or loss for the years ended 31 December 2015 and 2014 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	<i>(in million Baht)</i>			
Past & current service costs of employee	34	35	4	4
Interest on obligation	16	15	2	2
Total	50	50	6	6

Note to the financial statements

For the year ended 31 December 2015

Actuarial (gains) or losses recognised in other comprehensive income for the years ended 31 December 2015 and 2014 arising from:

	Consolidated financial statement		Separate financial statement	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Experience adjustment	46	-	8	-
Demographic assumptions	(38)	-	(10)	-
Financial assumptions	23	-	2	-
Total	31	-	-	-

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

	Consolidated financial statements		Separate financial statements	
	31 December		31 December	
	2015	2014	2015	2014
	<i>(Restated)</i>			
	<i>(%)</i>			
Estimate of discount rate (average)	3.5	3.7 - 3.9	3.5	3.7
Estimate of future salary increases (average)	7.0 - 8.0	7.5 - 8.0	7.8	7.5

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 22 years.

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation to increase (decrease) as at 31 December 2015 by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in million Baht)</i>			
Discount rate (average) at 1% change	(56)	67	(5)	6
Future salary growth (average) at 1% change	63	(54)	5	(5)

Note to the financial statements

For the year ended 31 December 2015

20 Share capital and premium

Movements in share capital are as follows:

	Issued and fully paid-up shares				
	Authorised	Number of shares	Ordinary shares	Share premium	Total
	number of shares <i>(in million shares)</i>				
At 31 December 2014	5,000	3,206	3,206	10,342	13,548
At 31 December 2015	5,000	3,206	3,206	10,342	13,548

21 Additional paid-in capital and reserves***Share premium***

Section 51 of the Public Listed 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 Listed 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.

Note to the financial statements

For the year ended 31 December 2015

23 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations for the years ended 31 December 2015 and 2014:

As at 31 December 2015

	THAICOM	ITV	Consolidated
	Group	Group	financial statement
	<i>(in million Baht)</i>		
Non-controlling interest percentage	58.86	47.08	
Financial position			
Current assets	8,005	1,200	
Non-current assets	25,587	-	
Current liabilities	(4,380)	(6,768)	
Non-current liabilities	(11,101)	(2)	
Net assets	18,111	(5,570)	
Carrying amount of non- controlling interest	10,842	(985)	9,857

For the year ended 31 December 2015

	THAICOM	ITV	Consolidated
	Group	Group	financial statement
	<i>(in million Baht)</i>		
Operating result			
Revenue	12,943	45	
Net profit (loss)	2,304	(411)	
Other comprehensive income	(636)	(2)	
Total comprehensive income	1,668	(413)	
Profit (loss) allocated to non- controlling interest	1,431	(193)	1,238
Other comprehensive income allocated to non-controlling interest	1,050	(194)	856

Note to the financial statements

For the year ended 31 December 2015

For the year ended 31 December 2015

	THAICOM Group	ITV Group
	<i>(in million Baht)</i>	
Cash flows		
Cash flows from (used in)		
operating activities	4,729	28
investing activities	(3,378)	(31)
financing activities	(716)	-
Net increase (decrease) in cash and cash equivalents	635	(3)
Opening cash and cash equivalents		
at beginning of year	2,769	18
Effects of exchange rate changes on balances held in foreign currencies	(3)	-
Cash and cash equivalents at end of year	3,401	15

As at 31 December 2014 – as restated

	THAICOM Group	ITV Group	Consolidated financial statement
	<i>(in million Baht)</i>		
Non-controlling interest percentage	58.86	47.08	
Financial position			
Current assets	7,072	1,175	
Non-current assets	24,816	-	
Current liabilities	(3,986)	(6,333)	
Non-current liabilities	(10,617)	-	
Net assets	17,285	(5,158)	
Carrying amount of non-controlling interest	10,344	(791)	9,553

Note to the financial statements

For the year ended 31 December 2015

For the year ended 31 December 2014 – as restated

	THAICOM Group	ITV Group	Consolidated Financial statement
	<i>(in million Baht)</i>		
Operating result			
Revenue	12,310	43	
Net profit (loss)	1,514	(418)	
Other comprehensive income	230	5	
Total comprehensive income	1,744	(413)	
Profit (loss) allocated to non-controlling interest	855	(197)	658
Other comprehensive income allocated to non-controlling interest	993	(195)	798

For the year ended 31 December 2014 – as
restated

	THAICOM Group	ITV Group
	<i>(in million Baht)</i>	
Cash flows		
Cash flows from (used in)		
operating activities	4,831	(28)
investing activities	(5,912)	33
financing activities	1,568	-
Net increase (decrease) in cash and cash equivalents	487	5
Opening cash and cash equivalents		
at beginning of year	2,278	13
Effects from acquisition of a subsidiary	2	-
Effects of exchange rate changes on balances held in foreign currencies	2	-
Cash and cash equivalents at end of year	2,769	18

Note to the financial statements

For the year ended 31 December 2015

Reconciliation of other reserves – share-based payment for the years ended 31 December 2015 and 2014 is as below:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
At 1 January	19	5	10	3
Expense recognised in the statement of income	19	14	11	7
At 31 December	38	19	21	10

25 Other comprehensive income

The component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	Consolidated financial statements			
	2015		2014	
	(in million Baht)			
Items that are or may be reclassified to profit or loss				
Foreign currency translation differences		335		(3)
Change in fair value of available-for-sale investments				
Profit (loss) during the year	(401)		290	
Less reclassification of profit recognised in the statements of income	(390)	(791)	(45)	245
Share of other comprehensive income of associates		(3)		1
Tax related to the component of other comprehensive income		(2)		-
		(461)		243
Items that will never be reclassified to profit or loss				
Defined benefit plan actuarial losses	(31)	(31)	-	-
Share of other comprehensive income of associates		(450)		-
Tax related to the component of other comprehensive income		95		-
		(386)		-
Total other comprehensive income for the year, net of income tax		(847)		243

Note to the financial statements

For the year ended 31 December 2015

Separate finance statements				
	2015		2014	
	(in million Baht)			
<i>Items that are or may be reclassified to profit or loss</i>				
Change in fair value of				
available-for-sale investments				
Profit during the year	46		48	
Less reclassification of profit				
recognised in the statements of income	(43)	3	(44)	4
Tax related to the component of other				
comprehensive income		-		-
		3		4
<i>Items that will never be reclassified to profit or loss</i>				
Defined benefit plan actuarial losses	-	-	-	-
Tax related to the component of other				
comprehensive income		-		-
		-		-
Total other comprehensive income				
for the year, net of income tax		3		4

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

	Consolidated financial statements					
	2015			2014		
	Tax			Tax		
	Amount	income		Amount	income	
	before tax	(expense)	Net of tax	before tax	(expense)	Net of tax
	(in million Baht)					
Foreign currency translation						
differences	335	-	335	(3)	-	(3)
Change in fair value of						
available-for-sale						
investments	(791)	(2)	(793)	245	-	245
Share of other						
comprehensive						
income of associates	(3)	-	(3)	1	-	1
Defined benefit plan						
actuarial losses	(481)	95	(386)	-	-	-
Total other						
comprehensive income	(940)	93	(847)	243	-	243

Note to the financial statements

For the year ended 31 December 2015

Separate financial statements

	2015			2014		
	Amount	Tax	Net of tax	Amount	Tax	Net of tax
	before tax	income (expense)		before tax	income (expense)	
<i>(in million Baht)</i>						
Change in fair value of available-for-sale investments	3	-	3	4	-	4
Defined benefit plan actuarial losses	-	-	-	-	-	-
Total other comprehensive income	3	-	3	4	-	4

26 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 international businesses	Transponder rental and related services, uplink and downlink services, sale and service related to media, internet and provide telecommunication services in Lao PDR
Corporate	Corporate relating to development and synergies that exist within the business, setting financial and performance targets for operating companies and assisting operating companies in obtaining financing on the most attractive terms possible.
Other businesses	Television broadcasting (<i>ceased its operation due to the revocation of the Operating Agreement in March 2007</i>), the provision of advertising services to the Group and third parties, information technology businesses, and businesses under Venture Capital project of the Company.

INTOUCH Group presented geographical segments based on customers' locations in which the Group provided the services to. The primarily geographical segments are presented as follows:

Country	Principal areas of operation
Thailand	Local wireless telecommunications, satellite business services and business relating to satellite, internet services, media and advertising, and other activities.
Singapore	Investment in international telecommunications.
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.

Note to the financial statements

For the year ended 31 December 2015

Financial information by business segment

**Consolidated financial statement – as restated
for the year ended 31 December 2014**

	Local wireless telecommu- nications business	Satellite & inter- national businesses	Corporate business	Other businesses	Consolidation eliminations	INTOUCH Group
	<i>(in million Baht)</i>					
Revenue	-	11,893	-	150	(22)	12,021
Dividend income	-	-	14,383	-	(14,383)	-
Construction revenue under operating agreements	-	172	-	-	-	172
Share of profits of joint ventures	-	154	-	-	-	154
Share of profits of associates	14,538	-	-	(16)	-	14,522
Cost of sales and services	-	(7,041)	-	(105)	1	(7,145)
Construction costs under operating agreements	-	(172)	-	-	-	(172)
Selling and administrative expenses	-	(2,862)	(508)	(473)	307	(3,536)
Profit (loss) from operating activities	14,538	2,144	13,875	(444)	(14,097)	16,016
Net foreign exchange gain	-	71	-	-	-	71
Other income	-	181	76	42	(6)	293
Profit (loss) before finance costs and income tax	14,538	2,396	13,951	(402)	(14,103)	16,380
Finance costs	-	(384)	(3)	(1)	-	(388)
Income tax	-	(498)	-	(10)	-	(508)
Profit (loss) from continued operations	14,538	1,514	13,948	(413)	(14,103)	15,484
Loss from discontinued operations – net of tax	-	-	-	(65)	-	(65)
(Profit) loss from non-controlling interest	-	(855)	-	197	-	(658)
Net profit (loss) for the year of owners of the Company	14,538	659	13,948	(281)	(14,103)	14,761
Other information						
Segment assets	-	30,884	14,342	1,590	(12,131)	34,685
Investments in equity method	19,732	1,082	-	111	-	20,925
Total consolidated assets	19,732	31,966	14,342	1,701	(12,131)	55,610
Segment liabilities	-	3,500	190	6,626	(38)	10,278
Borrowings	-	11,101	1	-	-	11,102
Total consolidated liabilities	-	14,601	191	6,626	(38)	21,380
Interest income	-	73	69	43	-	185
Interest expense	-	357	2	-	-	359
Depreciation	-	479	15	2	-	496
Amortisation	-	2,105	1	2	-	2,108
Depreciation and amortisation	-	2,584	16	4	-	2,604

Note to the financial statements

For the year ended 31 December 2015

Consolidated financial statement
for the year ended 31 December 2015

	Local wireless telecommu- nications business	Satellite & inter- national businesses	Corporate business	Other businesses	Consolidation eliminations	INTOUCH Group
<i>(in million Baht)</i>						
Revenue	-	12,453	-	227	(15)	12,665
Dividend income	-	-	15,294	-	(15,294)	-
Construction revenue under operating agreements	-	1	-	-	-	1
Share of profits of joint ventures	-	194	-	(25)	-	169
Share of profits of associates	15,854	-	-	(21)	-	15,833
Cost of sales and services	-	(7,354)	-	(188)	1	(7,541)
Construction costs under operating agreements	-	(1)	-	-	-	(1)
Selling and administrative expenses	-	(2,117)	(438)	(468)	13	(3,010)
Profit (loss) from operating activities	15,854	3,176	14,856	(475)	(15,295)	18,116
Net foreign exchange loss	-	(595)	-	-	-	(595)
Impairment loss on investment - net	-	-	(4)	-	(23)	(27)
Other income	-	489	64	47	-	600
Profit (loss) before finance costs and income tax	15,854	3,070	14,916	(428)	(15,318)	18,094
Finance costs	-	(306)	(3)	(1)	1	(309)
Income tax	-	(458)	-	(12)	-	(470)
Profit (loss) from continued operations	15,854	2,306	14,913	(441)	(15,317)	17,315
Gain from discontinued operations - net of tax	-	-	-	1	-	1
(Profit) loss from non-controlling interest	-	(1,432)	-	194	-	(1,238)
Net profit (loss) for the year of owners of the Company	15,854	874	14,913	(246)	(15,317)	16,078
Other information						
Segment assets	-	32,466	14,426	1,451	(12,546)	35,797
Investments in equity method	20,406	1,210	-	414	-	22,030
Total consolidated assets	20,406	33,676	14,426	1,865	(12,546)	57,827
Segment liabilities	-	3,734	180	6,851	(2)	10,763
Borrowings	-	11,750	-	-	(26)	11,724
Total consolidated liabilities	-	15,484	180	6,851	(28)	22,487
Interest income	-	78	58	46	-	182
Interest expense	-	260	1	-	-	261
Depreciation	-	628	21	1	-	650
Amortisation	-	2,191	2	-	-	2,193
Depreciation and amortisation	-	2,819	23	1	-	2,843

Note to the financial statements

For the year ended 31 December 2015

Financial information by business geographical areas

Revenue and results, based on geographical segments, in the consolidated financial statements for the years ended 31 December 2015 and 2014 are as follows:

	Revenue		Assets*	
	2015	2014 (Restated)	2015	2014 (Restated)
	<i>(in million Baht)</i>			
Thailand	23,896	22,446	17,561	21,204
Singapore	194	154	3,372	1,083
Australia	1,270	1,394	184	245
People's Republic of China	317	293	18	19
India	548	413	19	57
Japan	641	719	48	44
Myanmar	627	489	-	1
Others	1,174	961	146	176
Total continued operations	28,667	26,869	21,348	22,829
Discontinued operations	40	534	-	-
	28,707	27,403	21,348	22,829

*Comprised of property, plant and equipment, property and equipment under operating agreement and intangible assets.

Major customers of INTOUCH Group

During the year ended 31 December 2015 and 2014, INTOUCH Group had no transaction with any external customers amounting more than 10% of the combined revenue.

27 Other income

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014 (Restated)	2015	2014
	<i>(in million Baht)</i>			
Interest income	182	186	58	68
Penalty	-	31	-	-
Gain on sale of available-for-sale investment	335	-	-	-
Gain on sale of equipment	5	-	1	2
Other income	79	76	5	6
Total	601	293	64	76

Note to the financial statements

For the year ended 31 December 2015

28 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		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	<i>(in million Baht)</i>			
Depreciation	650	496	21	15
Amortisation charge	2,193	2,108	2	1
Staff cost	1,956	1,890	260	231

29 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		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	<i>(in million Baht)</i>			
Contribution to provident fund	54	52	8	8

30 Income tax

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

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2015	2014	2015	2014
		(Restated)			
		<i>(in million Baht)</i>			
Current tax		460	265	-	-
Deferred tax expense	16	10	243	-	-
Total		470	508	-	-

Note to the financial statements

For the year ended 31 December 2015

Reconciliation of income tax expense and the results of the accounting profit multiplied by the income tax rates for the years ended 31 December 2015 and 2014 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
	(in million Baht)			
Profits before tax	17,784	15,992	14,913	13,948
Tax rates	20%	20%	20%	20%
The result of the accounting profit multiplied by the income tax rates	3,557	3,198	2,983	2,790
Share of profit of associates and joint ventures	(3,200)	(2,935)	-	-
Effect of the different basis of income tax calculation on tax rates in other countries	(77)	33	-	-
Tax losses in current year not recognised as deferred tax assets	79	80	75	67
Tax losses in previous years not recognised as deferred tax assets	-	5	-	-
Effect of exceptional revenue - dividend income	-	-	(3,059)	(2,877)
Effect of corporate income tax exemption	-	84	-	-
Effect of the non-deductible tax expense and income and expense recognised in the different period between accounting and tax	111	43	1	20
Tax charge	470	508	-	-
Effective tax rate	2.6%	3.2%	0.0%	0.0%

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015 but not after 31 December 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period begins on or after 1 January 2016.

31 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.

Note to the financial statements

For the year ended 31 December 2015

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. The promotional privileges have expired in October 2014.

In 2014, the subsidiary has revenue from promoted business amounting to Baht 1,517 million.

32 Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to the equity holders of the Company shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume the conversion of all potential dilutive ordinary shares, which is the weighted average number of ordinary shares which would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares. The assumed proceeds from the exercise of ESOP would be considered to have been received from the issue of shares at fair value.

The basic earnings per share and the diluted earnings per share are as follows:

Consolidated financial statements						
For the year ended 31 December						
	Profit attri-		Weighted average		Earnings per share	
	butable to owners		number of shares		attributable to owners	
	2015	2014	2015	2014	2015	2014
	<i>(in million Baht)</i>		<i>(in million shares)</i>		<i>(in Baht)</i>	
Basic earnings per share	16,078	14,761	3,206	3,206	5.01	4.60
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	16,078	14,761	3,206	3,206	5.01	4.60

Note to the financial statements

For the year ended 31 December 2015

Separate financial statements
For the year ended 31 December

	Profit attri- butable to owners of the Company		Weighted average number of shares		Earnings per share attributable to owners of the Company	
	2015	2014	2015	2014	2015	2014
	<i>(in million Baht)</i>		<i>(in million shares)</i>		<i>(in Baht)</i>	
Basic earnings per share	14,913	13,948	3,206	3,206	4.65	4.35
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	14,913	13,948	3,206	3,206	4.65	4.35

33 Dividends

The 2015 Annual General Shareholders' Meeting on 27 March 2015 and the Board of Director's Meeting on 13 August 2015 passed the resolutions to pay the interim dividend detailed as follows:

	For the operation result of	Dividend ratio <i>(Baht/Share)</i>	Total dividend <i>(million Baht)</i>	Payment date
The general shareholders' resolution	1 January 2015 – 26 March 2015	2.23	7,142	24 April 2015
The board of director's resolution	27 March 2015 – 12 August 2015	2.40	7,692	10 September 2015

34 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.

Note to the financial statements

For the year ended 31 December 2015

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 2015 and 2014, 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			
	2015		2014	
			(Restated)	
	Foreign currency (Unit: million)	(in million Baht)	Foreign currency (Unit: million)	(in million Baht)
Assets				
US Dollars	86	3,082	24	783
Indian Rupees	448	228	429	207
New Zealand Dollars	2	43	2	51
Total		3,353		1,041
Liabilities				
US Dollars	208	7,531	202	6,681
Singapore Dollars	-	1	-	2
Indian Rupees	240	139	239	131
New Zealand Dollars	2	47	1	15
Total		7,718		6,829

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.

Note to the financial statements

For the year ended 31 December 2015

Fair value of financial instruments risks

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, other payable, accounts payable - equipment, amounts due to related parties, short-term borrowings, current portion of long-term borrowings, other current assets and other current liabilities are assumed to approximate their fair value due to the short maturities of these instruments.

Financial assets and liabilities measured at fair value were as follows:

Consolidated financial statements					
	Carrying amount	Level 1	Fair value		Total
			Level 2	Level 3	
			(in million Baht)		
As at 31 December 2014					
Current assets					
Equity securities available for sale	936	936	-	-	936
Debt securities available for sale	2,091	-	2,091	-	2,091
As at 31 December 2015					
Current assets					
Equity securities available for sale	36	36	-	-	36
Debt securities available for sale	2,417	-	2,417	-	2,417
Separate financial statements					
	Carrying amount	Level 1	Fair value		Total
			Level 2	Level 3	
			(in million Baht)		
As at 31 December 2014					
Current assets					
Debt securities available for sale	1,238	-	1,238	-	1,238
As at 31 December 2015					
Current assets					
Debt securities available for sale	1,284	-	1,284	-	1,284

Fair Value hierarchy

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair value measurements are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Note to the financial statements

For the year ended 31 December 2015

The Group determines Level 1 fair values for marketable equity securities, by using reference rates from the quoted prices in the stock market at the close of business on the reporting date and Level 2 fair value for marketable debt securities, by using reference rates from the quoted prices in the Thailand's bond market at the close of business on the reporting date.

Financial assets and liabilities that were not measured in fair value (disclosure by fair value) as follows:

	Consolidated financial statements				
	Carrying amount	Level 1	Fair value		Total
			Level 2	Level 3	
			(in million Baht)		
As at 31 December 2014					
Non- current liabilities					
Debenture	4,544	-	4,693	-	4,693
Long-term borrowings, excluded finance lease liabilities	5,021	-	-	5,048	5,048
As at 31 December 2015					
Non-current liabilities					
Debenture	4,519	-	4,667	-	4,667
Long-term borrowings, excluded finance lease liabilities	5,442	-	-	5,416	5,416

The Group determines Level 2 fair value for marketable debenture, by using reference rates from the quoted prices in the Thailand's bond market at the close of business on the reporting date. For long-term borrowings (exclude finance lease liabilities), the Group determines Level 3 fair value, by discounted cash flows using marginal interest rate for similar liabilities in the market.

35 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:

1. **A case in which ITV is the plaintiff** regarding to the arbitration institution dispute No. 46/2550 whereby the PMO's unduly termination of the Operating Agreement which was wrongfully performed in breach of the Operating Agreement and against the law, including the arbitration institution dispute No. 1/2550 on 4 January 2007 which is the dispute of the payment of the program penalty fee and interest in the total amount approximately Baht 100,000 million.
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.

Note to the financial statements

For the year ended 31 December 2015

However, on 1 February 2016, ITV received a copy of the Arbitration award, ruling of 14 January 2016. The ruling is summarized in note 39 to the financial statements.

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 joint venture 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% joint venture of THAICOM, owns 49% of LTC's registered shares.

After the end of the 20th 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 23rd year, in 2019, INTOUCH Group 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, INTOUCH Group 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.

On 23 October 2015, SHEN and Lao PDR Government have officially reached the agreement to extend the joint venture agreement and the master agreement for the Development of Telecommunications Services in the Lao PDR, as a result LTC obtain right to operate communication service in Lao PDR for a further period of 25 years until 2046 . According to the amended agreements, LTC is required to invest at least USD 400 million in the projects specified in the agreements within 25 years.

Note to the financial statements

For the year ended 31 December 2015

c) Capital commitments

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

		Consolidated financial statements	
		31 December	
		2015	2014
			(Restated)
	Currency	<i>(in million)</i>	
THAICOM 8 Project	USD	9	31
Internet network	Baht	2	2
Total equivalent to Thai Baht		340	1,022

d) 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 2015, the remaining minimum operating agreement fee was Baht 479 million (*2014: Baht 550 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.

e) 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	
		2015	2014
			(Restated)
		<i>(in million Baht)</i>	
Not later than 1 year		234	241
Later than 1 year and not later than 5 years		364	308
Later than 5 years		72	36
Total		670	585

Note to the financial statements

For the year ended 31 December 2015

36 Significant events, disputes and litigation of INTOUCH Group***36.1 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 and 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.

36.2 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 unlawful 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.

The progression on the dispute during the year ended 31 December 2015 is as follows:

On 2 March 2015, ITV filed a petition to withdraw the dispute 1/2550. The reason was because the issue of the dispute 46/2550 has covered the dispute 1/2550 and the dispute 1/2550 was occurred before the PMO revoked the operating agreement of ITV. Thus, it is not necessary to further process the dispute 1/2550. Regarding this, ITV had requested for a special order to return arbitration fees. The Arbitration Institute had an order that if the PMO disagreed, the objection would be filed within 15 days or otherwise the process would be continued. However, the PMO had filed a request for a time extension to 30 days.

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For the year ended 31 December 2015

On 3 April 2015, the PMO submitted a letter to extend 30 days to file an objection petition to withdraw the dispute 1/2550.

On 1 May 2015, the prosecutor of the PMO raised an objection to the withdrawal of the dispute Case Number Black 1/2550. ITV had taken evidence of the dispute Case Number Black 46/2550 having a total of six witnesses, which was ended on 12 June 2015.

On 19 June 2015, the prosecutor of the PMO began to take evidence on the dispute Case Number Black 46/2550 having a total of eight witnesses, which was ended on 15 September 2015.

On 15 September 2015, the taking of evidence was finished.

On 10 November 2015, ITV filed closing statements to the Arbitration Institute.

On 1 February 2016, ITV received a copy of the Arbitration award, the Case Number Red 1/2559, ruling of 14 January 2016. The ruling is summarised in note 39.

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 3,866 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 2015 (*2014: Baht 433 million*).

36.3 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. 859 million (approximately Baht 467 million) against the said payment received by it from the customers and also levied penalty of Rs. 566 million (approximately Baht 307 million) for the Assessment Year ('AY') 1998-1999 to 2012-2013 (1 April 1997 to 30 March 2012).

So far, THAICOM had received Withholding Tax Certificates ('WTC') from its customers until AY 2012-2013 net amounting to Rs. 594 million (approximately Baht 322 million), in which part of the amount is substituted and paid by the Customer on behalf of THAICOM. THAICOM had also deposited Rs. 480 million (approximately Baht 261 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.

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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 88 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.

36.4 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 ("TOT") who is the Telephone Organisation of Thailand at that time 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.

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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. The full text Memorandum of the Council of State is available only in Thai language.*

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.

Notwithstanding, during the period of the Agreement for Operation until the expiration date on 30 September 2015, the Cabinet had never issued the resolution to revoke or revise the amendments or supplements to the Agreement for operation.

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.

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This amount is the same as an excise tax that AIS had delivered 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 AIS 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 Public Company Limited	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.

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Having considered the said TOT's letter, related laws and the legal counsel's opinion, the AIS's 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 Agreement for operations year 17th-20th 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 Arbitration Dispute Resolution 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.

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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 Alternative Dispute Resolution Office, the 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 17th - 21st 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.

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6) The claim for additional revenue from the 6th and 7th Amendments of the operating agreement

On 30 September 2015, AIS submitted the dispute Case Number Black 78/2558 to the Arbitration Institute of the Alternative Dispute Resolution Office of Thailand to decide regarding the 6th Amendment dated 15 May 2001 and the 7th Amendment dated 20 September 2002 of the operating agreement to conduct business of Cellular Mobile Telephone that the said amendments bind AIS and TOT Public Company Limited ("TOT") to comply with the said amendments until the expiration of the operating Agreement and that AIS has no obligation to pay for the additional revenue according to the letter claimed by TOT to AIS on 29 September 2015 regarding to request the payment of additional revenue in the amount of Baht 72,036 million which TOT has claimed that the 6th and the 7th Amendments were material which caused TOT to receive lower revenue than the rate as specified in the operating agreement.

At present, the dispute is under the consideration of arbitrators which the management of AIS believes that the 6th and the 7th Amendments to the operating Agreement are binding and effective until the expiration of the operating Agreement on 30 September 2015 because AIS has fully complied with all concerned Agreements. Moreover, the Council of State opined on this matter that the amendments to the Operating Agreement between TOT and AIS, Case no. Black 291/2550 that "..... the amendment process of the Operating Agreement which is the administrative contract can be separated from such amendment attached hereto, the amendments have still been in effect as long as it is not revoked or terminated by time, or otherwise...". Therefore, the outcome of the said dispute should be settled favourably and has no considerable impact on the financial statements of AIS.

Later on 30 November 2015, TOT submitted the dispute Case Number Black 122/2558 to the Arbitration Institute of the Alternative Dispute Resolution Office of Thailand to decrease the amount of the revenue claimed by TOT to Baht 62,774 million according to the percentage adjustability of revenue sharing. This case is the same as the dispute Case Number Black 78/2558.

7) Space rental fee for tower and equipment for the service under the Operating Agreement.

On 30 September 2015, TOT submitted the dispute Case Number Black 76/2558 to the Arbitration Institute of the Alternative Dispute Resolution Office of Thailand to decide regarding AIS rents 11,883 base stations, which used for the installation of towers and telecommunication equipment to provide telecommunication services (Cellular Mobile Telephone Service), under the Operating Agreement for additional 2 years from the expiration of the Operating Agreement. In case that AIS cannot perform such rental, AIS shall pay the said rental and all expenses during additional 2 years in the amount of Baht 1,911 million or to place the money to the court.

At present, the dispute is under the consideration of arbitrators which the management of AIS believes that AIS has no obligation to pay for the space rental fee for tower and equipment related after the expiration of the Operating Agreement because AIS has rightfully conducted everything in accordance with the Operating Agreement. Therefore, the outcome of the said dispute should be settled favourably and has no considerable impact on the financial statements of AIS.

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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, the Alternative Dispute Resolution Office, Office of the Judiciary 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 petition to adjust the amount claimed to Baht 3,410 million which calculated from the outstanding revenue sharing up to January 2008 including penalty for Baht 790 million and 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.

On 28 July 2015, the Central Administrative Court reached its decision to dismiss such dispute made by CAT to revoke the Arbitral Tribunal award.

On 3 September 2015, CAT has appealed such dismissal the Case Number Black Oor.1070/2558 to the Supreme Administrative Court. At present, the said case is pending for consideration of the Supreme Administrative Court.

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 6th operation year as DTAC had received from TOT.

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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, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 154 million (additional consideration of the 7th -10th operation year) plus value added tax and interest at the rate 1.25 percent per month of the above principal amount starting from the default date of each year since the 7th -10th operation year until the full payment is made.

On 15 October 2009, CAT submitted a dispute Case Number Black 96/2552 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 22 million (additional consideration of the 11th operation year) including the penalty at the rate of 1.25 percent per month which calculated up to 15 October 2009, total amount of claim Baht 26 million.

On 23 March 2012, the Arbitral Tribunal has dismissed the said two disputes by giving the reason which can be summarised that CAT has not yet paid the discount Baht 22/number/month to TOT. Moreover, CAT cannot prove that DPC has breached the Agreement and has made the payment of revenue sharing incorrectly. 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. 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.

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- 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.

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5) The reduction of roaming fee between DPC and CAT

Starting from 1 July 2006, CAT allowed DPC, to reduce roaming fee per minute from Baht 2.10 to Baht 1.10 to be in line with the decrease of mobile phone service fee. The approval has been renewed for 3-month period several times thereafter until 31 March 2007. After that, CAT did not notify DPC of any changes until on 24 March 2008, CAT had sent a letter to notify DPC to charge roaming fee at Baht 2.10 per minute starting from 1 April 2007. On 8 May 2008, DPC sent a request letter to CAT to reconsider the roaming fee adjustment. The reason for such request was based on the market environment where the prevailing mobile phone service charge to consumers in the market was significantly lower than the specified roaming fee. Such high roaming fee is therefore unreasonable for DPC to provide the roaming service to any operators. In the letter, DPC informed CAT that during the period when CAT is reconsidering the request, DPC will charge roaming fee at Baht 1.10 per minute according to the previous agreed terms and conditions. On 31 March 2009, CAT has approved DPC to charge roaming fee at Baht 1.10 per minute during 1 January 2009 – 31 March 2009. Moreover, DPC has entered into the national roaming agreement with AIS to charge roaming fee at Baht 1.10 per minute approved by NTC on 16 June 2009.

On 15 July 2010, CAT has submitted a dispute under Case Number Black 62/2553 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 10th – 12th operation year that DPC reduced roaming fee per minute from Baht 2.10 to Baht 1.10 during 1 April 2007 – 31 December 2008 amounting to Baht 1,636 million plus penalty computing up to March 2010 of Baht 364 million, totaling Baht 2,000 million and penalty at the rate of 1.25 percent per month from April 2010 until the full payment is made by alleging that CAT had approved the said roaming fee reduction up to 31 March 2007 only.

On 12 September 2011, CAT has submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute; Case Number Black 89/2554 demanding DPC to make additional payment of revenue sharing of 12th operation year which DPC reduced roaming fee from Baht 2.10 per minute to Baht 1.10 per minute during 1 April 2009 – 15 June 2009 in the amount of Baht 113 million plus penalty at the rate of 1.25% per month from 1 April 2009 until full payment is made.

At present, the said dispute is pending on the Arbitration process. 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, the Alternative Dispute Resolution 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.

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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 10th – 14th operation year amounting to Baht 183 million and penalty at the rate of 1.25 percent per month of the above principal amount starting from the default date of each year until the full payment is made.

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 15th 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's 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 Operations

According to the Agreement, DPC has the duties to deliver the bank guarantees to CAT to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the operation year back.

CAT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation year 10th – 14th for a total value of Baht 2,606 million by claiming that DPC had not completely paid the revenue sharing due to the deduction of the revenue sharing for the Excise Tax and the deduction of the Interconnection Charges, the discount of Access Charges and the reduction of the rate of roaming charge where the disputes of which have been pending the consideration of the Arbitral Tribunal.

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On 8 October 2012, DPC has submitted a dispute to the Alternative Dispute Resolution Office, the 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.

On 28 May 2015, the Arbitral Tribunal reached its decision to award an order to CAT to return the bank guarantees and its bank fees to DPC. Later, on 15 September 2015, CAT has submitted the Case Number Black 1671/2558 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is under consideration from the Central Administrative Court.

9) The claim for usage/revenue from the usage of telecommunication equipment and telecommunication network during the temporary customer protection period after the Operating Agreement expired.

On 20 May 2015, CAT has filed a lawsuit against the National Broadcasting and Telecommunication Committee Office ("NBTC Office"), National Telecommunication Committee ("NTC"), National Broadcasting and Telecommunication Committee ("NBTC"), True Move, and DPC to the Central Administrative Court Case Number Black 918/2558 for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT during the temporary customer protection period, subject to the announcement of NBTC regarding the Temporary Customer Protection Plan Following the Expiration of Operating Agreement or Telecommunication Service Agreement, calculated from 16 September 2013 to 15 September 2014. The total amounts are as follows:

- 1) NBTC Office, NTC and NBTC in the amount of Baht 24,117 million including interest at the rate of 7.5% per annum.
- 2) True Move with NBTC Office, NTC and NBTC in the amount of Baht 18,025 million including interest at the rate of 7.5% per annum.
- 3) DPC with NBTC Office, NTC and NBTC in the amount of Baht 6,083 million, including interest rate at the rate of 7.5% per annum.

Later, on 11 September 2015, CAT has filed a lawsuit to the Central Administrative Court Case Number Black 1651/2558 claimed for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT calculated from 16 September 2014 to 17 July 2015, total amounts are as follows:

- 1) NBTC Office, NTC and NBTC in the amount of Baht 6,521 million, including interest rate at the rate of 7.5% per annum.
- 2) True Move with NBTC Office, NTC and NBTC in the amount of Baht 4,991 million, including interest at the rate of 7.5% per annum.
- 3) DPC with NBTC Office, NTC and NBTC in the amount of Baht 1,635 million, including interest at the rate of 7.5% per annum.

Note to the financial statements

For the year ended 31 December 2015

At present, the dispute is under the consideration of Central Administrative Court which the management of AIS believes that DPC has no obligation to pay for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network as claimed by CAT as DPC has rightfully complied in accordance with the announcement of NBTC. Therefore, the outcome of the said dispute should be settled favourably and has no considerable impact on the consolidated financial statements of AIS.

10) The claim for revocation of the NTC order regarding to revenue incurred from the temporary service for customer protection period after the operating agreement end

On 16 November 2015, DPC has filed a lawsuit against the NBTC to the Central Administrative Court Number 1997/2558 for revoke the resolution which the NTC has demanded DPC to deliver revenue at remedy period starting from 16 September 2013 to 17 July 2014 in the amount of Baht 628 million.

DPC's management believes that the company has complied with the NBTC announcement regarding to the Temporary Customer Protection Plan Following the Expiration of the Operating Agreement or Telecommunication Service Agreement B.E. 2556 which specifies that DPC has obliged to submit the revenue after deducting of any expenses to the NBTC. However, DPC had more expenses than the revenue incurred from the service, thus there was no remaining revenue to submit to the NBTC as stipulated in the announcement.

At present, the said case is under consideration by the Central Administrative Court.

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.

Note to the financial statements

For the year ended 31 December 2015

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.

36.5 The order to THAICOM and the Company as co-defendant

On 19 April 2007, Mr. Supong Limthanakul brought legal actions against the National Telecommunications Commission (“NTC”), the office of the NTC and the Ministry of Information and Communication Technology (“MICT”) in the Central Administrative Court (“CAC”) on the ground that the three state agencies neglected to perform their duties in overseeing whether THAICOM has been carrying on its telecommunications business lawfully after the sale of the Company’s shares to the new shareholder.

CAC issued an order dated 8 April 2009 and 20 July 2010 making THAICOM the fourth respondent and the Company the fifth respondent in order to allow THAICOM and the Company to file the reply to the petitioner’s claim including evidence, documentary or otherwise to CAC. THAICOM and the Company have filed the reply and supporting evidence in July 2009 and September 2010, respectively. On 10 June 2011, CAC has dismissed the verdict.

On 8 July 2011, Mr. Supong Limthanakul has filed an appeal with the Supreme Administrative Court (“SAC”). The case is under consideration by SAC. On 23 September 2011, THAICOM and the Company have filed an argument against appeal with SAC.

Note to the financial statements

For the year ended 31 December 2015

The management of THAICOM and the Company is of the opinion that it will not be adversely affected in any way as the actions were brought against NTC, office of the NTC and MICT for neglecting to perform their duties and will not constitute a cause for terminating the operating agreement as THAICOM has fully complied with the terms and conditions of the operating agreement.

36.6 Other litigation

On 26 December 2015, Golden Town Film Company Limited ("Plaintiff") has filed a lawsuit to the Intellectual Property Court against THAICOM, Directors of the Company, and a customer of THAICOM ("Defendant"), claiming that Defendant has broadcasted a movie through satellite TV channel leased from THAICOM, which infringed the movie copyrights owned by Plaintiff. The Intellectual Property Court has defined the first appointment for hearing on 21 March 2016. The management of THAICOM is of the opinion that the company is only the satellite services provider and does not involve the infringements of any movie copyrights.

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.

37 Bank guarantees

As at 31 December 2015, 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 527 million, USD 4 million and AUD 5 million (*2014: Baht 531 million, USD 4 million and AUD 5 million*) on a consolidated basis.

38 TFRS not yet adopted

The Group has not adopted the new and revised TFRS that have been announced on 6 November 2015 and those that issued but are not yet effective. The new and revised TFRS that are applicable to the Group, which become effective for annual financial periods beginning on or after 1 January 2016 are as follows:

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures

Note to the financial statements

For the year ended 31 December 2015

TFRS	Topic
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Disclosure – Service Operating Arrangements
TSIC 31 (revised 2015)	Revenue – Barter Transactions Involving Advertising Services
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Operating Arrangements
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 21 (revised 2015)	Levies

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Group's and Company's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

39 Events after the reporting period***The disposal of investment in Computerlogy***

On 8 January 2016, the Company sold 3,335 ordinary shares in Computerlogy, equivalent to 25.01% of the paid-up capital, to Yello Digital Marketing Global Pte Ltd. for Baht 54.3 million.

Note to the financial statements

For the year ended 31 December 2015

Establishment of a subsidiary of THAICOM

On 19 January 2016, THAICOM has established a new subsidiary namely IPSTAR (India) Private Limited. The registered share capital is Rs. 3 million, divided into 3 million ordinary shares at the par value of Rs. 1 per share. THAICOM has 100% shareholding.

Operating Agreement commitment of ITV

On 1 February 2016, ITV received a copy of the Arbitration's award, the Case Number Red 1/2559, which was ruled on 14 January 2016 in regard of the Case Number Black 46/2550 between ITV and the PMO with the claim for whether termination of the Operating Agreement was legal or not and damages arising from termination of the Operating Agreement, the outcomes are as follows:

1. Termination of the Operating Agreement ordered by the PMO is unlawful
2. The PMO has to pay Baht 2,890 million to ITV for damages
3. As per the order of the Supreme Administrative Court on 13 December 2006 to withdraw the ruling of the arbitration institute dated 30 January 2004, ITV has to pay the operating fee according to the rate specified in the original contract, which total amount until now is Baht 2,890 million for the unpaid operating fee shortfall and interest thereon.
4. ITV and PMO have duty to pay to each other at Baht 2,890 million of which it can be offset then no outstanding debt between both parties. For other disputes raised by ITV and the PMO, those are dismissed.

Although the ruling is final and binding both ITV and the PMO, if either party wants to withdraw this Arbitration's award, that party may submit a petition to revoke at the Court having jurisdiction over the case, as stipulated by law. This shall be subject to uncertainty which may affect the income, expenditure, assets and liabilities in the financial statements and its disclosure regarding unpredictable assets and liabilities.

Dividend payments***Proposed dividend payments of a joint venture, associates and a subsidiary***

At the Annual General Meeting of the shareholders of LTC approved the appropriation of dividend from 2015 operation and the Board of Directors of AIS, CSL and THAICOM, passed resolutions to propose the dividend payment from the operating result of 2015 to the annual general shareholders meetings as follows:

Company	Date of Meeting	Currency	Dividend	Interim dividend paid in 2015 (per share)	Dividend to be paid (per share)	Amount to be paid (in million Baht)
LTC	3 February 2016	USD	0.22	-	0.22	22
AIS	4 February 2016	Baht	12.99	6.50	6.49	19,295
CSL	10 February 2016	Baht	0.44	0.24	0.20	119
THAICOM	10 February 2016	Baht	0.65	-	0.65	712

Note to the financial statements

For the year ended 31 December 2015

Proposed dividend payment of the Company

On 17 February 2016, 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 30 March 2016 to the Company's shareholders at Baht 2.47 per share, approximately Baht 7,920 million. The Company will propose to the annual general shareholders' meeting for the year 2016 of the Company to approve afterward.

On 4 February 2016, the Board of Director of AIS passed a resolution to call the annual general shareholders' meeting for the year 2016 on 29 March 2016 of which there is an agenda of dividend payment for the operating result of the second half of the year 2015 at Baht 6.49 per share.

On 10 February 2016, the Board of Director of THAICOM passed a resolution to call the annual general shareholders' meeting for the year 2016 on 30 March 2016 of which there is an agenda of dividend payment for the operating result of the year 2015 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 8,099 million (From AIS, 1,203 million shares; Baht 6.49 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 2016 of AIS and THAICOM.





Major Shareholders

According to Thailand Securities Depository Co., Ltd., the Company's shareholding structure as of 27 August 2015, the last time the share registration book was closed, is shown below.

Shareholders	Number of shareholders	Number of shares	Percentage of investment
Thai securities holders	57,649	1,692,989,922	52.80
Foreign securities holders	109	1,513,430,383	47.20
Total	57,758	3,206,420,305	100.00

List of top ten major shareholders of the Company

Name ¹⁾	Number of shares	Percentage of investment
1 ASPEN HOLDINGS LIMITED ²⁾	1,334,354,825	41.62
2 THAI NVDR COMPANY LIMITED ³⁾	684,866,457	21.36
3 LITTLEDOWN NOMINEES LIMITED	58,754,773	1.83
4 KRUNGSRI DIVIDEND STOCK LTF	37,013,700	1.15
5 CHASE NOMINEES LIMITED	33,341,190	1.04
6 SOCIAL SECURITY OFFICE	27,865,700	0.87
7 GOVERNMENT PENSION FUND	20,342,100	0.63
8 KRUNGSRI DIVIDEND STOCK FUND	19,557,900	0.61
9 MR. PERMSAK KENGMANA	16,727,700	0.52
10 MR. BUMRUNG SRINGAN	16,431,001	0.51

Remarks:

- The investors can find more information website: www.set.or.th before Annual General Meeting of Shareholders for 2016.
- On the list of shareholders provided by the Department of Business Development, Ministry of Commerce, as of 5 January 2016, Aspen Holdings Limited is incorporated in Thailand and 99.99% owned by Anderton Investments Pte Ltd., Singapore.
- The information of investors under Thai NVDR Co., Ltd. is shown on the SET website (www.set.or.th). Shareholders under Thai NVDR Co., Ltd. as of 27 August 2015 are as follows:

Name	Number of shares	Percentage of investment
1 LITTLEDOWN NOMINEES LIMITED	103,629,727	3.23
2 THE BANK OF NEW YORK (NOMINEES) LIMITED	84,977,395	2.65
3 CHASE NOMINEES LIMITED	67,492,400	2.10
4 STATE STREET BANK AND TRUST COMPANY	31,264,113	0.98
5 STATE STREET BANK EUROPE LIMITED	25,216,842	0.79
6 AIA COMPANY LIMITED-AIA D-PLUS	24,925,100	0.78
7 HSBC (SINGAPORE) NOMINEES PTE LTD	20,792,800	0.65
8 BANQUE PICTET & CIE SA	19,657,277	0.61
9 NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND CL AC	19,230,850	0.60
10 MORGAN STANLEY & CO. INTERNATIONAL PLC	16,471,057	0.51
11 OTHER SHAREHOLDERS	271,208,896	8.46
Total	684,866,457	21.36

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 with investments in the telecommunications, media, information technology and digital content businesses. There are presently three principal business units: Wireless Telecommunications, Satellite and International Businesses, and Other Businesses.
Head office	SJ Infinite One Business Complex, 29 th and 30 th 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 2015)
Par Value	1 baht
Industry	Technology
Sector	Information & Communication Technology
Market Capitalization	166,733.86 million baht (as of 30 December 2015)
Total Shareholders	57,758 shareholders (as of 27 August 2015, the latest book closing date for the right to receive dividend)
% Free Float	58.36

American Depositary Receipt

ADR Ticker Symbol	INTHY
Exchange	Over the Counter
Depository	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)	Percent of investment
Wireless Telecommunication Business						
Advanced Info Service Public Company Limited (AIS) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5165 Website www.ais.co.th	Provide mobile telephone service in the 900 MHz <i>*AIS will discontinue 900 MHz operation when the NBTC announce to stop remedy period.</i>	4,997.46	2,973.10	1	2,973.10	40.45
Advanced Wireless Network Company Limited (AWN) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Telecommunication service provider of 2.1GHz and 1800 MHz license, distributor of handsets, international telephone service, network operator, telecom service operator and national broadcasting network services	1,350	13.50	100	1,350	99.99 ⁽¹⁾
Wireless Device Supply Company Limited (WDS) 404 Phaholyothin Center Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Importer and distributor of handsets and accessories	50	0.50	100	50	99.99 ⁽¹⁾
Advanced Contact Center Company Limited (ACC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Service provider of call center	272	27.20	10	272	99.99 ⁽¹⁾
Advanced MPAY Company Limited (AMP) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Service provider of payment business via mobile phone	300	30	10	300	99.99 ⁽¹⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Advanced Magic Card Company Limited (AMC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Distributor of cash card business	250	25	10	250	99.99 ⁽¹⁾
AIN GlobalComm Company Limited (AIN) 408/127 Phaholyothin Place Tower, 29 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019 Website www.ain.co.th	Service provider of international telephone service gateway	200	1	100	100	99.99 ⁽¹⁾
Super Broadband Network Company Limited (SBN) 408/157 Phaholyothin Place Tower, 38 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019 Website www.sbn.co.th	Network operator and a telecom service operator i.e. Dedicated Leased Line, VPN, Voice Over IP, Broadband service, WiFi service in 2.4 GHz frequency, international and national internet gateway (ISP)	300	3	100	300	99.99 ⁽¹⁾
MIMO Tech Company Limited (MMT) 1291/1, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000	Operate IT, and content aggregator businesses	50	0.50	100	50	99.99 ⁽¹⁾
Fax Lite Company Limited (FXL) 1291/1, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Operate in acquiring and/or lease, building, and related facilities for telecommunications businesses	1	0.01	100	1	99.98 ⁽¹⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Advanced Broadband Network Company Limited (ABN) 408/60 Phaholyothin Place Tower, 15th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok	Currently not start the operation	15	0.15	100	15	99.99 ⁽¹⁾
Information Highway Company Limited (IH) 52/1 Moo 5 Bang Kruai-Sai Noi Road, Bangsitong, Bang Kruai, Nonthaburi	Transmission network provider	50	0.50	100	12.50	29.00 ⁽²⁾
Digital Phone Company Limited (DPC) 404 Phaholyothin Center Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Service provider of digital mobile phone network	3,655.47	365.54	10	3,655.47	98.55 ⁽¹⁾
Advanced Datanetwork Communications Company Limited (ADC) 408/157 Phaholyothin Place Tower, 38 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019 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 ⁽³⁾
Clearing House for Number Portability Company Limited (CLH) 98 Sathorn Square Office Tower, 4 th Floor, Room 403, North Sathorn Road, Silom, Bangrak, Bangkok Tel (66) 2646 2523 Fax (66) 2168 7744	Jointly invested, operate the information system and the centralized database for the mobile portability service	2	0.02	100	2	20.00 ⁽¹⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Bridge Mobile Pte Limited (BMB) 750 Chai Chee Road, #03-02/03, Technopark @ Chai Chee, Singapore 469000 Tel (65) 6424 6270 Fax (66) 6745 9453	Jointly invested, provide international roaming service (incorporated in Singapore)	9 (million USD)	9	1 (USD)	9 (million USD)	10.00 ⁽¹⁾

Satellite and International Businesses

Thaicom Public Company Limited (THAICOM) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (65) 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	5,494.51	1,095.94	5	5,479.69	41.14
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Satellite services

IPSTAR Company Limited (IPSTAR) Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	2 (million USD)	200	0.01 (USD)	2 (million USD)	100 ⁽⁴⁾
IPSTAR New Zealand Limited (IPN) 24 Unity Drive North, Albany, Auckland, 0757 New Zealand Tel (649) 414 5920 Fax (649) 414 5922	Sale of user terminal of IPSTAR and providing IPSTAR services in New Zealand	8.51 (million NZD)	8.51	1 (NZD)	8.51 (million NZD)	100 ⁽⁴⁾
IPSTAR Australia Pty Limited (IPA) 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 ⁽⁴⁾
Orion Satellite Systems Pty Limited (OSS) Level 2, 231 Adelaide Terrace, Perth, WA 6000, Australia Tel (618) 9225 7800 Fax (618) 9225 7811	Provider of satellite communication services and business solutions, primarily Very Small Aperture Terminal based solutions (VSAT)	13.37 (million AUD)	5.96 1 share	1 (AUD) 7.4 (million AUD)	13.37 (million AUD)	100 ⁽⁵⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
IPSTAR International Pte Limited (IPI) 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 Tel (65) 6338 1888 Fax (65) 6337 5100	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	0.02 (million SGD)	0.02	1 (SGD)	0.02 (million SGD)	100 ⁽⁴⁾
IPSTAR Global Services Limited (IPG) Intercontinental Trust Limited, Suite 802, St. James Court, St. Denis Street, Port Louis, Mauritius Tel (230) 213 9800 Fax (230) 210 9168	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	0.02 (million USD)	0.02	1 (USD)	0.02 (million USD)	100 ⁽⁴⁾
IPSTAR Japan Company Limited (IPJ) 1231-1 Hio, Oganomachi, Chichibu-gun, Saitama, Japan	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	100 (million JPY)	0.01	10,000 (JPY)	100 (million JPY)	100 ⁽⁴⁾
Star Nucleus Company Limited (STAR) Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands	Providing engineering and development services, technology and electronics	0.05 (million USD)	10 (shares)	1 (USD)	10 (USD)	100 ⁽⁴⁾
Spacecode LLC (SPACE) 8695 Zumwalt Road, Monmouth, OR 97365 USA	Providing engineering and development services, technology and electronics	-	-	-	4.29 (million USD)	70.00 ⁽⁴⁾
TC Broadcasting Company Limited (TCB) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2596 5060	Providing broadcasting television and telecommunication	1	0.10	10	0.25	99.99 ⁽⁴⁾
International Satellite Company Limited (ISC) 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 (USD)	100 ⁽⁴⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Telephone services abroad						
Shenington Investments Pte Limited (SHEN) 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 Tel (65) 6338 1888 Fax (65) 6337 5100	Holding company for investment in international telecommunications	14.66 (million SGD)	14.66	1 (SGD)	14.66 (million SGD)	51.00 ⁽⁴⁾
Lao Telecommunications Company Limited (LTC) Lanexang Avenue 0100, Vientiane, Lao People's Democratic Republic Tel (856) 2121 6465-6 Fax (856) 2121 9690	Providing Internet services, cellular phone, 3G service, fixed line telephone through the Public Switched Telephone Network (PSTN), fixed wireless telephone CDMA 2000 1X 450 MHz, public telephone service, international roaming service, international telecom services (i.e. VoIP), and value added services in Lao PDR	96.84 (million USD)	96.84	1 (USD)	96.84 (million USD)	49.00 ⁽⁶⁾
Internet and media services						
DTV Service Company Limited (DTV) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2950 5005 Website www.dtvservice.net	Providing system integration consultancy service for broadband network, broadband content service, and DTV satellite dish sales service, to operate internet access services	398.79	39.88	10	398.79	99.99 ⁽⁴⁾
CS LoxInfo Public Company Limited (CSL) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2263 8000 Fax (66) 2263 8132 Website www.csloxinfo.com	Provide our corporate customers with solutions for broad range of internet-based services	148.63	594.51	0.25	148.63	42.07 ⁽⁷⁾
Teleinfo Media Public Company Limited (TMC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2262 8888 Fax (66) 2262 8899 Website www.teleinfomedia.net	Provide advertising platform through print, website, PC, mobile and laptop for business and individual users	156.54	15.65	10	156.54	99.99 ⁽⁸⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
AD Venture Public Company Limited (ADV) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2262 8888 Fax (66) 2262 8899	Content provider through mobile phone and community portal services	10.75	1.07	10	10.75	99.99 ⁽⁸⁾
Cambodian DTV Network Limited (CDN) 9A, Street 271, Tomnup Teuk, Chamkar Mon, Phnom Penh, Kingdom of Cambodia Tel (855) 023 305 990 Fax (855) 023 994 669 Website www.cdn.com.kh	DTV satellite dish sales	2,400 (million Riels)	0.001	2.40 (million Riels)	2,400 (million Riels or equivalent to 0.60 million USD)	100 ⁽⁴⁾

Other Businesses

Venture Capital

Meditech Solution Company Limited (Meditech) 182 Tawanrungs Village Soi 7, Ladprao 64 Yak 4, Ladprao 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
Ookbee Company Limited (OOKBEE) 1104/207-209, Noble Cube Pattanakarn, Pattanakarn Road, Suanluang, Bangkok Tel (66) 2187 2701-8 Fax (66) 2187 2700 Website www.ookbee.com	Service provider for the digital publication platform and e-booking	1.50	0.15	10	1.50	22.26
Golfdigg Company Limited (Golfdigg) 5 Ari 4, Phaholyothin Road, Phayathai, Samsennai, Bangkok Tel (66) 89 333 1000 Website www.golfdigg.com	Service provider for the golf course booking platform and other golf-related services	1.33	0.13	10	1.33	25.00

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Sinoze Company Limited (Sinoze) 1620 Sutthisan Winitchai Road, Huai Khwang, Bangkok Tel (66) 2693 0228 Website www.sinoze.com	Create and develop games on smart phone and tablet	3.60	0.03	100	3.60	16.67
Playbasis Pte Limited (Playbasis) 138 Cecil Street#12-01A Cecil Court, Singapore 069538 Website www.playbasis.com	Service provider for the digital gamification platform	0.20 (million SGD)	0.20	-	0.20 (million SGD)	15.36
Computerlogy Company Limited (Computerlogy) 64/3 Moo 1 Soi Wat Wanghin, Surasak, Sriracha, Chonburi Tel (66) 3832 1100 Website www.computerlogy.com	Software development company specialized in social media management tool <i>*INTOUCH had disposed of all its investment in Computerlogy to Yello Digital Market Global Pte Ltd. as of 8 January 2016.</i>	1.33	0.01	100	1.33	25.01
Others						
I.T. Applications and Services Company Limited (ITAS) 388 Tower B (SP Tower), 3 rd Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2273 0760 Fax (66) 2273 0191 Website www.itas.co.th	Providing computer systems and SAP operational services to INTOUCH Group	10	1	10	10	99.99
Intouch Media Company Limited (Intouch Media) SJ Infinite One Business Complex, 29 th Floor, 349 Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok Tel (66) 2118 6917 Fax (66) 2118 6914	To do business in relation to broadcasting and television, including other related businesses	279	27.90	10	279	99.99

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Touch TV Company Limited (Touch TV) SJ Infinite One Business Complex, 29 th Floor, 349 Vibhavadi Rangsit Road, Chompol, Chatuchak, Bangkok 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 ⁽⁹⁾
High Shopping Company Limited (High Shopping) 2034/75-76 Ital Thai Tower, 16 th Floor, New Petchaburi Road, Bangkapi, Huay Kwang, Bangkok Tel (66) 2123 4555 Website www.highshopping.com	Operate a home shopping business in Thailand	500	50	10	50	51.00 ⁽⁹⁾
High Shopping TV Company Limited (High Shopping TV) 2034/75-76 Ital Thai Tower, 16 th Floor, New Petchaburi Road, Bangkapi, Huay Kwang, Bangkok	Purchase products directly from their homes through various media, including the High shopping TV Channel	10	1	10	2.50	99.99 ⁽¹⁰⁾
Joint Venture Kantana and Intouch	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 ⁽⁹⁾
Matchbox Company Limited (MB) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok	Currently not in operation	58.98	5.89	10	58.90	99.99
ITV Public Company Limited (ITV) 1010 Shinawatra Tower 3, 6 th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok Tel (66) 2791 1795-6 Fax (66) 2791 1797	Currently not in operation	7,800	1,206.70	5	6,033.49	52.92

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Artware Media Company Limited (AM) 1010 Shinawatra Tower 3, Vibhavadi-Rangsit Road, Chatuchak, Chatuchak, Bangkok Tel (66) 2791 1000 Fax (66) 2791 1010	Currently not in operation	25	0.25	100	25	99.99 ⁽¹¹⁾

Remark The information on registered capital, paid-up capital and percent of shareholding as of 31 December 2015.

(1) Owned by AIS (2) Owned by ABN (3) Owned by DPC (4) Owned by THAIKOM (5) Owned by IPA (6) Owned by SHEN
(7) Owned by DTV (8) Owned by CSL (9) Owned by Intouch Media (10) Owned by High Shopping (11) Owned by ITV

Reference Persons

Security Registrar:

Thailand Securities Depository Company Limited
93, The Stock Exchange of Thailand Building,
Ratchadaphisek Road, Dindaeng, Bangkok 10400
Tel (66) 2009 9000
Fax (66) 2009 9991
Website www.tsd.co.th

Auditor:

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



Details of Subsidiaries' Directors

		Subsidiaries					Indirect Subsidiaries																		
Company		THAICOM	ITAS	Intouch Media	ITV ^{1/}	MB ^{1/}	IPSTAR	IPN	IPA	OSS	IPI	IPG	IPJ	STAR	SPACE	TCB	ISC	DTV	CDN	CSL	TMC	ADV	Touch TV	AM ^{1/}	
Director																									
1 Mr. Paron Israsena		⊕																							
2 Prof. Hiran Radeesri		●																							
3 Mrs.Charintorn Vongspootorn		●																							
4 Prof. Samrieng Mekkrangkrai		●																							
5 Mr. Somprasong Boonyachai		●																							
6 Mr. Kwek Buck Chye		●▲																							
7 Mr. Prasert Bunsumpun		●▲																							
8 Mr. Paiboon Panuwattanawong		●▲					●	●	●		●	●	●	●	●	●	●			▲▲	▲▲				
9 Mr. Anek Pana-apichon		▲	●																						
10 Mr. Patompob Suwansiri		▲								●									●						
11 Mr. Philip Chen Chong Tan			●	●																			●		
12 Mr. Kim Sirtaweechai			●	●																			●		
13 Mr. Somchai Lertsutiwong				●																			●		
14 Mr. Somkid Wangcherdchuwong					⊕																			●	
15 Mr. Somboon Wongwanich					●																				
16 Mr. Nittimon Hastindra Na Ayudhya					●																			●	
17 Mrs. Rattanaporn Nammontri					●																				
18 Mr. Wutiporn Diawpanich					●																				
19 Mr. Supoch Vathithphund						●																			
20 Mr. Jitchai Musikabutr						●																			
21 Mr. Vuthi Asvasermcharoen							●	●	●		●	●	●	●		●	●		●	▲▲	▲▲				
22 Mr. Mark D. Thompson							●		●					●	●										
23 Dr. Supoj Chinveeraphan								●	●	●															
24 Mr. Robert Gibson										●															
25 Mr. Teh Kwang Hwee											●														
26 Ms. Smitha Algoo Bissonauth												●						●							
27 Mr. Tommy Lo Seen Chong													●												
28 Mr. Takehiko Fukuoka														●											
29 Mr. William L. Snell															●	●									
30 Mr. Salil Charuchinda																	●		●						
31 Mr. Ekachai Phakdurong																	●								
32 Mr. Pradeep Unni																		●							
33 Ms. Beatrice Lan Kung Wa																		●							
34 Mr. Pramote Boonnumsuk																			●						
35 Mrs. Pannee Nivasnanda																			●						
36 Prof. Wongkulpat Snidvongs Na Ayudhya, M.D.																					⊕				
37 Mr. Suraphol Pluamarom																					●				
38 Mr. Sillapaporn Srijunpetch																					●				
39 Mr. Sitthichai Chantravadee																					●				
40 Mr. Hansa Chevapurke																					●				
41 Mr. Anant Kaewruamvongs																					●▲	▲▲	●		
42 Mr. Lee Han Kheng																					▲▲	▲▲			
43 Mr. Chutidej Printhitipa																						●			
44 Mr. Anuwat Sanguansappayakorn																						●			
45 Mr. Surachart Kugasemrat																						●			
46 Ms. Kamolkarn Nittasuwan																						●			

● = Chairman of the Board of Directors ● = Director ▲ = Executive Committee

As of 31 December 2015

Remark ^{1/}ITV Plc., Matchbox Co., Ltd. and Artware Media Co., Ltd. have ceased business operation.

Company Name	ADV	AD Venture Public Company Limited	ISC	International Satellite Company Limited
	AM	Artware Media Company Limited	ITAS	I.T. Applications and Services Company Limited
	CDN	Cambodian DTV Network Limited	ITV	ITV Public Company Limited
	CSL	CS LoxInfo Public Company Limited	MB	Matchbox Company Limited
	DTV	DTV Service Company Limited	OSS	Orion Satellite Systems Pty Ltd.
	Intouch Media	Intouch Media Company Limited	SPACE	Spacecode LLC
	IPA	IPSTAR Australia Pty Limited	STAR	Star Nucleus Company Limited
	IPG	IPSTAR Global Services Limited	TCB	TC Broadcasting Company Limited
	IPI	IPSTAR International Pte Limited	THAICOM	Thaicom Public Company Limited
	IPJ	IPSTAR Japan Company Limited	TMC	Teleinfo Media Public Company Limited
	IPN	IPSTAR New Zealand Limited	Touch TV	Touch TV Company Limited
	IPSTAR	IPSTAR Company Limited		

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



INTOUCH HOLDINGS PLC.

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